

**LEGAL, FINANCIAL, ACCOUNTING
AND OTHER INFORMATION ABOUT
TARKETT PARTICIPATION**

**IN CONNECTION WITH THE SIMPLIFIED PUBLIC TENDER OFFER FOR THE
SHARES OF**



MADE BY TARKETT PARTICIPATION



This document, which provides legal, financial, accounting and other information about Tarkett Participation, was filed with the Autorité des Marchés Financiers ("AMF") on June 8th, 2021, in accordance with the provisions of Article 231-28 of the AMF's general regulations and AMF instruction no. 2006-07 of 25 July 2006 on takeover bids. This document has been prepared under the responsibility of Tarkett Participation.

This information document supplements the offer document for the simplified public tender offer for Tarkett shares made by Tarkett Participation, approved by the AMF on June 8th, 2021 under no. 21-208, pursuant to a statement of compliance issued on June 8th, 2021 (the "**Offer Document**").

This document and the Offer Document are available on the websites of Tarkett (www.Tarkett.com) and the AMF (www.amf-france.org). They may also be obtained free of charge from:

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92919 Paris La Défense Cedex

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A press release indicating how this document may be obtained will be published no later than the day before the offer opens in accordance with the provisions of Article 231-28 of the AMF's general regulation.

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1. INTRODUCTION

This document has been prepared in accordance with the provisions of Article 231-28 of the AMF's general regulation and Article 5 of AMF instruction no. 2006-07 on takeover bids by Tarkett Participation, a French simplified joint-stock company (*société par actions simplifiée*), registered office at Tour Initiale - 1, Terrasse Bellini, 92919 Paris La Défense Cedex, registered in the Nanterre trade and companies register under number 898 347 877 (the "**Offeror**"), in connection with its simplified public tender offer under the terms of which the Offeror, acting in concert with the members of the Concert (as defined below) has made an irrevocable offer to all the shareholders of Tarkett, a French joint-stock company (*société anonyme*) with a Supervisory Board and a Management Board, registered office at Tour Initiale - 1, Terrasse Bellini, 92919 Paris La Défense Cedex, registered in the Nanterre trade and companies register under number 352 849 327 ("**Tarkett**" or the "**Company**"), to purchase all of their Tarkett shares for cash at a price of €20 per share (the "**Offer Price**") under the terms and conditions set out below (the "**Offer**").

Tarkett shares (the "**Shares**") are admitted for trading on compartment B of the Euronext Paris regulated market under ISIN FR0004188670 (ticker: TKTT).

As of the date of the Offer Document, the Offeror and the Concert members together held 36,217,506 shares of the Company representing 55.25% of the Company's share capital and 54.58% of its theoretical voting rights based on a total of 65,550,281 shares and 66,358,345 theoretical voting rights,¹ in accordance with Article 223-11 of the AMF's general regulation.

The Offer is for:

- all Shares not held directly or indirectly by the Offeror, alone or in concert, that are already in issue, except for Shares held in treasury by the Company,² which, as of the date of the Offer Document and to the Offeror's knowledge, represented a maximum of 28,959,773 Shares:
- all Shares that may be allotted before the Offer closes pursuant to the vesting of free performance shares awarded by the Company under the 2018-2021 LTIP, i.e. to the Offeror's knowledge and as of the date of this document, a maximum of 125,647 Shares.

The maximum number of Shares covered by the Offer is therefore 29,085,420, representing 44.37% of the Company's share capital.

As of the date of the Offer Document, the maximum purchase price that would be paid by the Offeror for the Shares covered by the Offer is €581.7 million based on the Offer price (excluding various fees and expenses).

¹ Based on (i) disclosures of share purchases during a public offer dated 27 May 2021 and (ii) information as of 30 April 2021 published on the Company's website in compliance with Article 223-16 of the AMF's general regulation.

² As of the date of the Offer Document, the Company held 373,002 shares in treasury (of which 125,647 have been allocated to awards of free performance shares under the 2018-2021 long-term incentive plan (2018-2021 LTIP)).

Added to this is the planned refinancing of existing debt at the level of the Company for a total amount of €585 million, as well as the payment of various expenses related to the Offer for an amount of €50 million, i.e. a total amount of €635 million.

The Offer will be financed through the Shareholder Loan and the Bank Financing as indicated in Sections 2.2.7.1 and 3.2.2 of this document. The Offer financing is described in more detail in Section 2.10 of the Offer Document.

To Offeror's knowledge, as of the date of the Offer Document, a maximum of 809,415 Shares could be awarded under the 2019-2022 and 2020-2023 LTIP (the "**Currently Vesting Free Shares**").

Currently Vesting Free Shares are not included in the Offer, subject to the lifting of lock-up periods provided for by the applicable laws or regulations. Holders of these free shares will benefit from a liquidity mechanism on terms described in Section 2.2.7.4 of this document.

The position of holders of free shares with respect to the Offer is described in Section 2.4 of the Offer Document.

As of the date of the Offer Document and to the Offeror's knowledge, there were no equity instruments or other financial instruments or rights that could give access, either immediately or in the future, to the Company's share capital or voting rights other than the Shares and the Currently Vesting Free Shares.

The Offer will take place in accordance with the simplified procedure provided for in Articles 233-1 *et seq.* of the AMF's general regulation.

For information, the Offeror was required to make the Offer pursuant to the provisions of Article L. 433-3, I of the French Monetary and Financial Code and Article 234-2 of the AMF's general regulation, following the SID Contribution (as described in Section 2.2.7.1 of this document) and the concert party formed by SID and the Offeror.

In accordance with the provisions of Article 231-13 of the AMF's general regulation, Rothschild Martin Maurel, BNP Paribas, Crédit Agricole Corporate and Investment Bank ("**CA-CIB**") and Société Générale (the "**Presenting Banks**") filed the draft Offer and the draft Offer Document with the AMF on 26 April 2021.

In accordance with the provisions of Article 231-13 of the AMF's general regulation, only BNP Paribas, CA-CIB and Société Générale guarantee the content and irrevocable nature of the undertakings made by the Offeror in connection with the Offer.

The AMF issued a statement of compliance on June 8th, 2021 signifying approval of the Offer Document and the Company's Response Document.

2. PRESENTATION OF THE OFFEROR

2.1. GENERAL INFORMATION ABOUT THE OFFEROR

2.1.1. Company name

The Offeror's company name is Tarkett Participation.

2.1.2. Registered office

The Offeror's registered office is at Tour Initiale - 1, Terrasse Bellini, 92919 Paris La Défense Cedex, France.

2.1.3. Legal form and nationality

The Offeror is a French simplified joint-stock company (*société par actions simplifiée*) incorporated under French law.

2.1.4. Place of registration

The Offeror is registered in the Nanterre trade and companies register under number 898 347 877.

2.1.5. Date of registration and length of life

The Offeror was registered on 16 April 2021 under the name Tango and changed its name to Tarkett Participation on 23 April 2021 on the decision of the Offeror's sole shareholder.

The Offeror's length of life is 99 years from the date of its registration in the trade and companies register, save in the event of early winding up or extension.

2.1.6. Financial year

The Offeror's financial year begins on 1 January and ends on 31 December of each calendar year. By exception, its first financial year began on its date of registration in the trade and companies register and will end on 31 December 2021.

2.1.7. Corporate purpose

Pursuant to Article 2 of its Articles of Association, the Offeror's corporate purpose is, directly or indirectly, in France or abroad:

- the direct or indirect acquisition, subscription or holding of controlling or non-controlling interests in any and all commercial, industrial, financial, moveable and real property companies or entities by means of the creation of new companies or the acquisition of existing companies, contributions, mergers, demergers, joint ventures or asset leases;
- the provision of any and all consulting and other services, particularly in administrative, financial, accounting, commercial, information technology or management matters, to direct or indirect

subsidiaries of the company or any other company in which it holds an interest, and participation in the management of those subsidiaries;

- generally, any and all financial, commercial, industrial, civil, moveable or real property transactions that may be directly or indirectly related to the above purposes and all similar purposes or that might directly or indirectly facilitate the Company's objective, expansion, development and assets.

2.1.8. Approval of the annual financial statements

The management report, annual financial statements and, as the case may be, the Group management report and consolidated financial statements, are signed off by the Offeror's chairman. They are approved no later than six months after the financial year end by the sole shareholder, or where there is more than one shareholder, by collective decision of the shareholders, having considered the chairman's management report and the reports of the statutory auditors on the financial statements.

2.1.9. Winding up and liquidation

Other than in the event of court-ordered dissolution as provided for by the law or in the event of due and proper extension of its length of life, the Offeror will be wound up at the end of the term set in the articles of association or on the collective decision of the shareholders.

The shareholders or, as the case may be, the sole shareholder, appoint one or more liquidators and determine their powers and fees. The liquidators perform their duties in accordance with the provisions of the law in force.

2.2. GENERAL INFORMATION ABOUT THE OFFEROR'S SHARE CAPITAL

2.2.1. Share capital

Upon its incorporation, the Offeror's share capital was one thousand euros (€1,000) divided into one thousand (1,000) fully paid ordinary shares each with a par value of one euro (€1).

As of the date of this document, pursuant to the SID Contribution the key terms of which are described in Section 2.2.7.1 below, the Offeror's share capital is three hundred and ninety-eight million two hundred and seventy-seven thousand and forty seven euros (€398,277,047) divided into three hundred and ninety-eight million two hundred and seventy-seven thousand and forty seven (398,277,047) fully paid ordinary shares each with a par value of one euro (€1).

2.2.2. Form of shares

The shares are in registered form. They are recorded in an account opened by the Company in the name of the shareholders on the terms and conditions provided for by the laws and regulations in force.

2.2.3. Rights and obligations attached to the shares

Each ordinary share of the Offeror gives the right to one vote. The voting right attached to the shares is proportional to the amount of share capital they represent.

Each share of the Offeror entitles the owner to a share of the company's assets, profits and liquidation surpluses in proportion to the percentage of share capital it represents.

The shareholders are only liable for the Company's liabilities up to the amount represented by the par value of the shares they hold.

2.2.4. Transfer of Shares

Ownership of the shares is evidenced by their registration in an individual account in the name of the owner or owners on a share register held for that purpose at the registered office.

Shares may be sold and transferred without restriction by means of a stock transfer instruction signed by the transferor or his representative. Such transfers are enforceable against the Company and third parties. Stock transfer instructions are recorded on a numbered and initialled register held in chronological order.

2.2.5. Other securities or rights giving access to the share capital and financial instruments not representing capital

None.

2.2.6. Ownership of the Offeror's share capital

As of the date of this document, Société Investissement Deconinck, a French simplified joint-stock company (*société par actions simplifiée*), registered office at Tour Initiale - 1 Terrasse Bellini, 92919 Paris La Défense Cedex, registered in the Nanterre trade and companies register under number 421 199 274 ("**SID**"), itself controlled by the Deconinck family, owns 380,294,901 shares representing 95.49% of the Offeror's share capital and voting rights.

Trief Corporation SA, a joint stock-company (*société anonyme*) incorporated under Luxembourg law, registered office at 5, rue Pierre d'Aspelt, L-1142 Luxembourg, registered in the Luxembourg trade and companies register under number B50162, a wholly owned subsidiary of Wendel SE, 89 rue Taitbout, 75009 Paris (the "**Investor**"), holds 17,982,146 shares representing 4.51% of the Offeror's share capital and voting rights.

2.2.7. Description of agreements involving the Offeror's share capital

2.2.7.1 Investment Agreement

As referred to in Sections 1.1.1 and 1.3.1 of the Offer Document, the Deconinck family, through SID, wished to increase its interest in the Company by joining forces with the Investor.

Accordingly, the Offeror, SID and the Investor (the "**Concert**") entered into an investment agreement on 23 April 2021, the key terms of which are described in Section 1.3.1 of the Offer Document (the "**Investment Agreement**").

Contribution of Shares held by SID to the Offeror

Under the Investment Agreement, SID agreed to contribute its entire interest in the Company to the Offeror, i.e., 33,222,659 Shares representing 50.68% of the Company's share capital and 66.39% of its voting rights on the date of the contribution, at its net carrying amount (the "**SID Contribution**"). This contribution, which was paid for with 398,276,047 newly issued ordinary shares of the Offeror, took place on 23 April 2021.

Transfer of securities of the Offeror to the Investor and shareholder loan

In accordance with the provisions of the Investment Agreement:

- (i) SID transferred 1 ordinary share of the Offeror to the Investor on 23 April 2021 (for an amount of about €1.67) and 17,982,145 shares of the Offeror on 26 April 2021 (for an amount of €30,000,000), the price of the shares being based on the Offer Price; and
- (ii) to finance part of the Offer (with the rest of the funding consisting of the Bank Financing described below), the Investor has granted the Offeror a shareholder loan in a maximum amount of €250,000,000 (the "**Shareholder Loan**"). The intention is that the Shareholder Loan will be converted into equity when the Offer is completed or, as the case may be, once the Offeror has carried out a squeeze-out. The final amount drawn on the Shareholder Loan and therefore of the subsequent capital increase and the Investor's percentage interest in the Offeror's capital will depend on the number of Shares acquired by the Offeror through the Offer and, as the case may be, the squeeze-out.

Start of the Offer

The Investment Agreement contains provisions regarding:

- (i) the filing of the Offer by the Offeror with the AMF on behalf of the Concert;
- (ii) an undertaking by each member of the Concert to facilitate the completion of the Offer, to take no action that may hinder the Offer and to co-operate with the independent appraiser;
- (iii) the Offer financing arrangements;
- (iv) insofar as necessary, an undertaking by the Investor to take all necessary steps to obtain approvals from the competent antitrust authorities at the earliest opportunity;
- (v) an undertaking regarding co-operation by the Parties with respect to the Offer.

Financing of the Offer

To partially finance the Offeror's purchase of Shares through the Offer, the Offeror has also entered into a facility agreement under English law entitled "Senior Facilities Agreement", involving BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale as arrangers and guarantors of the Offer, under which the lenders will provide two credit facilities in a total principal amount of €1,300,000,000 (the "**Bank Financing**"), which is also intended to refinance part of the Group's debt and to fund the Group's general requirements.

Undertakings regarding the Group

The Investment Agreement provides for an undertaking by SID (i) to ensure, insofar as it is able, that the Company's business activities are managed normally until the Offer closes and (ii) to ensure, insofar as it is able, that no Reserved Decision (as defined below) is taken without the Investor's agreement.

Other undertakings

The Investment Agreement also contains provisions regarding:

- (i) incentives for certain key executives and employees to be put in place by the Offeror, which are described in greater detail in section 1.3.3 of the Draft Offer Document;
- (ii) the creation of a liquidity mechanism for holders of Currently Vesting Free Shares and Free Shares Under Retention in the event that a squeeze-out takes place, as described in greater detail in section 1.3.4 of the Offer Document.

2.2.7.2 Shareholders' Agreement regarding the Offeror and the subsidiaries it controls

As referred to in Section 1.3.2 of the Offer Document, the members of the Concert formed a shareholders' agreement (the "**Shareholders' Agreement**") on 23 April 2021 governing relations between SID and the Investor as regards the Offeror and the subsidiaries it controls (including the Company) for a period of 15 years, the main terms of which are summarised below and which will come into force on the settlement date of the Offer or of the squeeze-out as the case may be.

(a) Governance

(i) Governance of the Offeror

Supervisory Board:

Composition of the Supervisory Board: the Supervisory Board will consist of six (6) to nine (9) members, including (i) five (5) members nominated by SID, and (ii) one (1) or two (2) member(s) nominated by the Investor provided that the Investor holds more than 10% or 20% respectively of the Offeror's voting rights after the Offer, (iii) one (1) qualified person nominated by the Investor provided that the Investor holds more than 10% of the Offeror's voting rights and (iv) one (1) qualified person nominated by SID.

Each party to the Shareholders' Agreement may appoint up to two observers (*censeurs*), subject, in the Investor's case, to its owning more than 5% of the Offeror's voting rights.

Decisions of the Supervisory Board: decisions are taken by the Supervisory Board by simple majority vote and the Management Board is required to obtain prior authorisation from the Supervisory Board for certain decisions currently provided for in the internal rules of Tarkett's Supervisory Board.

In addition, certain extraordinary decisions involving either the Offeror or the Company or its subsidiaries, in particular relating to material investments, the use of debt above a certain threshold, acquisitions above certain thresholds, changes to the group's activities, the formation of agreements between related parties and amendments to the articles of association that may affect the Investor ("**Reserved Decisions**") may only be taken by simple majority vote that includes a vote in favour by at least one (1) representative of the Investor provided that the Investor holds more than 10% of the Offeror's voting rights.

Management Board: the Management Board will consist of the chief executive officer and, as the case may be, one or more deputy chief executive officers.

The Management Board's members will be appointed and dismissed by simple majority

decision of the Offeror's Supervisory Board, to the extent that as regards the appointment of the chief executive officer (except the first one), the Investor has the right to oppose the appointment of a candidate for the position of chief executive officer from amongst the selected candidates.

Shareholders' general meetings: ordinary decisions will be taken by simple majority vote and extraordinary decisions (including decisions giving rise to a change to the articles of association) by qualified majority vote, corresponding to two thirds of voting rights.

(ii) **Governance of the Company**

As described in section 1.2.2 of the Offer Document, the Company's governance is likely to change after the Offer closes in order to reflect the Company's new ownership structure, to the extent that SID will remain the majority shareholder.

Governance in the event of a squeeze-out: if the Company's Shares are the subject of a squeeze-out following the Offer, the Company will be converted into a simplified joint-stock company (*société par actions simplifiée*) headed by the Offeror's chief executive officer, namely Fabrice Barthélemy.

Governance in the event that the Company's Shares remain listed: if the Company's Shares remain listed, the Company will retain a dual governance structure consisting of a Management Board and a Supervisory Board, to the extent that (i) a majority of the Supervisory Board members will be nominated by SID, (ii) if the Investor owns more than 10% of the Offeror's voting rights, one Supervisory Board member will be nominated by the Investor and (iii) at least a third of the Supervisory Board members will be independent according to the provisions of the Afep-Medef code applicable to controlled companies. The Composition of the Management Board will remain unchanged. It is intended that the Supervisory Board members nominated by SID and the Investor will undertake to vote in accordance with decisions that may be taken by the Offeror's Supervisory Board.

(b) **Transfers of securities and exit clauses**

The Shareholder's Agreement contains the following main provisions regarding the transfer of securities in the Offeror and exit clauses:

- (i) the Investor may not transfer its securities in the Offeror for five (5) years from the time the Shareholder's Agreement comes into force (the "**Lock-Up Period**");
- (ii) securities may be transferred freely between affiliates as is customary in certain circumstances;
- (iii) at the end of the Lock-Up Period, the Investor may transfer its securities in the Offeror subject to SID having a right of first refusal;
- (iv) SID has a drag-along right allowing it to force the transfer to a third party of all securities held by the Investor under certain conditions;
- (v) if SID intends to sell securities in the Offeror, the Investor will have a total and/or proportional tag-along right depending on the number of securities sold;

- (vi) exit arrangements for the Investor, including the option for the Investor, after a certain period, to carry out a competitive process to sell the securities in the Offeror held by the Investor and/or request an initial public offering;
- (vii) a standard anti-dilution right (subject as the case may be to issues of securities under employee incentive mechanisms).

2.2.7.3 Investment and performance share plans at Offeror and Company level

As referred to in Section 1.3.3 of the Offer Document, the members of the Concert have agreed in the Investment Agreement to implement, after the Offer, an investment and performance share plan at the Offeror's level (the “**Plan**”) for certain executives and senior managers of the Company (the “**Managers**”).

The Plan will comprise:

- (i) an investment by the Managers in the ordinary shares of the Offeror, on a *pari passu* basis with the other shareholders, paid for with all or part of the proceeds from the Shares tendered to the Offer;
- (ii) an investment by certain Managers in “ratchet” preferred shares of the Offeror that would entitle their holders to a portion of the capital gain realised in the event of an Exit (as defined below);
- (iii) awards of ordinary and “ratchet” free shares in the Offeror to the Managers.

The shares will be subscribed at market value, determined by an appraiser as the case may be.

The value of the “ratchet” performance shares will depend on the overall investment multiple arising in the event of an Exit.

The Exit events provided for by the Plan are (i) an initial public offering of the Offeror's shares, (ii) the Investor's sale of its stake and (iii) an event after which SID would no longer control the Offeror. The Managers will benefit from a total tag-along right in the event of an Exit. In the event that SID transfers all of its securities in the Offeror, SID will have a drag-along right in the same circumstances, allowing it to force the Managers to sell their securities.

Aside from Exit events, the Managers will benefit from partial liquidity in portions of one-third of the ordinary shares they hold in the sixth, seventh and eighth years of their investment. From the eighth anniversary, the Offeror will also have the right to buy all securities held by the Managers.

The price of the shares will be equal to the sum of: (i) 70% of the value obtained by applying the EBITDA multiple inferred by the Offer Price (i.e. 8.1x) to the Tarkett group's consolidated EBITDA over the 12 months preceding the transfer date N, less net debt calculated at the end of the month preceding the transfer date N, and (ii) 30% of the value obtained by applying the EBITDA multiple inferred by the Offer Price (i.e. 8.1x) to the Tarkett group's consolidated EBITDA over the 12 months following the transfer date, less net debt calculated at the end of the month preceding the first anniversary dated of the transfer.

In the event of Exit, the Managers will not benefit from any mechanism allowing them to obtain a guaranteed sale price. There is no contractual mechanism that could (i) be analysed as additional

consideration, (ii) render the Offer price per share inappropriate or jeopardise the equal treatment of minority shareholders or (iii) give rise to a guaranteed sale price clause for the benefit of the Managers.

2.2.7.4 Liquidity Mechanism

As referred to in Section 1.3.4 of the Offer Document, under the Investment Agreement, the members of the Concert have agreed to set up, after the Offer closing date, a liquidity mechanism for holders of Currently Vesting Free Shares and Free Shares Under Retention (the “**Liquidity Mechanism**”).

Under the Liquidity Mechanism, the Offeror will grant each holder of Currently Vesting Free Shares and Free Shares Under Retention a call option, exercisable from the Date of Availability, and each holder of Free Shares and Free Shares Under Retention will grant the Offeror a put option, exercisable from the end of the exercise period of the call option if the call option has not been exercised.

The put and call options may be exercised if a Liquidity Event occurs.

The “**Date of Availability**” means the day on which the Shares subject to a Liquidity Mechanism will become transferable as a result of the end of the vesting period or, as the case may be, the end of the fiscal holding period or the end of the legal lock-up period.

A “**Liquidity Event**” means an event where (i) the Offeror is able to carry out a squeeze-out after the Offer, in accordance with Article L. 433-4(II) of the French Monetary and Financial Code and Articles 237-1 *et seq.* of the AMF’s general regulation or (ii) the average daily volume of Tarkett shares traded in the 20 stock exchange trading sessions before the Date of Availability is less than 0.05% of the Company’s share capital on that date.

If an option is exercised, the exercise price will be determined consistently with the Offer Price, using a formula based on the EBITDA multiple arising from the Offer Price applied to the EBITDA of the 12 months preceding the Date of Availability as well as net debt calculated in a manner consistently with the Offer Price.

However, if the Offeror exercises its call option, the price per Tarkett share paid to the beneficiary may not be less than 80% of the Offer Price, i.e. €16 (this floor price is not applicable to the put option that follows this call option).

If a squeeze-out is carried out, the free shares subject to the Liquidity Mechanisms described above will be treated in the same way as Shares held by the Offeror in accordance with Article L. 233-9(I)(4) of the French Commercial Code, and will not be covered by the squeeze-out.

2.2.7.5 Other agreements

With the exception of the agreements described in Sections 2.2.7.1 to 2.2.7.4 of this Document, there is not, to the Offeror’s knowledge, any other agreement that may affect the assessment or outcome of the Offer.

2.3. MANAGEMENT, SHAREHOLDERS' DECISIONS AND STATUTORY AUDITORS OF THE OFFEROR

2.3.1. Chief executive officer

The Offeror is represented and managed by a chief executive officer who may be an individual or an entity and who may but need not be a shareholder of the Offeror.

The chief executive officer is appointed by collective decision of the shareholders either for an indefinite term or a fixed term determined in the appointment decision.

As of the date of this document, Fabrice Barthélemy is the Offeror's chief executive officer.

2.3.2. Deputy chief executive officers

The sole shareholder or, as the case may be, the shareholders representing more than half of the Company's share capital, may appoint one or more deputy chief executive officers who may be legal entities or individuals and who may but need not be shareholders of the Company.

The decision to appoint one or more deputy chief executive officers will also indicate their term of office, the amount of their compensation and any restrictions on their powers, insofar as any restrictions on the powers of the chief executive officer will automatically apply to the deputy chief executive officers. A deputy chief executive may always be reappointed.

As of the date of this document, the Offeror's chief executive officer is not assisted by any deputies.

2.3.3. Removal of the chief executive officer and deputy chief executive officers

In accordance with the Offeror's articles of association in effect as of the date of this document, the chief executive officer and deputy chief executive officers may be removed at will at any time without notice or compensation, by collective decision of the shareholders.

2.3.4. Powers of the chief executive officer and deputy chief executive officers

The chief executive officer runs the Company and represents it in its dealings with third parties. In its dealings with third parties, the chief executive officer has the broadest powers to act in all circumstances in the name of the Offeror, within the limits of the corporate purpose, and to represent it. The chief executive officer performs his functions subject to the powers conferred on the shareholders provided for by law and the articles of association.

The Offeror is bound by the chief executive officer's acts even where they are *ultra vires* the company's corporate purpose, unless the company can prove that the third party knew the act was *ultra vires* or could not fail to know given the circumstances. Publication of the articles of association does not in itself constitute sufficient proof. Any provisions restricting the powers of the chief executive officer are not enforceable against third parties.

The chief executive officer may delegate his powers to carry out specific functions or perform certain acts, for a limited period only, to any person of his choice, with or without the option to sub-delegate.

The deputy chief executive officers have the same powers as the chief executive officer of the Company. The decision to appoint one or more deputy chief executive officers may provide for decisions that may not be taken without the prior authorisation of the chief executive officer or any other body referred to in the decision.

2.3.5. Compensation of the chief executive officer and deputy chief executive officers

The chief executive officer and deputy chief executive officers are entitled to claim back business expenses incurred in the performance of their functions, subject to providing the relevant supporting documents.

The shareholders may also, by collective decision, allocate compensation to the chief executive officer for his services to the Company.

2.3.6. Decisions of the shareholders

Pursuant to the provisions of Article 12 of the Offeror's articles of association in force as of the date of this document, the shareholders vote by collective decision on the matters referred to in Article L. 227-9 of the French Commercial Code.

All other decisions come within the competence of the chief executive officer, unless the law provides otherwise.

2.3.7. Shareholders' Agreement

Pursuant to the Shareholders' Agreement described above, the Offeror's governance will be modified after the Offer, as indicated in Section 2.2.7.2(a) of this document.

In particular, as indicated above, the Management Board, which will act under the supervision of a Supervisory Board, will be composed of the chief executive officer and, where applicable, one or more deputy chief executive officers. Decisions taken at shareholders' meetings will be taken on the majority conditions applicable to joint-stock companies (*sociétés anonymes*), i.e. ordinary decisions will be taken by simple majority vote and extraordinary decisions (including decisions giving rise to a change to the articles of association) by qualified majority vote, corresponding to two thirds of the voting rights.

After the Offer, the Offeror's articles of association will be amended in accordance with the principles provided for in the Shareholders' Agreement.

2.3.8. Statutory auditors

Mazars (Tour Exaltis, 61 rue Henri Regnault, 92400 Courbevoie) and KPMG S.A. (Tour Eqho, 2 avenue Gambetta, 92066 Paris la Défense Cedex), registered in the Nanterre trade and companies register under, respectively, numbers 784 824 153 and 775 726 417, were appointed as principal statutory auditors of the Offeror upon its incorporation.

Their term began on 14 April 2021 and, unless renewed, will expire after the approval of the 2026 financial statements.

2.4. **DESCRIPTION OF THE OFFEROR'S BUSINESS ACTIVITIES**

2.4.1. Main activities

The Offeror is a holding company created for the purposes of the Offer to hold and manage the interest in the Company's share capital and any other subsidiaries or interests that the Offeror may come to hold.

2.4.2. Exceptional events and significant litigation

To the Offeror's knowledge, as of the date of this document, there were no significant legal proceedings or exceptional events, other than the Offer and its related transactions, that could have a material impact on the Offeror's business, assets, results or financial position.

2.4.3. Staff

As of the date of this document, the Offeror did not employ any staff.

3. INFORMATION ABOUT THE OFFEROR'S ACCOUNTING AND FINANCIAL POSITION

3.1. SELECTED FINANCIAL DATA

The Offeror was registered in the Paris trade and companies register on 16 April 2021 with an initial share capital of one thousand euros (€1,000). Its first financial year will end on 31 December 2021.

The table below contains the selected financial data corresponding to the Offeror's balance sheet at 31 May 2021 for indicative purposes only.

In euros	YEAR N (at 31 May 2021)		
	GROSS	DEPR./AMORT. PROV.	NET
Subscribed uncalled capital	-	-	-
Intangible assets	-	-	-
Property, plant and equipment	-	-	-
Financial assets	458,172,987	-	458,172,987
Non-current assets	-	-	-
Inventories and work-in-progress	-	-	-
Trade and other receivables	-	-	-
Marketable securities	-	-	-
Cash and cash equivalents	9,972,935.94	-	9,972,935.94
Current assets	-	-	-
Accrual accounts and other assets	-	-	-
Total assets	468,145,322.94	-	468,145,322.94

In euros

YEAR N (at 31 May 2021)

	GROSS	DEPR./AMORT. PROV.	NET
Share capital	398,277,047	-	398,277,047
Other reserves	-	-	-
Statutory reserve	-	-	-
Net income for the year	(63,760.34)	-	(63,760.34)
Tax-driven provisions	-	-	-
Investment grants	-	-	-
Equity	398,213,286.66	-	398,213,286.66
Quasi-equity	69,918,589.36	-	69,918,589.36
Provisions	-	-	-
Financial liabilities	-	-	-
Trade and other payables	13,446.92	-	13,446.92
Accrual accounts and other liabilities	-	-	-
Total liabilities and equity	468,145,322.94	-	468,145,322.94

The Offeror has not yet closed a financial year.

To the Offeror's knowledge, no significant event has occurred or affected the Offeror's assets since the SID Contribution, other than the Offer and its related transactions.

3.2. EXPENSES AND FINANCING OF THE OFFER

3.2.1. Expenses relating to the Offer

The overall amount of all expenses, costs and disbursements incurred by the Offeror solely in connection with the Offer, including the fees and other expenses of its external financial, legal and accounting advisers, those of appraisers and other consultants, and publicity and communication expenses, is estimated at approximately €25 million (excluding VAT).

3.2.2. Offer financing arrangements

As of the date of the Offer Document, the maximum purchase price that would be paid by the Offeror for the Shares covered by the Offer is €581.7 million based on the Offer Price for the Shares (excluding various expenses and commissions).

The Offeror is financing a transaction of approximately €640 million, taking into account the acquisitions of Shares made since the filing of the draft Offer, as well as the various expenses of €50 million, as follows:

- by the Investor through the Shareholder Loan in a maximum amount of €250 million, the terms and conditions of which are described in Section **Erreur ! Source du renvoi introuvable.** of the

Offer Document (the final amount will depend on the number of shares tendered to the offer); and

- the balance of a maximum amount of approximately €440 million (the final amount depending on the rate of contribution to the offer), by the ad-hoc drawing of the Credit Facilities providing for two credit lines of a maximum amount of €1,300 million.

The total amount of €1,300 million will comprise a Term Loan B in a maximum amount of €950 million and a revolving credit facility of €350 million.

It is specified that, in addition to the financing of the acquisition of the Shares covered by the Offer and the expenses, the credit lines are intended to be used to refinance most of the financial debt. the credit facilities are intended to be used to refinance the bulk of X's existing ex-Ifrs16 financial debt (at 31 December 2020 existing ex-Ifrs16 financial debt of X (as of 31 December 2020 in the amount of €694 million, for a Cash and cash equivalents of €329 million).

4. PERSONS RESPONSIBLE FOR THE DOCUMENT

"I hereby certify that this document, which was filed on June 8th, 2021 and will be distributed no later than the day before the Offer opens, contains all the legal, financial, accounting and other information about Tarkett Participation required in connection with the Offer under Article 231-28 of the AMF's general regulation and its instruction no. 2006-07 on takeover bids. To the best of my knowledge, this information is in accordance with the facts and does not omit anything likely to affect its import."

Paris, June 8th, 2021

Fabrice Barthélemy
Chief Executive Officer, Tarkett Participation