

# AIR LIQUIDE CAPITAL INCREASE RESERVED FOR EMPLOYEES

## LOCAL SUPPLEMENT FOR NAMIBIA

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.

## 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 Namibia, payment is to be made in Namibia dollar. The euro/Namibia dollar 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 Namibia dollar. As a result, if the value of the euro strengthens relative to the Namibia dollar, the value of the shares expressed in Namibia dollar will increase. On the other hand, if the value of the euro weakens relative to the Namibia dollar, the value of the shares expressed in Namibia dollar 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 12-monthly salary deductions, each monthly salary deduction cannot exceed 10% of your net monthly salary.

## Methods of Payment

Payment is to be made in Namibia Dollars (N\$). You will be required to pay for your investment using one of the two following methods:

- You agree to pay the subscription price by monthly debit orders over 12 months and thereby authorize L'Air Liquide S.A., through its local agent Air Liquide Namibia (Proprietary) Limited, and agree to instruct your bankers, to implement a monthly debit order against the account in which you receive your monthly salary from Air Liquide Namibia (Proprietary) Limited. Each installment payment made by debit order may not exceed 10% of your monthly net salary; 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 and is made under and in terms of French law. The Offering does not form part of your employment agreement and does not amend or supplement such agreement. More specifically, the Offering does not constitute "remuneration" in terms of the Namibian Labour Act, 2007. Further, your participation does not entitle you to future benefits or payments of a similar nature or value and 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). In amplification of the aforesaid, and for the avoidance of doubt, your entitlement to subscribe to shares in L'Air Liquide S.A. and your rights under and in connection with the share subscription scheme do not constitute any right, entitlement or legitimate expectation, nor does it constitute any remuneration, consideration or other benefit under or in terms of your employment agreement or any employment relationship with Air Liquide Namibia (Proprietary) Limited.

## Exchange Control Approvals

You will be responsible to obtain from the Bank of Namibia (through your local bankers) any and all approvals under the *Exchange Control Regulations, 1961* in order to hold the Shares.

## 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 Namibia

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 Namibia for the purposes of the tax laws of Namibia. The tax consequences listed below are described in accordance with Namibia 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?**

If the subscription of the L'Air Liquide S.A. shares is construed as forming part of the employee's employment benefits, then the offer of shares at a discounted price would constitute a taxable benefit to the employee and form part of the employee's taxable income. The taxable benefit is calculated on the market value of the asset on the day of subscription less any amount actually paid by the employee to acquire it.

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

The payment of the subscription price in instalments may not be subject to tax, unless Air Liquide Namibia is considered to be making a loan to the employee by paying the subscription price in full to L'Air Liquide S.A. and the employee is in turn required to repay the subscription price in instalments to Air Liquide Namibia.

In this regard, it should be noted that loans provided by an employer to its employees, whether such loans are provided at a reduced-rate of interest or on an interest free basis are considered to be a taxable benefit and the taxable value of such interest-free or subsidised loan is 12% p.a. of the loan amount less interest actually paid on the loan.

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

Yes.

● **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 Namibia**

The dividends received from L'Air Liquide S.A. will be exempted from tax in the hands of the employee.

**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?**

The employee will not be liable for tax solely for reason of holding the shares.

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

There is no special statute which imposes capital gains tax in Namibia and therefore, principally, the proceeds from the sale of shares will not be taxable. It must be noted that whilst capital gains tax may not be taxable, if the shares are sold as part of the business of the seller, which business is intended to operate as a scheme of profit making, the sale of the asset would be of a revenue nature and consequently included in the employee's gross income (and thereby taxable).

**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?**

● **Subscription of Shares**

Any payment from the employee (including any payment by Air Liquide Namibia as employer) to a recipient outside the Common Monetary Area, and whether for shares or otherwise, will require exchange control approval from the Bank of Namibia.

● **Holding and Sale of Shares**

The L'Air Liquide S.A. shares would constitute a foreign asset. The employee will therefore, within 30 (thirty) days of acquiring the shares, be required to make a declaration to the Bank of Namibia (through an authorised dealer), stating when and how the employee acquired the shares and where the shares are held.

In the event that the employee opts to sell the shares, the employee is required to seek approval from the Bank of Namibia before the sale, transfer or otherwise disposal of the shares.

<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.