



# AIR LIQUIDE CAPITAL INCREASE RESERVED FOR EMPLOYEES

## LOCAL SUPPLEMENT FOR MOZAMBIQUE

You have been invited to invest in shares of L'AIR LIQUIDE S.A. via the 2023 Air Liquide Group employee share offering ("myAL myShare 2023"). Please note that myAL myShare 2023 is an international employee share plan, subject to French laws and regulations.

You will find below a brief summary of the local offering information and the principal tax consequences related to the offering in your country. You should read this document carefully, together with the brochure, before making a decision to invest in myAL myShare 2023.

We note that the share offering is not offered to the public, is being addressed only to a limited number and previously identified employees of the company, and any securities granted under myAL myShare 2023 are not traded in Mozambique.

## Local Offering Information

### A share capital increase reserved for employees

L'Air Liquide S.A. shares are expected to be offered to all eligible employees of participating Air Liquide Group companies, pursuant to L'Air Liquide S.A.'s capital increase reserved to such employees.

The total number of shares proposed worldwide is mentioned in the subscription form. If the number of requested shares exceeds the total number of shares proposed worldwide, the number of shares requested may be reduced. In this event, each participant will be informed.

### Eligibility

You will be eligible to participate in the Offering if:

- You are employed by L'Air Liquide S.A. or a direct or indirect majority-owned subsidiary of L'Air Liquide S.A. at the end of the subscription period (between November 6, 2023 and November 16, 2023 before noon, Paris time); and
- Your employer has adhered to the Air Liquide International Group Share Purchase Plan; and
- You meet a minimum employment condition of three months. This length of service may be accumulated under a fixed term contract, or under several contracts, not necessarily consecutive, between January 1, 2022 and November 16, 2023.

### Subscription period

The subscription period is expected to start on November 6, 2023 and last until November 16, 2023 (inclusive). In order to participate in the offering, you would need to subscribe on or by November 16, 2023 at the latest (before noon, Paris time).

### Subscription price

The L'Air Liquide S.A. shares are offered at a discount. The subscription price for each share is based on the average of the opening prices of a L'Air Liquide S.A. share on Euronext Paris (the Paris stock exchange) over the 20 trading days before the date on which the subscription price is set (this is referred to as the "reference price"). The subscription price is equal to the reference price minus a 20% discount. The subscription price is expected to be set on October 30, 2023.

The subscription price is denominated in euros, the currency of the euro zone in the European Union. In Mozambique, payment is to be made in metical. The euro/metical exchange rate will be set by L'Air Liquide S.A. prior to the subscription period.

**Important Note:** During the life of your investment, the value of the L'Air Liquide S.A. shares subscribed will be affected by fluctuations in the currency exchange rate between the euro and the metical. As a result, if the value of the euro strengthens relative to the metical, the value of the shares expressed in metical will increase. On the other hand, if the value of the euro weakens relative to the metical, the value of the shares expressed in metical will decrease.

## Maximum investment

The maximum amount you can invest in *myAL myShare 2023* cannot exceed 25% of your estimated annual gross compensation for 2023.

In addition, if you choose to pay for your investment through 6-monthly salary deductions, each monthly salary deduction cannot exceed 10% of your net monthly salary.

## Method of Payment

Payment is to be made in Meticaïs.

You will be required to pay for your investment using one of the two following methods:

- Over 6 months, by monthly payroll deduction (which may not exceed 10% of your monthly net salary and one third of your monthly gross remuneration) expressly authorized by you in writing;
- or
- Immediate payment via bank transfer, to the account to be designated by your local relay.

## Labor Law Disclaimer

Please note that this Offering is provided to you by the French company L'Air Liquide S.A., not by your local employer. The Offering does not form part of your employment agreement, same does not amend or supplement such agreement nor constitutes or can be construed as an integrant part of any amounts paid in consideration to the work performed by you under the aforementioned agreement being herein expressly agreed that same are not to be considered as an integrant part of your remuneration. Further, your participation does not confer you any right to participate in similar offerings in the future. Benefits that you may receive or be eligible for under this Offering will not be taken into consideration in determining the future benefits, payments or other entitlements, if any, that may be due to you (including in cases of termination of employment).

## Custody of your shares

Shares subscribed will be held directly by the employees in registered form with L'Air Liquide S.A.'s own shareholder services department.

## Lock-up period and Early Exit Events

In consideration for the benefits granted under this offering, the shares subscribed are subject to a lock-up period of five years (ending on December 7, 2028), subject to certain early exit exceptions currently provided for under French law. The exemptions are expected to be:

- Marriage of the employee;
- Where a child is born or a child arrives at the home in view of being adopted, provided the employee's household is already financially responsible for at least two children;
- In the event of divorce or separation, when this event is accompanied by a court decision specifying that the sole or shared ordinary place of residence of at least one child is at the domicile of the employee concerned;
- Where the employee, his or her spouse or children, suffers from a disability as defined by French law;
- Death of the employee or his or her spouse;
- Termination of the employment contract;
- Where the employee, his or her children, or spouse, allocates the amounts saved to create certain businesses as provided for by French law;
- Where the employee allocates the amounts saved to the acquisition or enlargement of his or her principal residence; and
- Domestic violence committed against the employee by his/her spouse or partner, or his/her former spouse or partner.

These early exit events are defined by French law and must be interpreted and applied in a manner consistent with French law. You should not conclude that an early exit event is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon you providing the requisite supporting documentation.

Employees must present a request for early sale within a period of six months after the occurrence of an early exit event, except in the event of death of the spouse, disability, domestic violence or termination of the employment contract (in which case, the request may be made at any time). For further information, please contact your human resource office.

## Dividends

Any dividends paid with respect to the L'Air Liquide S.A. shares will be paid directly to the employees, net of applicable French withholding tax, either directly to the employee's bank account in Euros or in local currency via the employer paycheck, depending on the country. This choice is not up to the employees, and is the same for all employees of a given country. Shares that have been held for more than two full years will be eligible for a 10% increase of the dividend amount (referred to as a "loyalty bonus" but legally a dividend payment).

## Voting rights

The voting rights pertaining to such shares will be exercisable directly by the employees.

## Sale of the shares

In the event that the employee is eligible for an early exit, it is the responsibility of the employee to inform the local subsidiary that the employee wishes to sell his/her shares. The employee is required to provide appropriate justification of the occurrence of the early exit event.

Subject to the above, at the end of the five-year lock-up period, the employees may either decide to keep their shares or decide to sell their investment at any time

# Tax Information for Employees Resident in Mozambique

This summary sets forth general principles in effect at the time of subscription of the offering, that are expected to apply to employees who are, and shall remain until disposal of their investment, resident in Mozambique for the purposes of the tax laws of Mozambique. The tax consequences listed below are described in accordance with Mozambique tax law and certain French tax laws and practices, all of which are applicable at the time of the offering. These principles and laws may change over time.

Please note that neither L'Air Liquide S.A. nor your employer are providing you with, and will not provide you with, any personal advice or tax advice in relation to this offer. For definitive advice, you should consult your own tax advisors regarding the tax consequences of subscribing for L'Air Liquide S.A. shares. This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive

## Will I be required to pay any tax and/or social security charges at the time of subscription of L'Air Liquide S.A. shares?

### Will the discount be subject to tax and/or social security charges?

Under the Personal Income Tax Code ("IRPS Code"), IRPS is due on work related income, including fringe benefits granted by the employer or an entity which is in a domain or group situation in relation to the employer, the case of L'Air Liquide S.A. However, the IRPS does not have specific rules in relation to computation of employees share offerings, including with reference to the available discount and in a situation where the shares subscribed are subject to a lock-up period. Although with unclear legal grounds, ultimately the discount can trigger IRPS.

The argument to sustain that the share price discount is not an employment taxable benefit results from the inexistence of a financial disbursement by the employer or L'Air Liquide S.A. Furthermore, whilst the shares are subscribed by an employee at discount with reference to the trading value on the regulated market, considering the lock-up period it may be reasonable to conclude that one cannot establish a "fair value" at the time of subscription. Thus, it may be reasonable to conclude that the share price discount is not an employment taxable benefit subject to IRPS.

From a social security standpoint, no contributions shall be due.

### Will the interest-free installment payment be subject to tax and/or social security charges??

Yes, from a tax standpoint. An interest-free loan is a fringe benefit subject to IRPS as employment income at the progressive IRPS rates (range from 10% to 32%). The yield in kind corresponds to the value obtained by applying to the respective capital the difference between the reference interest tax for the type of operation, which corresponds to the rediscount rate of the Bank of Mozambique ("BoM") in force at the beginning of each calendar year, and the interest rate that will be borne by the employee (if any).

An interest-free loan is subject to Stamp Duty with reference to the corresponding value of the loan, as follows: loans with a term of less than one year, 0.03% per month; loans with a term of between one year and five years, 0.4%; loans with a term of five or more years, 0.5%. The Stamp Duty is a liability of the employee, as borrower.

## Will I be required to pay any tax or social security charges on dividends, in the event of distribution?

Yes, from a tax standpoint.

### ● Taxation in France

The dividends paid by L'Air Liquide S.A. to you will be subject to a French withholding tax of 12.8%, unless they are paid to a bank account opened in a Non Cooperative State or Territory (NCST)<sup>1</sup> which would trigger a 75% withholding tax in France.

### ● Taxation in Mozambique

The dividends paid by L'Air Liquide S.A. to you as tax resident in Mozambique will be liable to IRPS at progressive rates (range from 10% to 32%). A tax credit may be available in Mozambique in relation to tax paid over the same income in France.

From a social security standpoint, no contributions shall be due.

## Will I be required to pay any tax and/or social security charges at the end of the lock-up period (or in the event of an authorized early exit event) even if I do not sell the L'Air Liquide S.A. shares?

Under the IRPS Code, IRPS is due on work related income, including fringe benefits granted by the employer or an entity which is in a domain or group situation in relation to the employer, which is the case of L'Air Liquide S.A. However, the IRPS does not have specific rules in relation to computation of employees share offerings, including with reference to a situation where the shares subscribed are subject to a lock-up period. Whilst the end of the lock-period can trigger IRPS, the taxation as per the IRPS Code would have increased legal basis at sale.

From a social security standpoint, no contributions shall be due.

<sup>1</sup>The list of NCSTs can be modified each year. The states and territories qualifying as NCSTs are currently the following: Anguilla, Bahamas, British Virgin Islands, Panama, Seychelles, Turks and Caicos Islands and Vanuatu.

### **Will I be required to pay any tax and/or social security charges at sale of the L'Air Liquide S.A. shares?**

Yes, from a tax standpoint. Capital gains (i.e., the difference between the sale price and the acquisition price (i.e., the discounted subscription price) from the disposal of shares in L'Air Liquide S.A. by you as tax resident in Mozambique will be liable to IRPS at progressive rates (range from 10% to 32%). The taxable gain from the sale of the shares is proportional to the shares' holding period by the tax resident taxpayer. That is, one needs to consider:

- 100% of the value if the shares were held up to 12 (twelve) months;
- 85% of the value if the shares were held between 12 (twelve) and 24 (twenty-four) months;
- 65% of the value if the shares were held between 24 (twenty-four) and 60 (sixty) months; and
- 55% of the value if the shares were held for more than 60 (sixty) months.

From a social security standpoint, no contributions shall be due.

### **Will I have any reporting obligations with respect to the subscription, holding and sale of shares, as well as with respect to the receipt of dividends, if any?**

The subscription of shares in a foreign company is subject to the BoM's prior authorization. However, if the investment amount does not exceed an annual amount equivalent to \$250,000.00 per employee and is carried out through a commercial bank authorized to operate in Mozambique, no prior authorization from the BoM needs to be sought.

Following the subscription, the investment needs to be registered with the BoM via the commercial bank used to intermediate the transaction, within 90 days, even if the amount of subscription is below \$250,000.00.

The receipt of dividends and proceeds of sale is subject to the prior approval of the BoM and is required to justify said credit into your account. Please note that you are required to repatriate all income arising from investments abroad within ninety (90) days as of the date of receipt. Such an amount will be credited into a special bank account, denominated export proceeds account, which is subject to special rules on the management of same.

The sale of the shares and receipt of dividends as tax resident in Mozambique will have to be reported in the corresponding annual IRPS return.