Livent Merger FAQ

Important note: investors should read the Scheme Booklet in full before making an investment decision with respect to their Allkem shares. This FAQ contains a summary of key questions that investors may have in relation to the proposed merger. However, investors are cautioned to rely only on the Scheme Booklet, and not on the contents of this FAQ, in making any investment decision (including with respect to any vote cast on the scheme at the scheme meeting).

Why is Arcadium Lithium plc ("Arcadium Lithium" or "NewCo") being listed on the NYSE?

NewCo is seeking a primary listing on the NYSE and a foreign exempt listing on ASX.

NewCo also intends to seek inclusion inkey S&P indexes in the US and inclusion in the ASX S&P 200 index in Australia.

The intention to be included in indexes on both NYSE and ASX exchanges would not be possible if NewCo's primary listing was on the ASX with an American Depositary Receipt (ADR) on a US exchange.

This structure is expected to deliver greater liquidity for investors compared to Allkem on a standalone basis, and also allows NewCo access to a larger pool of capital (with the US capital markets being the largest and most liquid capital markets in the world).

What are NewCo CDIs?

NewCo CDIs, or Chess Depository Interests, are a type of depositary receipt that is tradable on ASX (through NewCo's foreign exempt listing on ASX). The holders of NewCo CDIs will have all the economic benefits and other rights associated with NewCo Shares (such as dividends, participation in takeover offers, the right to participate in corporate actions and the right to vote) as if they were the legal owners of NewCo Shares.

The major differences between NewCo CDIs and NewCo Shares are set out in section 3.6 of the Scheme Booklet and are that:

- holders of NewCo CDIs will not have legal title in the underlying NewCo Shares (instead, the underlying NewCo Shares will be held on behalf of holders by CHESS Depositary Nominees); and

- holders of NewCo CDIs are not able to vote directly as shareholders, and instead can either direct CHESS Depositary Nominees to either:

    - vote the underlying NewCo Shares in accordance with their instructions (which instruction must be followed by CHESS Depositary Nominees); or
    - appoint the holder of the NewCo CDIs (or another person) as the proxy in relation to those NewCo Shares (such that the CDI holder can vote those shares directly).

Unlike NewCo Shares (which cannot be traded on ASX, as a foreign security), each NewCo CDI can be held, transferred and settled electronically through CHESS (and therefore traded on ASX).

NewCo CDI holders will be able to convert their NewCo CDIs into NewCo Shares (and vice versa) at any time.

How was NewCo's management team determined?

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The key management roles were determined having regard to the nature of the transaction as a merger of equals. Consequently, NewCo has been structured with Allkem Chairman, Peter Coleman as Chairman of NewCo and Livent President and CEO, Paul Graves as CEO of NewCo.

The broader senior management team of NewCo will consist of an approximately equal split of employees from each of Allkem and Livent. In particular, Mr Christian Cortes (Allkem's Acting Chief Financial Officer) will assume the role of Chief Integration Officer, and the management team is expected to retain a number of key Allkem technical personnel.

How will NewCo's board be constituted?

Having regard to the merger of equals nature of the transaction, the board of NewCo will be equally drawn from the current Allkem and Livent boards (consisting of six directors designated by Allkem and six directors designated by Livent).

The size of the Board and the diversity of skills and gender represented on the Board, amongst other factors, will be considered over time .

Why will NewCo be domiciled in Jersey with tax residency in Ireland?

The independent expert report states (on page 248 of the Scheme Booklet) that "*The Republic of Ireland's tax regime is stable and competitive. In addition to its low-tax regime, there are several features that are advantageous for companies established as holdings companies, such as NewCo, including an extensive double tax treaty network and a favourable taxation regime for foreign dividends. It is expected that Allkem Shareholders will be no worse off than they are currently from these aspects of the legislation.*"

Will the merger accelerate or decelerate capital returns in the form of dividends?

No dividends have been determined, declared or paid by either Allkem or Livent since their respective incorporation, and neither Allkem nor Livent currently has a dividend policy.

If the merger proceeds, any determination to pay dividends to NewCo's securityholders will be at the discretion of the NewCo Board and will be dependent on then-existing conditions, including the Combined Group's financial condition, earnings, legal requirements, including limitations under Jersey law and other factors the NewCo Board deems relevant. If the merger does not proceed, the Allkem Board intends to continue with its existing strategy.

What is the Allkem's franking credit situation?

The franking credit balance, including franking credits that will arise from the payment of income tax payable as at the end of Allkem's 2023 financial year was US$143.5 million.

Australian resident Allkem Shareholders should note that the change in tax jurisdiction means that Australian resident taxpayers will not be entitled to receive the benefit of franking credits in the future, if the merger proceeds. However, Allkem notes that the Independent Expert has stated (on page 261 of the Scheme Booklet) that "*as Allkem has not and currently does not pay dividends, nor does it expect to in the near future, Allkem Shareholders are no worse off*".

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