

DECISIONS OF THE BOARD OF DIRECTORS DATED 9 NOVEMBER 2015 REGARDING THE 2015 PERFORMANCE SHARE PLAN

The Board of Directors, in accordance with the authorization granted by the combined shareholders meeting dated 4th June 2013, and upon proposal of the Nominating, Compensation and Corporate Governance Committee, has decided the award of 345,120 performance shares, i.e. 27% of the global authorization granted by said shareholders meeting, to around 1,100 beneficiaries among which Mr Thierry Le Hénaff, Chairman and Chief Executive Officer, up to 26,000 performance shares. The increase of the total number of beneficiaries of this 2015 performance shares plan compared to 2014 is due to the integration of Bostik within the Group (with nearly 5,000 new employees out of a total of around 19,000 in the Group).

The final award of the rights at the end of a 4-year vesting period, for all beneficiaries, is subject to the presence in the Group at that time and the fulfilment of three demanding performance criteria.

In order to take into account certain expectations of institutional shareholders, the Board of Directors has decided, upon proposal of the Nominating, Compensation and Corporate Governance Committee, to modify certain principles applicable to this 2015 performance share plan, as follows:

- Introduction of a new criterion related to the cash generation perfectly in line with the target to increase the cash conversion of EBITDA as announced during the Capital Markets Day organized by the Group in June 2015. This criterion reinforces the focus put on cash generation and enables to even better align the interests of the beneficiaries of performance shares with those of shareholders. It replaces the comparative EBITDA margin criterion;
- A better reward of the outperformance in case the targets are significantly exceeded with a maximum rate allocation for each of the criterion between 120% and 130% depending on the criterion, it being specified that the global award remains capped at 100% of the rights;
- A reduction of the number of shares allocated without performance criteria. Only allocations representing a maximum of 100 performance shares will not be subject to performance criteria. For beneficiaries receiving more than 100 performance shares, the whole allocation is now subject to performance criteria.

The three performance criteria for the 2015 plan are:

- ARKEMA's EBITDA growth: 35% of allocated rights.

The target by which all rights will be awarded under this criterion will be the 2018 EBITDA. If for strict confidentiality reasons, in particular versus the Group's competitors, this target may not be published now, it is perfectly in line with the mid-term and long-term targets for 2017 and 2020 announced to financial markets.

As from this target, the allocation should decrease and no share will be awarded, under this criterion, if EBITDA does not increase compare to 2015. Between these two values, the allocation rate will be determined in accordance with a linear and continuous scale.

If the 2018 EBITDA exceeds by 5% or more the target, the allocation rate under this criterion will be 120%. Between these two values, the allocation rate will be determined in accordance with a linear and continuous scale.

EBITDA shall be calculated based on the consolidated annual accounts as published by ARKEMA in accordance with the provisions of article L.233-16 and L.233.20 of the French commercial code.

It is further indicated that the full allocation of rights under this criterion shall not take place if the gearing (defined as net debt on shareholders' equity) as at 31 December 2018 exceeds 40%. Should gearing exceeds 40%, an adjustment of the EBITDA target would be proposed by the Nominating, Compensation and Corporate Governance Committee to the Board of Directors.

- Cash conversion of EBITDA (net cash flow on EBITDA): 30% of allocated rights.

The net cash flow used for this criterion will be the cash flow from operating and investing activities excluding the impact of portfolio management, non-recurring investments and unrealized foreign exchange results on the financing in foreign currencies of non-recurring investments, with no impact on net debt.

Over the period from 2012 to 2014, this ratio amounted to 25% on average. For the medium-term, ARKEMA aims at increasing this ratio to 35% on average.

In line with this target announced to financial markets, if the average ratio of net cash flow on EBITDA over 2017 and 2018 (the "Ratio") exceeds or is equal to 35%, all shares will be awarded under this criterion.

If Ratio amounts to 25%, no share will be awarded under this criterion.

If Ratio stands between 25% and 35%, the allocation rate under this criterion will be determined following a linear and continuous scale.

If Ratio reaches 40%, the allocation rate under this criterion will be 120%.

If Ratio stands between 35% and 40%, the allocation rate under this criterion will be determined following a linear and continuous scale between 100% and 120%.

- Comparative TSR (Total Shareholder Return): 35% of allocated rights.

Arkema's TSR over a three-year period, from 2016 to 2018, will be compared to those of a panel of European competitors and an index, i.e. Akzo Nobel, BASF, Clariant, DSM, Lanxess, Solvay, Evonik and the CAC 40. The Board has decided to include the CAC 40 index in the panel, as it is considered by employee shareholders and French individual shareholders, which together represent nearly 15% of Arkema's shareholders, as a reference.

The allocation rate under this third criterion will be as follows:

Arkema's position after ranking of each company's TSR in descending order	Allocation rate under this criterion
1 st with + 2 percentage points over the 2 nd	130%
1 st	120%
2 nd	100%
3 rd	85%
4 th	65%
5 th	50%
6 th	25%
7 th to 9 th	0%

TSR is calculated under the same terms and conditions as in 2014.

In line with his past practice, and in accordance with the Code Afep-Medef, Mr. Thierry Le Hénaff made the formal commitment not to engage in any hedging transactions in respect of his own risks, either on options or on shares allocated to him or which shall be allocated to him by the Company within the context of his functions, as long as he should be executive officer of the Company.

Finally it is recalled that in accordance with the law and the Code Afep-Medef, the Chairman and Chief Executive Officer is subject to an additional shareholding requirement since 2010 (for further details please see paragraph 3.4.3.3 of the 2014 Reference Document).
