



## REGULATION FOR THE 2020 FREE STOCK ALLOTMENT PLAN

*The provisions of Articles L. 225-197-1 et seq. of the French Commercial Code authorise ARKEMA (the “Company”) to allot shares, free of charge, to employees and corporate officers of the Company and to those of its affiliates as understood under Article L. 225-197-2 of said code.*

*The conjoined Ordinary and Extraordinary General Meeting of the Company, held on 21 May 2019, authorised the Board of Directors under Resolution 13 to allot shares, free of charge, in accordance with the above-mentioned legal provisions. This delegation of powers granted to the Board of Directors is valid for 38 months from 21 May 2019.*

*On 26 February 2020, the Board of Directors approved the regulation for the free stock allotment plan (the “Plan”) and decided to allot free shares to those employees who (i) are employed by a company within the ARKEMA Group, which is a member of the PEG A; and (ii) subscribed shares in the 2020 capital increase reserved for group employees.*

### THE PRINCIPAL FEATURES OF THIS ALLOTMENT ARE AS FOLLOWS:

- Period for free stock to vest, at the end of which the beneficiary is owner of the free stock:	4 ans, soit jusqu’au 5 mai 2024 inclus (livraison des actions le 6 mai 2024), à l’exception de l’Espagne et de l’Italie où la période d’acquisition durera 3 ans, soit jusqu’au 5 mai 2023 inclus (livraison des actions le 8 mai 2023).
- Conditions set out by the Board of Directors on 5 May 2020 for allotment of free stock:	Employment condition, subject to exceptions listed in the Plan.
- Disposal of shares possible from:	6 May 2024, except in the cases of Spain and Italy where the shares must be held for at least 3 years from the date of their delivery (disposal possible from 6 May 2026), and subject to restrictions stated below in the Plan.

### A. PURPOSE OF THE PLAN

The Board of Directors of ARKEMA has proposed to open up the subscription of shares in the Company to beneficiaries (as defined later) in the companies belonging to the ARKEMA Group which are members of the PEG A. The proposal takes the form of a capital increase reserved for employees in 2020 (the “**2020 Offer**”).

In this context, the Company’s Board of Directors has expressed its intention to allot free shares which will be issued to every beneficiary in a company of the ARKEMA Group which is a member of the PEG A and has its headquarters in one of the following countries: Australia, Belgium, Brazil, Canada, China, Denmark, Egypt, Germany, India, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Poland, Romania, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States (the “**Group Company(ies)**”). The allotment decision will be taken pursuant to Resolution 13 of the General Meeting of Shareholders held on 21 May 2019. The rules on this allotment of free shares appears in this Plan.

The date of the allotment of free stock is 5 May 2020 (the “**Allotment Date**”).

The Group Companies are listed in Appendix A of this Plan.

## B. ALLOTMENT OF FREE STOCK AND THEIR VESTING

### ↳ RIGHT TO FREE SHARES

To be eligible for the allotment of free stock, the beneficiary must fulfil the following conditions:

- he must be employed by a Group Company during the subscription period of the 2020 Offer;
- he must have submitted a valid subscription form to participate in the 2020 Offer and have completely fulfilled the conditions for participating in said offer;
- he must be employed, without interruption, by a Group Company from the date of subscription of the 2020 Offer until the Allotment Date, inclusive.

Each beneficiary will be allotted 1 free share for every 4 shares subscribed, either directly or through an FCPE. The maximum number of shares a beneficiary may be allotted is 25.

For the sake of clarity, the amount "subscribed" to be taken into account will be the amount actually invested in the 2020 offer after any reductions carried out on individual subscription orders or all subscription orders due to exceeding the amounts permitted or available.

Each beneficiary named by the Board of Directors will be informed of the number of shares allotted shortly after the allotment.

### ↳ VESTING PERIOD

ARKEMA shares will be fully vested in their beneficiary at the end of the four-year vesting period, which ends on 5 May 2024 inclusive and is subject to the employment condition being fulfilled. Spain and Italy are an exception to this rule. For beneficiaries in these countries, the vesting period ends on 5 May 2023 inclusive.

To receive the free shares at the end of the vesting period, the beneficiary must remain employed at a company of the ARKEMA Group during the entire vesting period according to the conditions stated below.

The rights to the free shares cannot be transferred and they may not be used as any type of collateral until fully vested.

During the vesting period, the beneficiaries do not hold title to the free shares and hold no right connected to ownership of those shares, as such they have no right to dividends or votes attached to those shares.

### ↳ EMPLOYMENT CONDITION

If, at any time during the vesting period, a beneficiary ceases to be an employee of the ARKEMA Group, that person forfeits all rights to free shares. The free shares will become null and void. The beneficiary will have no right to any compensation for the loss of the rights.

### ↳ EXCEPTION TO THE EMPLOYMENT CONDITION

If any of the following events occur, it will be presumed that the beneficiary has satisfied the employment condition:

#### (i) Death

In the event of the death of the beneficiary, the legal heir or heirs of the deceased may request delivery of the free shares any time during the six months following the date of death, pursuant to Article L. 225-197 3 of the Commercial Code. In this case, any allotted free shares will be delivered to the heir(s) shortly after the request and the vesting period will not apply.

If no such request is made, the free shares allotted to the deceased beneficiary will be delivered to the heir(s) at the end of the vesting period.

#### (ii) Disability

The disability must fall within the second or third disability category set out in Article L. 341-4 of the French Social Security Code (or its equivalent in the relevant country).

In this case, the free shares will be delivered to the beneficiary at the end of the vesting period.

#### (iii) Retirement

Retirement must be at the age set out in local regulations or, where applicable, according to agreements or custom within a company of the ARKEMA Group.

In this case, the allotted free shares will be delivered to the beneficiary at the end of the vesting period.

#### **(iv) Redundancy or dismissal without cause**

In the event of redundancy or dismissal without cause, the allotted free shares will be delivered to the beneficiary at the end of the vesting period.

For the sake of clarity, dismissal due to the conduct of the employee or related to poor performance will not be considered as dismissal without cause for the purposes of this Plan.

#### **(v) Loss of Group Company status or shut down of a business or operations unit**

If there is a change in control of a company of the Group which makes the company ineligible to participate in capital increase operations or if a business or operations unit is shut down resulting in the beneficiary losing employment with the Group, the beneficiary of the Group Company or business/operations unit concerned will receive the free shares at the end of the vesting period.

### **ADJUSTMENTS**

In the event of any financial operations affecting the equity of ARKEMA, the Board of Directors will have all authority to modify the vesting conditions of the allotted free stock.

Such an adjustment may be necessary for financial operations on the Company's capital and will have the objective of neutralising any unfavourable effects of those operations on the rights of beneficiaries.

The operations that could affect the Company's equity are:

**cancellation or reduction of capital;**

**ii. modification to the distribution of profits;**

**iii. free shares allotted to all shareholders;**

**iv. incorporation of reserves, profits or share premium into the capital;**

**v. distribution of reserves;**

**vi. any issue of capital securities or securities giving a right to future equity including a subscription right reserved for shareholders;**

**vii. stock consolidation or split.**

Where applicable, the Board of Directors will establish the adjustment conditions. The beneficiary will be informed of the practical arrangements of these operations and their effects on the beneficiary's rights resulting from the allotment of free shares.

### **RESTRUCTURINGS AND MERGERS**

In accordance with Article L. 225-197-1 (III) of the Commercial Code, where an exchange of Company shares, without a balancing payment, occurs as part of a merger or demerger carried out according to the applicable regulation during the vesting period set out herein, the provisions of Article L. 225 197 1 of the Commercial Code, all conditions stipulated in this Plan and, in particular, the vesting period remain applicable to the allotments and shares received in exchange for the vesting period remaining at the time of the exchange.

## **C. DELIVERY OF FREE SHARES**

### **DELIVERY DATE OF FREE SHARES**

The delivery of free shares to a beneficiary will occur at the end of the four-year vesting period, i.e. 6 May 2024. This does not apply to beneficiaries in Spain and Italy where a three-year vesting period is in place; delivery of shares to these beneficiaries will take place on 8 May 2023.

### **RIGHTS OF BENEFICIARIES AFTER DELIVERY OF FREE SHARES**

As of delivery, the beneficiaries will hold full ownership over the free shares allotted under this Plan. They will thus have all rights emanating from being owners of the free shares. These rights include:

- in the case of direct shareholders, the right to vote at General Meetings of the Company or the right to be represented at General Meetings, or, in the case of beneficiaries whose free shares are held through an FCPE, the right to vote at General Meetings of the Company through the Supervisory Board of the FCPE; and
- the right to receive dividends distributed to holders of the free shares if the General Meeting of the Company decide on such pay-outs; for beneficiaries holding free shares through an FCPE, those dividends will be automatically reinvested in the fund.

### **HOLDING OF SHARES**

From the date of delivery, the beneficiaries may freely dispose the free shares received subject to the restrictions stated in C (4) below.

As an exception to the above rule, beneficiaries in Spain and Italy must retain their shares for a three-year period after delivery of the shares.

This holding period will not apply in the event of death or disability falling under the second or third disability category set out in Article L. 341 4 of the French Social Security Code (or its equivalent in the relevant country).

From the date of delivery, the free shares will be held in a nominee account or directly according to the conditions set out by the Company, or held through one or more FCPEs. Beneficiaries will be informed of the applicable custodial method at the time of subscription. However, the Company retains the right to change the custodial method of the shares. In this case, beneficiaries will be informed of such changes before the end of the vesting period.

## RESTRICTIONS AT THE END OF THE VESTING PERIOD

Pursuant to Article L. 225-197-1 of the Commercial Code, the vested free shares may not be disposed of:

1. during the thirty calendar days prior to the release of an interim financial report or an end-of-year report required to be published by the issuer;
2. by members of the Board of Directors, by persons exercising the duties of managing director or deputy managing director and by employees with knowledge of inside information, as defined by Article 7 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which has not been made public.

Furthermore, the free shares must be transferred in adherence to the various provisions on ensuring the transparency and security of financial markets, in particular those provisions on insider dealing and the provisions in the "Securities Trading Code of Conduct" available on the Intranet website under the "Ethics" section, or from the Legal Department.

## D. GENERAL PROVISIONS

### LOCAL TAXES AND FORMALITIES

The beneficiary is personally responsible for carrying out the tax returns and payments relating to him, including tax and social security obligations. Beneficiaries should inform themselves on their tax and social security obligations relating to the allotted shares, especially those accruing at the time of allotment, delivery, disposal and receipt of dividends.

If an employer has to pay charges or taxes on behalf of a beneficiary following allotment, delivery or disposal of shares, the Company will be entitled to defer the delivery date of shares and/or impose a holding period, until the employee has paid all monies or until the payment method for such monies has been agreed with the Company, insofar as such an agreement does not make the beneficiary liable for additional taxes or charges. The employer, Company or any agent appointed for this purpose may, where appropriate, (i) deduct the monies owed by the beneficiary from the latter's salary, or (ii) sell a certain number of the shares delivered to the beneficiary and deduct the necessary amount from the proceeds to settle the taxes and/or social security charges owed by the beneficiary.

A beneficiary's eligibility to the Plan and the delivery of the free shares are subject to the Company and/or Group Companies obtaining the permits, declarations and any other necessary or desirable legal formalities from the local authorities. If the legislation of the country in which the beneficiary is based makes the delivery of free shares to a resident of that country impossible or unsuitable, the Company may, at its sole discretion, suspend delivery of the free shares without notice. The Company also reserves the right to substitute a cash payment of equal value for the allotment of free shares.

### CLAUSE SPECIFICALLY FOR US CITIZENS OR US TAX RESIDENTS

As an exception to Article B (4) of this Plan, the right to request immediate delivery of the free shares within six months of the beneficiary's death does not apply in the case of the death of a beneficiary who is a US citizen or resident in the United States of America for tax purposes (hereinafter, a "**US Taxable Person**") whether they are employed or not at a US subsidiary at the time of death. If a US Taxable Person dies, the delivery of free shares will occur within 90 days of the beneficiary's death, in accordance with Section 409 A of the US Internal Revenue Code.

The free shares have not been and will not be registered with the US Securities and Exchange Commission or any other federal or state authority of the United States of America. The free shares may not be disposed of in the United States of America. They may be disposed of only on the NYSE Euronext Paris stock exchange.

For those beneficiaries considered to be US Taxable Persons, the Plan intends to fulfil the requirements of Section 409 A for the amounts or free shares owed to beneficiaries and subject to Section 409 A. The Plan must therefore be interpreted and applied in the spirit of this objective. In particular, the free shares allotted under this Plan will be delivered taking into consideration the time restraints set out in Section 409 A. In general, no decision implementing this Plan will be made if it contravenes the objective of fulfilling the requirements of Section 409 A. This paragraph prevails over any contradictory provision in the Plan.

## **MODIFICATION OF REGULATION**

The Board of Directors may, at any moment, amend, suspend or add a stipulation to the Plan. Such a modification is allowed only insofar as (i) it does not significantly change the financial benefits or rights granted to the beneficiaries, or (ii) it is necessary or deemed appropriate by the Board of Directors for the purposes of complying with the laws and regulations applicable to the Plan, or (iii) it has been accepted in writing by the beneficiary concerned.

## **APPLICABLE LAW**

This Plan is governed by French law.

Any provision of this Plan found to be unlawful, null and void or unenforceable will not affect the application of the Plan which should then be interpreted as if it did not contain the provision in question while in keeping with the spirit of the Plan.

The parties involved in any dispute relating to the interpretation, validity or enforcement of the Plan should endeavour to find an amicable solution. If no such solution is found, the relevant courts of Paris shall have exclusive jurisdiction over the dispute, including summary proceedings, except in the case of non-derogable provisions allocating jurisdiction to a different court.

Only the French version of this document is authentic, regardless of any translation of it.





## APPENDIX 2

*List of companies outside France forming part of the Arkema Group and covered by PEG A*

COUNTRY	COMPANY NAME
GERMANY	ARKEMA GMBH BOSTIK GMBH BOSTIK TECHNOLOGY GMBH. BOSTIK AEROSOLS GMBH MEM BAUCHEMIE GMBH
AUSTRALIA	BOSTIK AUSTRALIA PTY LTD
BELGIUM	ARKEMA ANTWERP BOSTIK BELUX SA NV
BRAZIL	ARKEMA COATEX BRASIL INDÚSTRIA E COMÉRCIO LTDA ARKEMA QUIMICA LTDA (BRASIL) USINA FORTALEZA INDUSTRIA E COMERCIO DE MASSA FINA LTDA ARR-MAZ DO BRASIL LTDA
CANADA	ARKEMA CANADA INC BOSTIK CANADA LTD
CHINA	ARKEMA (CHANGSHU) CHEMICALS CO., LTD. ARKEMA (CHANGSHU) FLUORO-CHEMICAL CO LTD ARKEMA (CHANGSHU) POLYAMIDES CO, LTD ARKEMA (CHINA) INVESTMENT CO. LTD ARKEMA (CHINA) INVESTMENT CO. LTD CHANGSHU BRANCH ARKEMA (CHINA) INVESTMENT CO. LTD GUANGZHOU BRANCH ARKEMA (CHINA) INVESTMENT CO. LTD SHANGHAI BRANCH ARKEMA (SHANGHAI) DISTRIBUTION CO. LTD ARKEMA (SUZHOU) POLYAMIDES CO, LTD ARKEMA DAIKIN ADVANCED FLUORO-CHEMICAL (CHANGSHU) CO LTD ARKEMA HYDROGEN PEROXIDE CO. LTD SHANGHAI BOSTIK FINDLEY CHINA CO, LTD BOSTIK SHANGHAI MANAGEMENT, CO LTD CASDA BIOMATERIALS CO. LTD CHANGSHU COATEX ADDITIVES CO TLD JIANGSU BOSTIK ADHESIVE CO., LTD SARTOMER (GUANGZHOU) CHEMICALS CO., LTD Sartomer (Guangzhou) Chemicals Ltd. Science City Branch TAIXING SUNKE CHEMICALS CO., LTD. ArrMaz Chemical Yunnan Co. Ltd. Lambson Shanghai
SOUTH KOREA	ARKEMA (KOREA) LTD BOSTIK KOREA LIMITED COATEX ASIA PACIFIC INC. SEKI ARKEMA CO., LTD
DENMARK	ALTUGLAS INTERNATIONAL DENMARK A/S BOSTIK A/S A/S LIP Bygningsartikler. NØRRE AABY (Danemark)

EGYPT	ARKEMA FRANCE REPRESENTATIVE OFFICE BOSTIK EGYPT FOR PRODUCTION OF ADHESIVES S.A.E.
IRELAND	BOSTIK INDUSTRIES LIMITED
UNITED ARAB EMIRATES	ARKEMA MIDDLE EAST DMCC (DUBAI)
SPAIN	AFINITICA TECHNOLOGIES S.L. ARKEMA QUIMICA, S.A.U BOSTIK ESPANA S.A.
UNITED STATES	ARKEMA INC BOSTIK INC COATEX INC ARR-MAZ PRODUCTS L.P. Delaware AMP TRUCKING, INC. Delaware
INDIA	ARKEMA CHEMICALS INDIA PRIVATE LTD ARKEMA PEROXIDES INDIA PRIVATE LIMITED BOSTIK INDIA PRIVATE LTD
ITALY	ARKEMA SRL
JAPAN	ARKEMA KK BOSTIK NITTA CO. LTD
MALAYSIA	ARKEMA COATING RESINS MALAYSIA SDN. BHD. ARKEMA THIOCHEMICALS SDN BHD BOSTIK FINDLEY (MALAYSIA) SDN-BHD
MEXICO	ARKEMA MEXICO SERVICIOS S.A. DE C.V. BOSTIK SERVICIOS MEXICO S.A. DE C.V.
NEW ZEALAND	BOSTIK NEW ZEALAND LTD
NETHERLANDS	ARKEMA BV DEN BRAVEN BENELUX B.V. BOSTIK BV BOSTIK NEDERLAND BV COATEX NETHERLANDS BV
PHILIPPINES	BOSTIK PHILIPPINES INC
POLAND	ARKEMA SP. Z O O BOSTIK SP Z O O
ROMANIA	BOSTIK ROMANIA S.R.L.
UNITED KINGDOM	BOSTIK LIMITED SIROFLEX LTD SOVEREIGN CHEMICALS LIMITED LAMBSON LTD
SAUDI ARABIA	ARKEMA CHEMICAL SAUDI ARABIA Arrmaz Gulf Chemicals
SINGAPORE	ARKEMA PTE LTD (SINGAPORE)
SWEDEN	BOSTIK AB LIP Byggningsartikler A/S (Suède)
SWITZERLAND	ARKEMA INTERNATIONAL SA FEBEX SA
TURKEY	ARKEMA KIMYA SANAYI VE TICARET A.S BOSTIK KIMYA SANAYI VE TICARET A.S