



MyAL
Share
2023

AIR LIQUIDE CAPITAL INCREASE RESERVED FOR EMPLOYEES

LOCAL SUPPLEMENT FOR THE UNITED STATES

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

With respect to employees who are US taxpayers, the Offering is intended to qualify as an «employee stock purchase plan» under Section 423 (a "Qualified ESPP") of the US Internal Revenue Code of 1986, as it may be amended from time to time, and any regulations thereunder (the "Code"), and the Offering shall be interpreted in a manner that is consistent with that intent.

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 eligible 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);
- 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 single period of consecutive service, or under several periods of service, 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 Shares are offered at a discount to the reference price. The subscription price for each Share is based on the average of the opening prices of 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 15% 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 the United States, payment is to be made in US dollar ("USD"). The euro/USD 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 Shares subscribed will be affected by fluctuations in the currency exchange rate between the euro and the USD. As a result, if the value of the euro strengthens relative to the USD, the value of the Shares expressed in USD will increase. On the other hand, if the value of the euro weakens relative to the USD, the value of the Shares expressed in USD will decrease.

Maximum investment

The maximum number of Shares that an employee may subscribe for during the subscription period is capped.

- If paying upfront by ACH direct debit, the number of Shares subscribed may not exceed an amount equally in value to the lower of \$25,000 or 25% of the employee's gross annual base pay.
- If paying by payroll deductions, the number of Shares subscribed may not exceed an amount equally in value to \$9,500 minus the amount of any other outstanding loans from your employer. Moreover, each installment payment made by payroll deduction may not exceed 10% of your net monthly salary for the relevant pay period.

Method of Payment

Payment is to be made in USD.

You will be required to pay for your investment using one of the following two methods (please contact your employer for more information):

- **Payroll deductions, over 12 months; or**
 - If paying by payroll deductions, the number of Shares subscribed may not exceed an amount equally in value to \$9,500 minus the amount of any other outstanding loans from your employer. Each installment payment made by payroll deduction may not exceed 10% of your net monthly salary for the relevant pay period.
- **Payment by ACH direct debit.**
 - If paying upfront by ACH direct debit, the number of Shares subscribed may not exceed any amount equally in value to the lower of \$25,000 or 25% of the employee's gross annual base pay.

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, if any, and does not amend or supplement such agreement or otherwise amend or modify your terms and conditions of employment. 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).

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 exceptions are expected to be the following (as determined by the U.S. administrator of the Offering in its sole discretion):

- The employee's death;
- The employee's termination of employment by L'Air Liquide S.A. and its Affiliates for any reason;
- The employee's acquisition of a new primary residence or substantial improvement to a primary residence; or
- The employee experiences a serious financial hardship.

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 exit within a period of six months after the occurrence of an early exit event, except in the event of employee's death or termination of employment (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 Shares will be paid directly to employees, net of applicable French and US withholding tax, as applicable, 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 their Shares. The employee is required to provide appropriate justification of the occurrence of the early exit event. Employees should consult with their tax advisers prior to selling their Shares, as the timing of sale will affect the tax consequences (as discussed further below).

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 Shares at any time.

Tax Information for Employees Resident in the United States

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 the United States for the purposes of the tax laws of the United States. The tax consequences listed below are described in accordance with the United States tax laws 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 advisers 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 Shares?

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

No. Under Qualified ESPP rules, no taxes are due on the discount at the time of subscription.

If I pay for my Shares through payroll deductions, will the payments be pre-tax or after-tax?

The payments will be after-tax, meaning that the payroll deductions will be made from your pay after withholding of applicable income and employment taxes. If the total amount of your investment does not exceed \$9,500, subject to reduction if you have an outstanding loan from your employer, you will not be subject to taxation.

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

● **Taxation in France**

Yes. 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)¹ which would trigger a 75% withholding tax in France.

● **Taxation in the US**

Yes. The U.S. dollar amount of the dividends (including any amounts of French tax deducted and withheld from the distribution) will be subject to U.S. federal income tax. Such dividends may qualify for the reduced rate of tax applied to "qualified dividends" (maximum rate of 20% under current law) depending on how long the Shares have been held; if they do not qualify, they will be taxed at the rates applied to ordinary income.

A participant's dividends may be subject to an additional 3.8% Medicare tax. This tax is imposed on the participant's net investment income, which includes dividends, if the participant's modified adjusted gross income is higher than a threshold amount (generally, \$250,000 for married couples who file a joint tax return and \$200,000 for taxpayers filing singly).

The U.S. taxes owed by the participant generally will not be withheld by the employer, and payment of such taxes is the responsibility of each participant individually. Participants may be able to claim a foreign tax credit against their U.S. federal income taxes, or to claim an itemized deduction on their U.S. federal income tax returns, for all or part of the French withholding tax imposed on the dividends, subject to specific conditions and limitations.

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 Shares?

No. Under a Qualified ESPP, no taxes are due prior to the sale of the Shares.

Will I be required to pay any tax and/or social security charges at sale of the Shares?

Yes. The tax consequences will depend on when you sell the Shares.

● **Qualifying Disposition**

If you hold the Shares for at least two years from the grant date (the date of the share capital increase) and at least one year from the purchase date (the date you have paid for all of the Shares you subscribed for), or if you die (a "Qualifying Disposition"), you (or your estate, as applicable) will recognize ordinary income tax on the lesser of:

A. THE DIFFERENCE BETWEEN THE SUBSCRIPTION PRICE AND THE REFERENCE PRICE; OR

B. THE DIFFERENCE BETWEEN THE SUBSCRIPTION PRICE AND THE FAIR MARKET VALUE OF THE SHARES ON THE DATE YOU SELL.

In addition, you will realize long-term capital gains on the difference between the reference price and the fair market value of the Shares on the date sold.

¹ 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 Island and Vanuatu.

● Disqualifying Disposition

If you hold the Shares for less than two years from the grant date or less than one year from the purchase date (a "Disqualifying Disposition"), you will recognize ordinary income tax on the difference between the subscription price and the reference price. You will realize short-term capital gains on the difference between the reference price and the fair market value of the Shares on the date sold.

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?

If the amount you recognized as ordinary income from your Qualifying Disposition or Disqualifying Disposition was included in the wages reported on Form W-2, simply report the number from your W-2 on your tax return the way you normally do. If it was not included on your W-2, add the amount that is recognized as ordinary income on your Form W-2 and report the total as wages on your tax return.

You will also need to report the sale of your Shares along with gains (either short-term or long-term capital gains, as applicable) to the IRS. For more detail on tax reporting, forms and timing, consult your tax adviser.