



**ACT 2022**  
**NEXANS GROUP EMPLOYEE SHARE OFFERING**  
**LOCAL SUPPLEMENT FOR AUSTRALIA**

*You have been invited to invest in shares of Nexans SA in the Nexans Group employee share offering for 2022 (“Act 2022”). You will find below a brief summary of the local offering information and principal expected tax consequences relating to the offering (the “Local Supplement”).*

**You should carefully read this Local Supplement in conjunction with the SAR Notice, employee brochure and other materials distributed to you. These documents form the terms of Act 2022. A copy of these documents may be obtained by sending a written request to Zoya Griffiths (zoya.griffiths@nexans.com). This information will be provided at no charge and within a reasonable time.**

**Local Offering Information**

***Reservation Period***

The reservation period starts on 9 May 2022 and ends on 24 May 2022 (inclusive) (the “Reservation Period”). During the Reservation Period, you will be able to submit your orders to subscribe for Nexans shares at the preferential Subscription Price (described below).

***Revocation Period***

The revocation period starts on 23 June 2022 and ends on 28 June 2022 (inclusive) (the “Revocation Period”). During the Revocation Period, you have the option of revoking all of your initial subscription order. Upon the expiration of the Revocation Period, outstanding subscription orders become binding and irrevocable. If you did not submit a subscription order for Nexans shares during the Reservation Period, you may submit a new subscription order during the Revocation Period. The maximum share amount of a new subscription order during the Revocation Period is equal to 1/10th of the share amount you could have ordered during the Reservation Period

***Subscription Price***

The per-share subscription price will be determined by Nexans’ CEO on 22 June 2022 and will equal the average opening price of the Nexans share on the Paris stock exchange over the 20 trading days preceding 22 June 2022 (the “Reference Price”), minus a 20% discount (the “Subscription Price”).

Your subscription is in euros. Consequently, your subscription payment in Australian dollars will be converted by your employer using the exchange rate to be set on or around 22 June 2022. The total amount of your subscription will need to correspond to a number of whole shares (i.e., a multiple of the subscription price).

You are able to calculate the reference price by calculating the average opening price of the shares over the 20 trading days ending 22 June 2022 and then applying a 20% discount to determine the subscription price. The price will be posted at your work premises and on the intranet site created for the purpose of Act 2022.

We will within a reasonable period of you requesting it, provide you with information about the current share price of ordinary shares in Nexans SA, and the Australian dollar equivalent of that share price. This information may be obtained by sending a written request to Zoya Griffiths (zoya.griffiths@nexans.com). Alternatively, you can obtain the market price of a Nexans SA share (in

euros) from the Euronext Paris website (<https://www.euronext.com/en>) or on [https://www.nexans.com/unclassified/share\\_price.html](https://www.nexans.com/unclassified/share_price.html) and the current AUD\$/euro exchange rate on [www.rba.gov.au](http://www.rba.gov.au). The market price of a Nexans SA share quoted in euros on the Euronext Paris website can be converted to Australian dollars on websites such as [www.xe.com](http://www.xe.com) to determine the price in Australian dollars. Exchange rates may affect the value of your investment (including the Matching Contribution received, if any) and are governed by the market and are not guaranteed. Please see the 'Risks' information below.

### ***Matching Shares***

If you elect to participate in Act 2022, Nexans will match your personal investment (your "Personal Contribution") by delivering additional Nexans shares for you at the Subscription Price (the "Matching Shares"), representing 60% of the amount you invest, up to a maximum value of the equivalent value in Australian dollars of €150. These Matching Shares will be delivered to you at the same time as the purchased shares and will be subject to the same Lock-Up Period (defined below).

For the avoidance of doubt, your Personal Contribution is based on the Subscription Price, which represents a 20% discount.

### ***Stock Appreciation Rights***

Each share that you purchase in Act 2022 will be accompanied by a stock appreciation right, or "SAR." The SAR will include (i) a "Personal Contribution Protection" feature, which is designed to ensure that you are able to recover at the end of the Lock-Up Period the amount of your Personal Contribution, in euros, in the event the Nexans share price decreases below the Subscription Price and (ii) a "Share Price Appreciation" feature, which is designed to provide you with a payment equal to a multiple, as determined under the SAR formula, of the amount of value of the Nexans share in excess of the Reference Price (not including the discount). Details about the SAR are contained in the employee brochure and the SAR Information Notice, both of which are included in the materials sent or made available to you in connection with Act 2022.

You should be aware, as noted in the SAR Information Notice, that your investment in Act 2022 is not guaranteed in any circumstances. In particular, exchange rate fluctuations between the Australian dollar and the euro will affect the amounts paid under the "Share Price Appreciation" and "Personal Contribution Protection" features of the SAR. In addition, amounts paid to you under the SAR will generally constitute taxable income to you, and the amount you pay in taxes will reduce the return you realize on your investment. Further note that all obligations under the SAR are obligations of your local employer and not of Nexans SA.

### ***Custody of your Shares***

Your shares will be held in your name. Confirmation regarding custodianship of your shares will be provided to you following the subscription period.

### ***On-sale***

Any securities offered to you in accordance with this offer are issued as an incentive to promote mutual interdependence between you and the Nexans Group and to further align your interests with the interests of the Nexans SA shareholders. They are not offered or issued for the purpose of on-sale.

### ***Method of Payment – What are the payment methods available for my subscription?***

The following payment methods are available:

- Wire Transfer to the following bank account: JP Morgan Chase Bank Castlereagh St Sydney NSW Account Name: Olex Australia Pty Ltd BSB: 212-200 Account Number: 086004829 SWIFT code: CHASAU2X; or
- Salary Deduction from your after-tax salary in twelve (12) consecutive months beginning in August 2022.

If you choose to pay for your subscription through wire transfer, the amount of your subscription has to be paid by bank transfer between 9 May 2022 and 28 June 2022. In order for your subscription to be valid, you must have provided your bank with adequate instruction with respect to the wire transfer by 25 June 2022, at the latest.

If you choose to pay for your subscription through salary deduction and you cease employment with the Nexans Group before all your salary deductions are completed you will be required to repay the outstanding amount of your salary advance. The termination of your employment may constitute an early release which causes your Lock-Up Period to terminate early.

You may not choose the salary deduction payment option if your employment is due to end, or to be suspended, on 28 June 2022.

***Terms and conditions of interest free advance on your salary as part of the salary deduction payment option***

If you choose to pay for your subscription through salary deduction, your employer will provide an interest free advance on your salary for the amount you wish to subscribe.

The terms of the interest free advance are:

- you must mark the box for payment by salary deduction in the reservation / subscription form or revocation / subscription form (as applicable);
- you must nominate the total amount you wish to invest in the reservation / subscription form or revocation / subscription form (as applicable);
- your employer will deduct the total amount in 12 equal instalments (subject to any final instalment differences) from your post tax salary payments commencing in August 2022;
- the salary deductions will be used to repay that interest free advance over the specified period;
- the advance is interest free;
- no fees are payable in respect of the advance;
- the interest free advance is only provided for the purchase of shares and does not relate to the acquisition of SARs; and
- if you cease employment with the Nexans Group then you may request a sale or transfer the shares you subscribed for under the early release events detailed below.

***Securities Notices***

Please note that neither Nexans SA nor your employer is providing you with, and will not provide you with, any personal, financial or tax advice in relation to this offer. Any advice in this Local Supplement is of a general nature only. It does not take into account your objectives, financial situation and needs.

The decision whether to participate in Act 2022 is yours to make having regard to your own particular circumstances and any independent advice you require. You should read this Local Supplement, the SAR Notice, employee brochure and other materials distributed to you carefully and consider obtaining your own financial product advice from a person who is licensed by ASIC to give such advice if you have any queries as to the course of action you should follow having regard to your specific circumstances.

You should note that this is an offer for participation in a foreign employee share offering, which is subject to the regulation of the French “Autorité des Marchés Financiers” (**AMF**) and laws of France, and any dispute regarding the offer and its operation shall be subject to the exclusive jurisdiction of the courts of France. You should also note that the offer is regulated by the laws of France, and those laws differ from Australian laws. Employees in Australia who participate in this offer must make any claim and enforce any right arising out of or in connection with the offer of a Nexans share in the courts of France.

***Early Release Events – What are the circumstances in which my investment will be accessible to me before the end of the five-year Lock-Up Period?***

In consideration of the benefits granted under the offering, your investment must be held for a period of five years ending on 26 July 2027 (the “Lock-Up Period”). During the Lock-Up Period, you may not sell your shares or transfer them to another individual or to a trust or other entity.

The Lock-Up Period will end early, however, in the case of the following early release events as authorized by the laws of France:

1. Termination of the employment contract; and
2. during the last two years of the Lock-Up Period, from 26 July 2025 to 26 July 2027:
3. Disability of the employee; and
4. Death of the employee.

These early release 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 release 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 your providing the required supporting documentation.

***Exchange Rate Risk***

For so long as you hold any Nexans shares that you purchase through Act 2022, the value of the shares subscribed for will be affected by fluctuations in the currency exchange rate between the euro and the Australian dollar. If the euro depreciates with respect to the Australian dollar, the value of your investment, expressed in Australian dollar dollars, will decrease. Conversely, if the euro appreciates with respect to the Australian dollar, the value of your investment, expressed in Australian dollars, will increase.

Similarly, the SAR’s Personal Contribution Protection is determined based on the value of the Nexans share in euros at the end of the Lock-Up Period or earlier occurrence of an early release event. If the euro weakens relative to the Australian dollar, the SAR’s Personal Contribution Protection may result in your receiving an amount that, in Australian dollars, is less than the amount required for you to avoid a loss on your investment.

Neither your employer nor any other member of the Nexans Group is responsible for any risk arising from or relating to fluctuations in the exchange rate between the euro and the Australian dollar.

### ***Distribution risk***

Whether Nexans SA pays a dividend during a financial year or not is dependent on its performance and dividends may not be paid every year or at all.

### ***No Special Employment Rights***

Nothing contained in this Local Supplement or in any other materials distributed to you in connection with Act 2022 shall confer upon you any right with respect to the continuation of your employment with your employer or any other member of the Nexans Group, or interfere in any way with your employer's right, subject to the terms of any separate agreement, employment or otherwise, or of applicable law to the contrary, to terminate your employment at any time or to alter the terms of your compensation and benefits. There are no employment advantages or disadvantages related to whether or not you participate in the offering.

You don't have any right to compensation or damages as a result of the termination of your office, employment or other contract with a group company for any reason, so far as those rights arise or may arise from ceasing to have rights under the Act 2022 as a result of a termination.

### ***Shareholder Rights***

Should you decide to purchase shares in Act 2022, you will be entitled to all the rights of a shareholder including the right to receive information about Nexans' financial results, and to participate and vote at any Nexans shareholder meetings, and to receive dividends, if declared. You will have these rights with respect to both the shares purchased with your Personal Contribution and your Matching Shares.

### ***Administration***

All determinations made by Nexans or your employer concerning administration of Act 2022 (for example, concerning the applicable exchange rate, calculation of the maximum amount you are permitted to invest, calculation of the number of Matching Shares to which you are entitled or the number of shares allocated to you, and application of the Lock-Up Period) will be final and binding. Nexans reserves the right to amend any of the terms set forth in the employee brochure, this Local Supplement for Australia or the SAR Notice, or to terminate the offering, at any time, except that no such amendment or termination shall be made that would adversely affect your rights in any shares that you have already purchased.

## **Tax Information for Employees**

*This summary sets forth general principles that are expected to apply to employees who are and remain until the disposal of their investment resident in Australia for the purposes of the tax laws of Australia, but may not apply in all situations.*

*This summary is for information purposes only. It does not take into account your personal circumstances. It does not constitute tax advice to you. For definitive advice, employees should consult their own tax advisors regarding the tax consequences of participating in Act 2022.*

*This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive.*

*The tax consequences listed below are described in accordance with Australian and certain French tax law and tax practices, all of which are applicable in March 2022. These laws and practices may change over time.*

### **Upon subscription**

#### ***I. Will I be required to pay any tax and/or social security charges at the moment of subscription?***

Broadly, if your “adjusted taxable income” for an income year is \$180,000 or less, you will not have to pay income tax on the first \$1,000 of discount granted to you in that income year. The discount will be the difference between the market value on the date of delivery of the shares granted to you and the subscription price you pay.

If your “adjusted taxable income” for an income year exceeds \$180,000 for the income year in which the shares are allocated to you, or if the discount provided is more than \$1,000, you will have to include the value of the discount (where you do not qualify to have the discount reduced) or the amount of the discount above \$1,000 in your assessable income in that income year.

Soon after the end of each income year, the company will provide you with an ESS statement identifying the value of discount provided to you during that year under Act 2022.

You will need to include the discount in your tax return for the year in which the shares were allocated to you, and identify whether it is eligible for reduction (i.e. to not be included in your assessable income).

If you are required to pay tax on any discount, you will be taxed at your marginal rate of tax. The top marginal rate is currently 47% (including a 2% Medicare levy). A 1% to 1.5% Medicare levy surcharge may in addition apply to employees whose income for surcharge purposes is more than \$90,000 per annum (for an individual) or \$180,000 per annum (for a couple) in most situations if Australian registered private hospital insurance cover is not held.

Broadly, your adjusted taxable income is your taxable income grossed up for reportable fringe benefits and reportable superannuation contributions, and for any net investment losses that you incur for the income year. You should seek assistance from a financial or taxation advisor to determine your adjusted taxable income.

#### ***II. Will I be required to pay any tax and/or social security charges on the interest-free advance payment?***

You will not be subject to income tax in respect of any interest-free advance or reduced-rate advance at a rate less than the FBT statutory rate (currently 4.52% and updated annually) resulting from the salary deduction proposed as your method of payment.

Any interest-free advance or reduced-rate advance at a rate less than the FBT statutory rate resulting from the salary deduction proposed as your method of payment will constitute a “loan fringe benefit” on which the local Nexans employer will be required to pay FBT on the “taxable value” of the benefit. Your employer’s FBT liability may be reduced where you provide a declaration in the required form to your employer.

If the fringe benefits that you receive during the year ending 31 March are greater than \$2,000 in aggregate the value of the benefits will generally be reportable in your year-end income statement. This amount will be used by the ATO to determine your entitlement (to or liability for) income-tested tax concessions and surcharges, including:

- the Medicare levy surcharge (note: this is different to the 2% Medicare levy);
- concessions for personal and spouse superannuation contributions; and
- HECS\HELP debt repayments.

Please consult your taxation adviser as to how a reportable fringe benefits amount may affect your entitlements or liability.

### ***III. Will the Nexans Matching Shares be taxable?***

As the Matching Shares constitutes an additional discount on the shares granted to you, it will not form part of your salary and wages but will be taxable as explained at I above.

### ***IV. Will I be required to pay any tax or social charges with respect to the grant of SARs?***

You will not be liable for any tax at the time of grant in relation to the SAR. Refer to VII below regarding the tax consequences on receipt of any SAR payment.

### **During the life of the Plan**

#### ***V. Will I be required to pay any tax and/or social security charges on dividends?***

**Under Act 2022, you will receive payment of any dividends paid with respect to the Nexans shares allocated to your account.**

##### **(i) Taxation in France**

Under French domestic law, dividends paid by a French company to non-residents of France are generally subject to a 12.8% withholding tax. As a result, the financial intermediary paying the dividends is required to withhold 12.8% from any dividend payment to employees who reside in Australia on shares purchased in Act 2022.

##### **(ii) Taxation in Australia**

Dividends you receive together with any attached foreign tax credits, should be included in the tax return for the year in which you received the dividends. You should be entitled to a tax offset for the amount of foreign tax credits. You will be provided with a dividend statement for each dividend, identifying the amounts to be included in your tax return.

You will be taxed on any dividends at your marginal rate of tax. The top marginal rate is currently 47% (including a 2% Medicare levy). A 1% to 1.5% Medicare levy surcharge may in addition apply to employees whose income for surcharge purposes is more than \$90,000 per annum (for an individual)

or \$180,000 per annum (for a couple) in most situations if Australian registered private hospital insurance cover is not held.

**Upon the expiration of the lock-up period or an early release event**

**VI. Will I be required to pay any tax and/or social security charges when, at the end of the lock-up period (or in the event of an authorized early exit event), I sell my Nexans shares?**

(i) Taxation in France

You will not be subject to income taxes in France on the gains, if any, realized on the redemption of your shares.

(ii) Taxation in Australia

The market value of the shares at the time they are allocated to you becomes your cost base in your shares for CGT purposes.

Any increase or decrease in value from the grant date onwards will generally be treated as a capital gain or capital loss, as relevant, in the year in which you dispose of the shares (e.g. by sale or transfer). If at least 12 months has elapsed between that grant date and when the shares are disposed of, then there should be a CGT discount on any capital gain after the utilization of any capital losses, reducing the net capital gain by 50%.

Capital losses are not allowable as deductions. They can only offset capital gains. If you have insufficient capital gains in the year in which the capital loss is made, the unused part of the capital loss can be carried forward indefinitely to later years until there is a capital gain for it to be offset against.

Your employer will not be tracking the capital gain or loss for you. The onus is on you to correctly include the capital gain or loss in the tax return for the year in which you dispose of the shares.

You will be taxed on any capital gain at your marginal rate of tax. The top marginal rate is currently 47% (including a 2% Medicare levy). A 1% to 1.5% Medicare levy surcharge may in addition apply to employees whose income for surcharge purposes is more than \$90,000 per annum (for an individual) or \$180,000 per annum (for a couple) in most situations if Australian registered private hospital insurance cover is not held.

**VII. Will I be required to pay any income tax or social charges when, at the end of the lock-up period (or in the event of an authorized early release event), I receive the SAR payout?**

You will be liable for income tax when a payment is made to you on your SAR and you must include the payment in your assessable income in the year in which the payment is made. You will be assessed on the payment at your marginal rate of tax. The top marginal rate is currently 47% (including a 2% Medicare levy). The payment will be subject to PAYG withholding and Superannuation guarantee and will be reported on your year-end income statement.

A 1% to 1.5% Medicare levy surcharge may in addition apply to employees whose income for surcharge purposes is more than \$90,000 per annum (for an individual) or \$180,000 per annum (for a couple) in most situations if Australian registered private hospital insurance cover is not held.

**VIII. Additional information / Reporting Obligations**

As discussed above, you will be required to include any:



discount on the shares in your income tax return in the year of grant (refer to I and III above for further detail);  
dividends in your income tax return in the year that they are received (refer to V above); and  
capital gain or loss in your income tax return in the year of disposal (refer to VI above).

### **Reporting obligations**

Nexans is required to provide certain information to the Australian Taxation Office regarding the employee share schemes operated by the company group. This information will allow the Australian Taxation Office to match the information supplied by the company to information contained in your personal tax return.

The information Nexans must supply will include your name, address, tax file number (TFN) and the market value of the shares at the allocation date. Nexans is also required to provide information to participants in respect of their shares.

This reporting may be undertaken by your local employer on behalf of Nexans.

### **Quotation of Tax File Numbers**

The tax provisions impose withholding tax on Nexans if you have not previously quoted your TFN to your employer by the allocation date.

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