



# AIR LIQUIDE CAPITAL INCREASE RESERVED FOR EMPLOYEES

## LOCAL SUPPLEMENT FOR NEW ZEALAND

You have been invited to invest in shares of L'AIR LIQUIDE S.A. via the 2023 Air Liquide Group employee share offering ("Offering" or myAL myShare 2023). Please note that the Offering 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 the Offering.

### 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 New Zealand, payment is to be made in New Zealand dollar. The euro/New Zealand 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 New Zealand dollar. As a result, if the value of the euro strengthens relative to the New Zealand dollar, the value of the shares expressed in New Zealand dollar will increase. On the other hand, if the value of the euro weakens relative to the New Zealand dollar, the value of the shares expressed in New Zealand dollar will decrease.

#### Maximum investment

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

## Method of Payment

Payment is to be made in New Zealand Dollars.

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

- Payment for the shares may be made (i) either immediately via bank transfer, or (ii) over 12 months by monthly payroll deductions. Each payroll deduction may not exceed 10% of your net monthly salary.
- The account for payment via bank transfer is: 01-0190-0084806-00.

Rebecca King, HR Business Partner and Pacific Total Rewards, will be the main contact point for any questions on the process. You can contact Rebecca at [rebecca.king@airliquide.com](mailto:rebecca.king@airliquide.com) or +64 27 740 7416.

## Employment 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 is not a contractual entitlement and does not form part of the terms and conditions of your employment agreement and does not amend or supplement such agreement. Your salary is intended to adequately remunerate you for the work performed under your employment agreement and the Offering is not intended to form part of your remuneration package.

The shares are offered on a purely discretionary basis and are not guaranteed.

Further, your participation does not entitle you to participate in any subsequent employee share plan or future benefits or payments of a similar nature or value and does not entitle you to any compensation in the event that you lose your rights under the Offering as a result of the termination of your employment.

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:

- Birth or adoption of a third child or higher;
- Disability of the employee;
- Death of the employee;
- Termination of the employment contract;
- Creation by the employee of certain businesses; and
- Acquisition or enlargement of principal residence.

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.

## Privacy

If you apply for shares, you will be asked to provide personal information to L'Air Liquide S.A. and your local employer who will collect and hold the personal information provided by you in connection with your application in accordance with the Privacy Act 2020 (NZ) and other applicable laws and regulations.

Further details are set out below and in the subscription form. You should read this section as well as the representations and undertakings in the personal data section of the subscription form as those representations and undertakings will apply to your subscription and participation in the Air Liquide International Group Share Purchase Plan.

Your personal information will be used: (a) for considering, processing and corresponding with you about your application; (b) in connection with your holding of shares including sending you information that L'Air Liquide S.A. or your local employer considers may be relevant to you by virtue of your holding of shares; (c) for conducting an audit or review of the activities contemplated in (a) or (b); and (d) as otherwise described in the subscription form.

To do these things, in addition to the agreements and undertakings given in the subscription form, you agree that your personal information may be transferred from your local employer to L'Air Liquide S.A. (refer to the address details in the subscription form) and any other member of the Air Liquide group or any management company / service provider / custodian entities administering the Offering (including to all persons statutorily or expressly authorized by Air Liquide or by your local employer to hold and process such information), for the purposes of or in connection with the Offering. This may involve the transfer of my personal information to France. However, all of these entities will be bound by the same privacy policies as L'Air Liquide S.A. and your local employer.

All personal information which is requested in the subscription form is mandatory and, absent such information, your subscription will not be taken into account and you may not participate in the Offering.

You have the right to request confirmation of the personal information we hold about you and to access, and to request correction of, any personal information relating to you. You may do so by writing to your Human Resources Department.

## Warning statement pursuant to the Financial Markets Conduct Act 2013

The statement below is provided in order to comply with New Zealand securities law and in particular the Financial Markets Conduct Regulations 2014 (**FMC Regulations**). The offering is made in reliance on the exclusion for employee share purchase schemes under clause 8 of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMC Act**) and is therefore not a "regulated offer" under the FMC Act and FMC Regulations and does not require the preparation of a product disclosure statement.

## Warning

This is an offer of ordinary shares in L'Air Liquide S.A.. The shares will give you a stake in the ownership of L'Air Liquide S.A. You may receive a return if dividends are paid. If L'Air Liquide S.A. runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

## Transfer of shares

L'Air Liquide S.A.'s shares are quoted on Euronext Paris (the Paris Stock Exchange).

L'Air Liquide S.A. intends to quote these shares issued under the Offering on Euronext Paris. This means that, once the lock-up period has expired (refer below) or in the case of an early exit event, you may be able to sell them on the Euronext Paris if there are interested buyers. You may get less than you invested. The price will depend on the demand for the shares.

You may not redeem your investment during a lock-up period of approximately five years (ending on 7 December, 2028), except in the case of specific early exit events as described above.

## Further information

On request, you have the right to receive, free of charge, a copy of the following documents:

- a) a copy of L'Air Liquide S.A.'s latest annual report; and
- b) a copy of L'Air Liquide S.A.'s latest financial statements together with the auditor's report on those financial statements (if any).

If you wish to receive any of those documents you should make a request to Rebecca King at [rebecca.king@airliquide.com](mailto:rebecca.king@airliquide.com) or +64 27 740 7416.

In addition, you may obtain a copy of L'Air Liquide S.A.'s latest annual report and financial statements together with the auditor's report on those financial statements (if any) by visiting L'Air Liquide S.A.'s website at [www.airliquide.com](http://www.airliquide.com).

# Tax Information for Employees Resident in New Zealand

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 New Zealand (and not transitional resident) for the purposes of the tax laws of New Zealand. The tax consequences listed below are described in accordance with New Zealand 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 at the time of subscription of L'Air Liquide S.A. shares?

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

The 20% discount for the L'Air Liquide S.A. shares you acquire under this Offering will be taxable income for you at progressive rates ranging from 10.5% to 39% (as described below). The amount of the taxable income is the difference between (i) the market value of the L'Air Liquide S.A. shares on the day of the share capital increase and (ii) the subscription price you pay.

The amount of the taxable income will be advised to you by your employer. Your employer is also required to report the amount of the taxable income through its employment income information reporting to the IRD. The amount of the taxable income arising from the 20% discount will be automatically included in a pre-populated tax assessment issued to you by the IRD for the 2023/24 tax year, which will be issued shortly after the end of that tax year.

Your employer may elect to pay, on your behalf, through the PAYE withholding system, the tax owing on the taxable income with the employer's payment treated as a loan to you. If your employer does not do so the tax owing would need to be paid by you to the IRD by the date notified by the IRD. Any PAYE paid will be included in your pre-populated tax assessment issued by the IRD.

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

Your taxable employment income will continue to include that part of your after-tax salary applied as part of the instalment arrangement for payment of the L'Air Liquide S.A. shares. You will not be liable for any other taxes in respect of the interest-free installment payment arrangement.

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

### ● 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 NonCooperative State or Territory (NCST)<sup>1</sup> which would trigger a 75% withholding tax in France.

### ● Taxation in New Zealand

During the lock-up period you will have taxable income from holding your shares that may be reportable to the IRD. This taxable income will be taxable to you at progressive rates ranging from 10.5% to 39% (as described below). It is your responsibility to pay any ensuing income tax.

Certain kinds of income derived by an individual that has not been subject to withholding at source in New Zealand, such as dividends or foreign investment fund income from a foreign company such as L'Air Liquide S.A. (but not including the employee share scheme income arising under this offer), is not required to be reported to the IRD where the total of these kinds of income for the tax year does not exceed \$200. If the \$200 threshold excuses you from having to report income during the lock-up period you do not need to apply the following rules.

Where reporting to the IRD is required, the amount of reportable taxable income arising during the lock-up period depends upon the total cost of all your shareholdings in foreign companies.

- If the total cost of all of your foreign shareholdings is not more than \$50,000, you are potentially subject to what is known as "dividend taxation" (**Dividend Taxation**) during the lock-up period. Dividend Taxation is directed at the taxation of dividends derived during the tax year.

- If the total cost of all of your foreign shareholdings (excluding certain ASX listed companies and Australian unit trusts) is more than \$50,000, you are subject to what is known as "foreign investment fund taxation" (**Foreign Investment Fund Taxation**). If this cost threshold is exceeded, Foreign Investment Fund Taxation applies to all foreign shareholdings (except the excluded Australian ones) and not just the excess over \$50,000. You should take advice from your tax advisor if you are uncertain as to whether the threshold will be met in your case and as to what foreign equity investments might be excluded from the calculation.

Despite not exceeding the \$50,000 cost threshold, and therefore potentially being subject to Dividend Taxation, you may elect to apply Foreign Investment Fund Taxation instead of Dividend Taxation. If that election is made Foreign Investment Fund Taxation must continue to be applied for at least the next four tax years. Dividend Taxation may then be chosen if, in each of those four tax years, the \$50,000 cost threshold was not exceeded.

<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.

### *Dividend Taxation*

Under Dividend Taxation, a dividend paid on your L'Air Liquide S.A. shares is taxable in your hands for New Zealand tax purposes. This includes the loyalty bonus dividend you may receive.

### *Foreign Investment Fund Taxation*

Under Foreign Investment Fund Taxation you must select a calculation method authorised by the rules on Foreign Investment Fund Taxation for the purpose of calculating the taxable income arising from foreign investments. The fair dividend rate method (**Fair Dividend Rate Method**) is assumed to be the calculation method which you will select.

Under the Fair Dividend Rate Method taxable income is the amount that is 5% of the market value of the foreign investment at the start of the tax year, being each 1 April. Foreign Investment Fund Taxation does not apply for the shares acquired under this offer. The shares acquired under this offer were not held as of 1 April 2023.

Under Foreign Investment Fund Taxation any dividends derived during the tax year are not subject to further taxation. The taxable income created under the Fair Dividend Rate Method is the only taxable income from the foreign investment.

### *Tax credit for withholding tax in France*

Upon proof of the withholding, any withholding tax deducted in France from dividends paid on your L'Air Liquide S.A. shares should be allowed as a credit against the New Zealand income tax liability arising from your investment. That tax credit is available under both Dividend Taxation and Foreign Investment Fund Taxation.

### *Exchange rate conversion*

An acceptable New Zealand dollar/euro exchange rate needs to be used when it is necessary to convert a euro amount into its New Zealand dollar equivalent. The IRD publishes acceptable exchange rates on its website ([www.ird.govt.nz](http://www.ird.govt.nz)). Alternatively, an acceptable exchange rate may be obtained from a registered bank.

It is acceptable if you choose to adopt an average close of trading spot exchange rate in force on the 15th day of a relevant month. Under Dividend Taxation the relevant month is when dividends are paid on the L'Air Liquide S.A. shares. Under Foreign Investment Fund Taxation the relevant month is each April.

## **Will I be required to pay any tax 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?**

New Zealand income tax does not apply in relation to the L'Air Liquide S.A. shares you hold at the end of the lock-up period or upon an authorized early exit event occurring. However, Dividend Taxation or Foreign Investment Fund Taxation will apply to any L'Air Liquide S.A. shares you hold after the end of the lock-up period or an authorized early exit event.

## **Will I be required to pay any tax at sale of the L'Air Liquide S.A. shares?**

Whether you will be required to pay income tax on the amount received upon the sale of L'Air Liquide S.A. shares will depend upon the tax rules you apply for the tax year in which the sale or exit occurs.

The rules on Dividend Taxation as set out above, if still in force without modification, should have the consequence that the amount received upon sale will give rise to a non-taxable capital gain (assuming you hold your shares on capital account for tax purposes).

The rules on Foreign Investment Fund Taxation as set out above, if still in force without modification, would have the consequence that no taxable income arises upon sale of your L'Air Liquide S.A. shares. Your taxable income from your L'Air Liquide S.A. shares in the tax year of sale would be limited to the amount of income arising from the application of your relevant calculation method (e.g., the Fair Dividend Rate Method). **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?**

For the tax years following the tax year in which this offer is made you are responsible for reporting taxable income and paying income tax to the IRD.

As mentioned above, the taxable income arising on subscription for your shares (being the 20% discount) will be included in your pre-populated tax assessment issued by the IRD for the tax year in which the subscription occurs.

Other taxable income arising from holding your shares must be reported to the IRD. The IRD will issue a pre-populated assessment to for each tax year, and you will need to review that assessment to ensure it correctly reflects your taxable income. You are able to correct income information in the pre-populated assessment and report additional income through the myIR portal.

If you are not a provisional taxpayer, income tax on your taxable income (which may include taxable income arising under either Dividend Taxation or Foreign Investment Taxation) must be paid by the following 7th February (a later date can apply if you retain a tax agent) if you are to avoid interest and penalties for late payment. The applicable rate of taxation will be determined by reference to your total taxable income for the tax year in which you derive the taxable income. The current rates of taxation applicable to bands of taxable income are as follows:

- 10.5% on taxable income that is \$14,000 or less;
- 17.5% on taxable income between \$14,001 and \$48,000;
- 30% on taxable income between \$48,001 and \$70,000;
- 33% on taxable income between \$70,001 and \$180,000; and
- 39% on taxable income over \$180,000.

If you are a provisional taxpayer, you will be required to pay income tax in instalments during the relevant tax year. If you are not presently a provisional taxpayer, you may become one as a consequence of the acquisition of L'Air Liquide S.A. shares under this offer. You will become a provisional taxpayer if residual income tax (being tax to pay after withholdings) for the tax year is more than \$5,000.

You should retain all documents relating to your shares and any dividends paid on them. These documents may be required to substantiate information disclosed by you in your tax return.