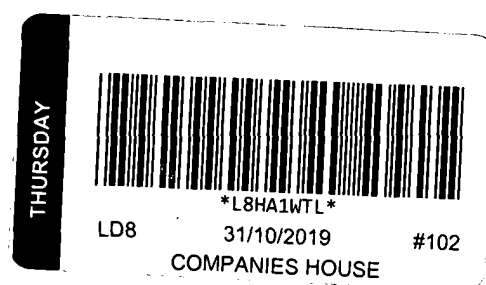


Company Registration Number: 05643286 (England and Wales)

MACDERMID ACTIUM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2018



MACDERMID ACTIUM LIMITED

COMPANY INFORMATION

Directors	P A Bray J E Capps
Company Number	05643286
Registered Office	Unit 2 Genesis Business Park Albert Drive Woking Surrey GU21 5RW
Auditor	RSM UK Audit LLP, Statutory Auditor Chartered Accountants 25 Farringdon Street London EC4A 4AB

MACDERMID ACTIUM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the strategic report for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of The Company continued during the financial year was that of an intermediate holding company for specialty chemical companies owned by Element Solutions Inc. (the Group).

The profit before taxation for the year amounted to £5,496,000 (2017: £4,876,000) which included dividend income of £5,492,000 (2017: £4,844,000).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting this company are considered to relate to the performance of the Company's subsidiary undertakings. The subsidiary undertakings are managed on a daily basis by their directors, and other senior managers. The performance of each subsidiary undertaking is continually monitored by the Group using a comprehensive management process.

It is still too early to know how the UK exit from the EU will impact on the company. The investment values and receivables will continue to be reviewed for recoverability as more is known regarding the likely impact on these amounts.

Financial and non-financial key performance indicators (KPIs)

Given the nature of the business, the Company's Directors are of the opinion that given the Group management process, further analysis using KPIs specific to this legal entity would not have any benefit.

The Company had total shareholders' funds of £16,041,000 (2017: £10,552,000) at the year end. The Statement of Financial Position on page 7 of the financial statement shows the Company's financial position at the year end.

Future Developments

As part of a process to simplify the number of entities in the Element Solutions Inc. group, the directors intend to liquidate the company within the next 12 months.

On behalf of the board:



P A Bray
Director

Date: 28 OCT 2019

MACDERMID ACTIUM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their annual report and audited financial statements for the year ended 31 December 2018.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

P A Bray
J E Capps
J P Connolly (resigned 31 March 2019)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Principal risks and uncertainties

The management of the business and the execution of The Company's strategy are subject to a number of risks, the key business risks and uncertainties affecting The Company are considered to relate to the performance of The Company's subsidiary undertakings. The subsidiary undertakings are managed on a daily basis by their directors, and other senior managers. The performance of each subsidiary undertaking is continually monitored by Element Solutions Inc. by means of regular management review meetings.

Independent auditors

RSM UK Audit LLP were appointed as Auditor to the company and it is management's intention that they will be deemed to be reappointed under section 487(2) of the Companies Act 2006 for future reporting periods.

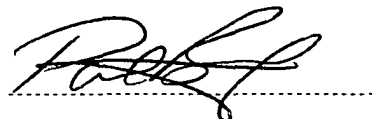
Strategic Report

The Company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' report. It has done so in respect of future developments.

Disclosure of Information to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board:



P A Bray
Director

Date: 28 Oct 2019

MACDERMID ACTIUM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MACDERMID ACTIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACDERMID ACTIUM LIMITED

Opinion

We have audited the financial statements of Macdermid Actium Limited (the 'Company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Non-going concern basis of accounting

We draw attention to note 1 of the financial statements, which describes the preparation of the financial statements on a non-going concern basis. As described in note 1, the directors intend to liquidate the company. Accordingly, they have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MACDERMID ACTIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACDERMID ACTIUM LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Mark Nisbett FCA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

31/10/19

MACDERMID ACTIUM LIMITED

Company Registration No. 05643286

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £'000	2017 £'000
Turnover		-	-
Administrative expenses		(14)	(10)
Operating loss	4	(14)	(10)
Income from shares in group undertakings		5,492	4,844
Interest receivable from group undertakings		18	42
Profit before taxation		5,496	4,876
Tax on profit	6	(7)	-
Profit for the financial year		5,489	4,876

MACDERMID ACTIUM LIMITED

Company Registration No. 05643286

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Investments	7		1,693		1,693
Current assets					
Debtors	9	14,359		8,870	
Creditors: amounts falling due within one year	10	(11)		(11)	
Net current assets			14,348		8,859
Total assets less current liabilities			16,041		10,552
Capital and Reserves					
Called up share capital	11		-		-
Other reserves	12		30		30
Profit and loss reserve	12		16,011		10,522
Total equity			16,041		10,552

These financial statements were approved by the Board of Directors and authorised for issue on 28 OCT 2019 and are signed on its behalf by:



P A Bray
Director

MACDERMID ACTIUM LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £'000	Share premium £'000	Profit and loss reserve £'000	Total £'000
Balance at 1 January 2017	-	30	5,646	5,676
Year ended 31 December 2017:				
Loss and total comprehensive income for the year	-	-	4,876	4,876
Balance at 31 December 2017	-	30	10,522	10,552
Year ended 31 December 2018:				
Profit and total comprehensive income for the year	-	-	5,489	5,489
Balance at 31 December 2018	-	30	16,011	16,041

MACDERMID ACTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies

Company information

Macdermid Actium Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered address of The Company is Unit 2, Genesis Park, Albert Drive, Woking, Surrey, GU21 5RW.

The Company's principal activities and nature of its operations are disclosed in the Strategic report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000, unless otherwise stated.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 "Statement of Financial Position"- Reconciliation of the opening and closing number of shares;
- Section 7 "Statement of Cash Flows" – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instrument Issues" – Carrying amounts, interest income/expense and net gains/losses for each category of financial instruments; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 "Related Party Disclosures" – Compensation for key management personnel

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the Company as an individual entity and not about its group.

The financial statements of Macdermid Actium Limited are consolidated in the financial statements of Element Solutions Inc which are available from 1450 Centrepark Boulevard, Suite 210 West Palm Beach, Florida 33401, USA and also available from <https://www.elementsolutionsinc.com>.

Non-going concern basis of preparation

As part of a process to simplify the number of entities in the Element Solutions Inc. group, the directors intend to liquidate the company within the next 12 months. Accordingly, they have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

Fixed asset investments

Interest in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

MACDERMID ACTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (Continued)

Financial Instruments

The Company has elected to apply provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues of FRS 102 to all its financial instruments.

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include amounts due from fellow group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at the market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of the ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

MACDERMID ACTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

2. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed asset investments

The Company makes use of estimates in determining the recoverable value of fixed asset investments.

The Directors use their judgement to determine the extent to which fixed asset investments have a value that will benefit the performance of the Company over future periods. To assist in making this judgement, the Directors undertake an assessment of the carrying value of the Company's investments in subsidiaries. In performing this assessment undertaken as at 31 December 2018 value in use was derived from the rolled up valuations of each entity in the group based on a net assets approach or a net present value approach from the lowest level of the group structure. Changes to the assumptions used in this assessment could significantly alter the Directors' assessment of the carrying value of its investments.

MACDERMID ACTIUM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Employees

There were no employees (2017: nil) during the year apart from the Directors, who received no emoluments. No directors received any remuneration from the Company during either the current or preceding year. The Directors' services to the Company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to other fellow subsidiary undertakings or the ultimate parent company.

4. Operating loss

	2018 £'000	2017 £'000
Operating profit for the year is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>2</u>	<u>2</u>

5. Interest receivable and similar income

	2018 £'000	2017 £'000
Interest income		
Interest receivable from group companies	18	42
Income from fixed asset investments		
Income from shares in group undertakings	5,492	4,844
Total income	<u>5,510</u>	<u>4,886</u>

6. Taxation

	2018 £'000	2017 £'000
Current tax	<u>7</u>	<u>-</u>

MACDERMID ACTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

6. Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £'000	2017 £'000
Current tax		
Profit before taxation	5,496	4,876
Expected tax charge based on the standard rate of corporation tax in the UK of 19.0% (2017: 19.25%).	1,044	939
Tax effect of expenses that are not deductible in determining taxable profit	(1,043)	(933)
Adjustments in respect of prior years	7	-
Group relief	(1)	(6)
Taxation charge for the year	7	-

The Finance Bill 2016 has been enacted so as to reduce the corporation tax rate to 17% for the financial year 2020.

7. Fixed Asset investments

	Notes	2018 £'000	2017 £'000
Investments in subsidiaries	8	1,693	1,693

8. Subsidiaries

Details of the Company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered Office	Class of shares held	% Held Direct	Indirect
MacDermid Offshore Fluidos do Brazil Industrial Lda	a)	Ordinary	95	-
Pinetree International Investments Limited	b)	Ordinary	100	-

Registered Office addresses:

- a) Parque Res, Ana Rosa, Cambé, State of Paraná, Brazil
- b) Unit 2 Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW, United Kingdom

In January 2019, the wholly owned dormant subsidiary company Pinetree International Investments Limited was dissolved to simplify the Group structure.

MACDERMID ACTIUM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2018****9. Debtors**

	2018 £'000	2017 £'000
Amounts owed by group undertakings	<u>14,359</u>	<u>8,870</u>

Amounts owed by group undertakings relate to cash pooling balances, are repayable on demand and are unsecured. Interest is received at 15 basis points.

10. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	3	6
Other creditors	<u>8</u>	<u>5</u>
	<u>11</u>	<u>11</u>

Amounts owed to undertakings are unsecured, repayable on demand and do not attract interest. There is no security held for these loans.

11. Called up share capital

	2018 £'000	2017 £'000
Ordinary Share Capital		
Issued and fully paid		
2 Ordinary shares of £1 each	<u>-</u>	<u>-</u>

The shares have attached to them full equal voting, dividend and capital distribution rights; and do not confer any rights of redemption.

12. Reserves**Share premium**

The share premium account represents consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

The profit and loss reserves represent cumulative profit and loss net of distributions to owners.

MACDERMID ACTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

13. Financial Commitments, guarantees and contingent liabilities

On 13 April 2016 the Company entered into a guarantee in respect of the bank borrowings of fellow subsidiary undertakings of the Element Solutions Inc. group. The guarantee is secured by a charge on the Company's tangible and intangible assets. At 31 December 2018 the Directors believe that the Group will continue to meet its liabilities under its credit agreement and that there was no financial effect on the Company as a result of providing this guarantee.

14. Related Parties

The Company has taken advantage of the exemption under FRS 102 not to disclose details of intra-group transactions. There are no other related party transactions requiring disclosure.

15. Controlling party

The immediate parent company is MacDermid (UK) Limited, a company incorporated in England & Wales. MacDermid (UK) Limited has its registered office at: Unit 2 Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW.

The ultimate controlling entity is Element Solution Inc., a company incorporated in the United States of America. Element Solution Inc. has its registered office at: 1450 Centrepark Boulevard Suite 210 West Palm Beach, Florida 33401, USA.

The largest and smallest group in which the results of the Company are consolidated is headed by Element Solution Inc. The consolidated financial statements of the Group are available to the public and may be obtained from the following address: 1450 Centrepark Boulevard, Suite 210 West Palm Beach, Florida 33401, USA or accessed electronically at <https://www.elementsolutionsinc.com/>.