

APPENDIX I CHAIRMAN OF THE BOARD OF DIRECTORS' REPORT

This report presents, according to the provisions of Article L.225-37 of the French Commercial Code, the composition of the Board of Directors and the application of gender balance on the Board, the conditions of preparation and organization of the Board of Directors' work (Part 1) as well as the internal control and risk management procedures implemented by the Company (Part 2). The report also presents the principles

and the rules adopted by the Board of Directors in order to determine the compensation and the advantages granted to the corporate officers (Part 3). Finally, the report indicates the Company's Corporate Governance Code of reference and specifies the provisions of that code, if any, that have not been applied by the Company and the reasons why they have not been applied (Part 4).

Part 1 Composition and conditions of preparation and organization of the Board of Directors' work

For information on the composition of the Board of Directors and the application of the principle of gender balance on the Board, as well as on the conditions of preparation and organization of the Board of Directors' work please see Part 2 – "Corporate governance - Executive compensation, major shareholders and related matters", "Board of Directors" and "Board of Directors'

Committees", Sections of this Annual Report. For information on specific limitations of the powers of the Chairman & Chief Executive Officer decided by the Board of Directors please see Part 2 – "Corporate governance – Executive compensation, major shareholders and related matters", "The Chairman & Chief Executive Officer" Section of this Annual Report.

Part 2 Internal control and risk management procedures

In accordance with Article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors is required to report annually on internal control and risk management procedures implemented by the Company.

In this context, the following report provides a summary of the AXA Group's principal internal control mechanisms and procedures that allow Management to conclude that the Group has a sound and comprehensive system of internal control well adapted to its business and the specific risks inherent to its activities. This report is not intended to provide a comprehensive description of all internal controls and procedures in place within the Company and its subsidiaries, but rather to provide an overview of the Group's principal internal control mechanisms and procedures.

In preparing this report, the Chairman of the Board of Directors has consulted, as he deemed appropriate, members of AXA's Management and has taken into account information furnished to the Board of Directors with respect to the Group's internal control environment. This report was assessed by the

Audit Committee before being reviewed and approved by the Board of Directors during its meeting of March 7, 2012.

In this report, the term "Group" refers to AXA SA (the "Company") together with its direct and indirect consolidated subsidiaries.

INTERNAL CONTROL AND RISK MANAGEMENT: OBJECTIVES

The AXA Group is engaged in the financial protection and wealth management business on a global scale. As such, it is exposed to a very wide variety of risks – insurance risks, financial market risks and other types of risks – which are described in detail in this Annual Report. Please see, in particular, Part 3 – "Regulation, risk Factors, certain disclosures about market risks and related matters" and Part 4 – "Consolidated Financial Statements" – Note 31 "Litigation".

In order to manage these risks, the Group has put in place a comprehensive system of internal controls designed to ensure that Management is informed of significant risks on a timely and continuing basis, has the necessary information and tools to appropriately analyze and manage these risks, and that the Group's financial statements and other market disclosures are timely and accurate.

These mechanisms and procedures principally include:

- (i) the Group's corporate governance structures which are designed to ensure appropriate supervision and management of the Group's business as well as clear allocation of roles and responsibilities at the highest level;
- (ii) management structures and control mechanisms designed to ensure that the Group senior Management has a clear view of the principal risks the Group faces and the tools necessary to analyze and manage these risks;
- (iii) internal control over financial reporting ("ICOFR"), designed to ensure the accuracy, completeness and timeliness of the Group's consolidated financial statements and the other financial information that the Group reports to the markets; and
- (iv) disclosure controls and procedures designed to ensure that Management has the necessary information to make fully informed disclosure decisions on a timely basis and that the Company's disclosures on material information (both financial and non-financial) to the markets are timely, accurate and complete.

These mechanisms and procedures, taken together, constitute a comprehensive control environment that Management believes is appropriate and well adapted to the Group's business.

CORPORATE GOVERNANCE STRUCTURES

Group Level Governance Structures

EXECUTIVE MANAGEMENT

Executive Management oversees implementation of the internal control system and the existence and appropriateness of internal control and risk management monitoring systems within the Group.

BOARD OF DIRECTORS

Since April 29, 2010, AXA's former dual governance structure consisting of a Management Board and a Supervisory Board was replaced by a unitary Board of Directors. This unitary board structure enhances the efficiency and reactivity of the Group's governance processes and has been carefully designed to ensure an appropriate balance of powers.

A detailed description of AXA's corporate governance structures including the composition and assignments of the Board of Directors as well as the structure and composition of the Board of Directors' Committees is set forth in Section 2.1 "Directors, senior management and employees" of this Annual Report.

The Board of Directors determines the Company's business strategy and oversees its implementation. The Board shall consider any question related to the proper functioning of the Company and take all appropriate decisions for its business. The Board of Directors shall undertake all controls and verifications it deems appropriate.

The Board of Directors has established four Committees to assist it in fulfilling its responsibilities: Audit Committee, Finance Committee, Ethics & Governance Committee and Compensation & Human Resources Committee. These Committees exercise their activities under the responsibility of the Board of Directors and report regularly to the Board of Directors on matters within the scope of their responsibility.

Executive Managers report significant internal control and risk related issues to the Audit Committee of the Board of Directors on a regular and continuing basis to ensure that the Committee and the Board of Directors have a clear view of material issues facing the Group.

AUDIT COMMITTEE

All the Board Committees constitute an important part of the Group's overall internal control environment. However, the Audit Committee plays a particularly important role in reviewing internal control and risk related issues.

The Audit Committee, on December 31, 2011, has four members all of whom are independent in accordance with the criteria of the AFEP/MEDEF recommendations.

The scope of the Audit Committee's responsibilities is set forth in the Audit Committee Terms of Reference, approved by the Board of Directors, which define the Committee's principal duties, including the following:

- reviewing annual and half year financial statements;
- monitoring the statutory audit of AXA's annual and consolidated financial statements;
- providing for recommendations on proposals for appointment, compensation and replacement of the Statutory Auditors as well as monitoring their independence;
- overseeing the compensation of the Statutory Auditors;
- monitoring the accounting rules that apply within the Group;
- reviewing the Group's internal control systems and procedures for risk management;
- examining the program and the goals of the AXA Group's internal audit function.

For more information about the Audit Committee including its composition and the principal matters it handled in 2011,

please see Section 2.1 "Directors, senior management and employees" of this Annual Report.

Subsidiary Level Governance Structures

AXA's principal subsidiaries, whether publicly traded or not, are generally governed by:

- a board of directors or a supervisory board whose membership includes independent or non-executive directors; and
- various board committees including a compensation committee and an audit committee, whose membership include independent or non-executive directors.

Over the past years, AXA initiated a process designed to harmonize corporate governance standards throughout the Group. This effort is focused, among other matters, on standardizing, to the extent practicable, principles relating to a number of corporate governance matters including board composition and size, directors' independence criteria, board committees and their roles, and directors' fees.

The Group Governance Standards require the boards of AXA's principal subsidiaries to establish an audit committee, a compensation committee and a risk committee in addition to any other board committees that they consider necessary or appropriate for their specific businesses. The role, duties, and composition of these committees (including the requirements for participation of independent directors) are specified in the audit committee guidelines and the compensation committee standard. The Audit Committee Terms of Reference requires the audit committees of Group subsidiaries to have a significant number of independent directors in order to ensure that this committee is independent from management. The audit committees have a critical role in reviewing financial results and other financial information prepared by the management, financial reporting and control processes, critical accounting policies, particular accounting issues, key risks and systems of internal control, fraud and similar issues.

MANAGEMENT STRUCTURES AND CONTROLS

In order to manage the various risks to which it is exposed, the AXA Group has various management structures and control mechanisms designed to ensure that Management has a clear and timely view of the principal risks facing the Group and the tools necessary to analyze and manage these risks.

These management structures and controls include the following:

The Management Committee

AXA currently has a 7-member Management Committee which is an internal committee having for main mission to assist the Chief Executive Officer and the Deputy Chief Executive Officer in the operational management of the Group. The Management Committee does not have any formal decision making power.

AXA's Management Committee generally meets once a week to discuss and take strategic, financial and operational decisions.

For more information about the Management Committee including its composition, please see Section 2.1 "Directors, senior management and employees" of this Annual Report.

The Executive Committee – Quarterly Business Reviews – Strategic Plan

AXA currently has an 18-member Executive Committee which is an internal committee composed of the members of AXA's Management Committee, the Chief Executive Officers of the Group's principal subsidiaries and/or business units and selected other senior executives. While the Executive Committee is an internal committee which has no formal decision making power, it plays an important role in assisting the Executive Management to effectively manage the Group's operating businesses, consider strategic initiatives and other subjects the Executive Management deems appropriate from time to time. The Executive Committee usually meets four times a year.

At the end of the first three quarters, the Management Committee conducts QBRs, during which the performance of the AXA Group is reviewed. These QBRs were introduced in 2000 to provide Management with a clear and consistent framework for: (1) reviewing operational performance and monitoring the progress of key projects using quantifiable standards of measurement defined in collaboration with the Management Committee; (2) assessing the status of Group transversal projects; and (3) exchanging ideas and information on key Group strategic orientations.

These QBRs constitute an important management control mechanism to monitor the operating performance of the Group and its principal business units on a continuing basis and to identify any new material risks or issues facing the Group in a timely manner.

During the fourth quarter, each business unit presents its strategic plan to the Group's strategic plan steering committee. The Group's strategic plan is adopted by the Management Committee and reviewed and approved by the Board of Directors.

For more information about the Executive Committee including its composition, please see Section 2.1 "Directors, senior management and employees" of this Annual Report.

The Group Management Services⁽¹⁾ (GMS) Departments focused principally on internal control and risk related matters

Several GMS Departments have responsibility for managing and/or monitoring some aspects of internal control and/or risk related matters, however, the following four GMS Departments are primarily focused on these matters as part of their principal day-to-day management responsibilities:

GROUP RISK MANAGEMENT DEPARTMENT

The role of Group Risk Management (GRM) is to identify, quantify and manage the main risks to which AXA is exposed. To this end, GRM develops and deploys a number of risk measurements, monitoring instruments and methods, including a set of standardized stochastic modelling tools.

When appropriate, this work leads to the implementation of decisions that affect the Group's risk profile, helping to monitor the solvency position and manage the volatility of AXA's earnings through improved understanding of the risks taken and to optimize capital allocation.

As a central team, GRM coordinates risk management for the Group and is supported by local Risk Management teams within each operating unit. The types of risks covered include risks coming from the invested assets, from the insurance liabilities, asset/liability mismatch risks and operational risks.

The principal control processes that fall under the responsibility of GRM are described below:

- the local Risk Management Departments carry out regular reviews of the technical reserves established by Property & Casualty and reinsurance operating units. GRM performs regular reviews of models followed throughout the Group in order to ensure the consistency between actuarial and financial standards;
- GRM conducts a decentralized review of risk-adjusted pricing and profitability for new products prior to launch; this review is centralized for Variable Annuity products with secondary guarantees as well as for long term care products and submitted to the Management Committee. Regular reviews on existing products are performed to ensure that profitability of the new business is sustainable;
- the asset/liability management policy, in place at operating unit level, is monitored and controlled through an annual detailed analysis of asset/liability matching. This work is undertaken to validate the strategic allocations of invested assets. In addition, a quarterly reporting process is used to monitor portfolio developments and detect deviations from strategic asset allocations as well as with respect to benchmarks determined with asset managers;

- credit and concentration risks in the Group's asset portfolios (equities and bonds) are managed by the Risk Management Department and aggregated at the Group level. GRM also monitors the corresponding exposures on a monthly basis, and ensures that local operating units comply with the concentration limits established by the Group;
- economic capital is estimated quarterly for each product line and operating unit and then aggregated at the Group level. This is based on a stochastic modelling approach and enables to properly assess together asset, liability and operational risks;
- GRM proposes annually to the Management Committee, with the support of AXA Global P&C and AXA Global Life, the main features of the Property & Casualty and Life reinsurance coverage program of the Group;
- GRM coordinates the activity of decentralized operational risk teams to ensure proper and consistent identification, measurement and management of the most important operational risks.

Summary findings are then presented to the Management Committee. The Board of Directors and the Audit Committee are also informed.

PBRC (PLANNING, BUDGETS, RESULTS CENTRAL)

PBRC Department within the Group Finance Department is responsible for consolidation, management reporting and control over accounting and financial information. It works with local PBR units within Finance Departments of Group subsidiaries.

The local PBR units are responsible for producing their contribution to the Group consolidated financial statements.

PBRC's role encompasses principally the following:

- establishing and distributing both consolidation and reporting standards and instructions;
- managing the Group's financial reporting system;
- producing the consolidated financial statements and analyzing key performance indicators;
- managing the Internal Financial Control (IFC) program;
- developing and using management control tools;
- steering the European Embedded Value process;
- coordinating the production of AXA's Annual Report (*Document de Référence*) filed with the AMF;
- liaising with the Statutory Auditors and contributing to Audit Committee meetings as required; and
- steering convergence of accounting and financial reporting processes, systems and organizations for insurance activities in Europe.

(1) Central functions at the holding Company level.

PBRC Department is also responsible for controls relating to the preparation and processing of accounting and financial information.

Accounting and financial information is consolidated in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). As it relates to the financial statements included in the Group's 2011 Annual Report, there is no difference between IFRS as adopted by the EU applied by AXA and IFRS as adopted by the International Accounting Standards Board.

PBRC has defined and implemented a set of policies and procedures to ensure that the consolidation process leading to the consolidated financial statements is timely and accurate. This consolidation process and its related controls are based on the following:

Definition of standards and maintenance of an information system

Group accounting standards, which are consistent with accounting and regulatory principles for consolidated financial statements, are set forth in the AXA Group Accounting Manual and updated regularly by PBRC experts. These guidelines are submitted to AXA's Statutory Auditors for review before being made available to AXA subsidiaries.

The information system is based on "Magnitude", a consolidation tool managed and updated by a dedicated team. This system is also used to deliver management reporting information used to produce an economic perspective on the consolidated financial statements. The process through which this management reporting information is produced and validated is the same as the one used to prepare consolidated financial information.

Finally, PBRC issues instructions to subsidiaries, giving detailed information on the consolidation process, changes in accounting standards as well as in Magnitude.

Operating control mechanisms

At entity level, AXA subsidiaries are responsible for entering and controlling accounting and financial data that comply with the AXA Group Accounting Manual and reflect consolidation rules under IFRS accounting standards. In this respect, the Chief Financial Officer of each entity signs off on the accuracy of consolidated figures reported through Magnitude and their compliance with both the Group accounting manual and instructions.

At PBRC level, accounting and financial information reported by entities are reviewed and analyzed by teams that liaise with subsidiaries on a full-time basis. In particular, these teams review the compliance with the Group Accounting Manual and Group actuarial standards.

Transversal procedures

In all cases, the procedures are those described above, which generally work as follows:

- all changes in the AXA Group accounting policies are validated by PBRC experts and implemented after discussions with the Statutory Auditors;
- the main audit issues are addressed and resolved through "clearance meetings" in which local and central financial teams participate, as well as the Statutory Auditors;
- the principal options for closing the consolidated accounts are presented to the Audit Committee and then to the Board of Directors;
- the auditing of accounting and financial data is finalized at the accounts closing stage in meetings attended by local and central financial teams, as well as local and central Statutory Auditors who present the outcome of their audit work; and
- the financial statements are presented to the Management Committee, to the Audit Committee and then to the Board of Directors for closing, after hearing of the Statutory Auditors.

GROUP LEGAL & COMPLIANCE

The Group Legal Department is responsible for identifying and managing the significant legal, regulatory and compliance risks to which the Group is exposed. It provides expertise and advice on all significant corporate legal matters at the Group level and manages the legal aspects of transactions undertaken by the Group as well as significant litigation, regulatory, and compliance matters.

The Group Legal Department is structured in three Practice Groups which are organized around the substantive matters that the department manages on a continuing basis in addition to one-off projects or issues that arise from time to time. These Practice Groups are:

- Corporate Law which covers Mergers & Acquisitions, Corporate Finance, Securities Law and Corporate Law matters;
- Corporate Governance & Company Law;
- Litigation, Regulatory & Compliance.

As part of its Compliance responsibilities, the Group Legal Department manages a wide range of compliance related matters including (i) regular reporting from Group companies on significant compliance, litigation and regulatory matters, (ii) implementation of the Group Compliance and Ethics Guide which applies to all AXA Group employees worldwide and (iii) the Group's global Anti-Money Laundering Program.

The Group Legal Department works closely with the legal departments of AXA's principal subsidiaries on legal, regulatory, and compliance matters impacting those companies. In order to optimize integration, coordination and ensure open lines of communication across the Group's global Legal & Compliance Organization, the Group General Counsel has established and chairs a Global Legal Steering Group composed of the General Counsels of AXA's principal subsidiaries. This Steering Group meets on a regular basis and serves as an effective forum for addressing transversal issues, sharing best practices and experiences in a wide variety of areas, and ensuring open lines of communication between General Counsels across the Group.

GROUP AUDIT

Group Audit provides the Audit Committee and the Management Committee with independent and objective assurance on the comprehensiveness and effectiveness of internal controls and risk management across the Group, as well as making proposals to help improve the management of risks, enhance performance and identify business opportunities.

The Group Audit function fulfils its responsibilities as follows:

- setting standards of internal audit practice for local internal audit functions to follow;
- actively reviewing the quality and performance of the local internal audit teams across the Group to ensure that they meet AXA Group standards;
- reviewing and coordinating local internal audit resources and planning to ensure effective coverage;
- performing internal audits of the Group's Head Office activities and on any topics selected by the Group Audit Committee in any part of the Group;
- reviewing and aggregating the results of local internal audit work for the Group Audit Committee;
- providing support and guidance to the Group's Audit Committees and reviewing the performance of subsidiary audit committees and reporting on this to the Group Audit Committee.

The Group Audit function also houses the Group's Chief Internal Fraud Control Officer role and oversees the implementation of AXA's standard on internal fraud control globally.

The Group Head of Audit reports to the Group Chairman & Chief Executive Officer with a direct and unfettered line of communication to the Chairman of the Group's Audit Committee. In carrying out his/her duties, the Group Head of Audit liaises closely with the control and monitoring functions within the 2nd line of defence, including Group Risk Management, PBRC, Compliance and Group Legal, as well as the Statutory Auditors.

Local internal audit teams report directly to the Group Head of Audit whilst also having a direct and unfettered reporting line to their local audit committee chairman and an administrative reporting line within their local management structure. These local teams focus mainly on identifying the key risks facing their business units, and on evaluating the design and operation of the associated controls.

GROUP RISK AND COMPLIANCE COMMITTEE

In 2008, Management established a Group Risk and Compliance Committee to ensure that the Group has:

- a comprehensive view of the various risks facing the Group on a continuing basis;
- a dedicated forum for reviewing, analyzing and prioritizing these risks;
- defined action plans to manage these risks; and
- optimal coordination and communication between the different departments managing these risks.

This internal management committee is co-chaired by the Group Chief Financial Officer and the Group Chief Operating Officer and is managed by Group Risk Management. The Committee usually meets on a quarterly basis.

The Committee is comprised of the following 11 GMS Departments, each of which is responsible for presenting to the Committee the significant risks within its scope:

1. Group Risk Management (GRM);
2. Group Corporate Finance and Treasury (DCFG);
3. Group Audit;
4. Group Legal & Compliance;
5. Group Tax;
6. Planning Budgets Results Central (PBRC);
7. Information Technology (IT)/Operational Excellence;
8. AXA Global P&C;
9. AXA Global Life;
10. Group Human Resources;
11. Group Communication and Corporate Responsibility Department.

In addition to its other activities, the Committee has undertaken a comprehensive risk mapping exercise covering the aggregate risks to which the Group is exposed including financial, solvency, insurance, operational, legal and compliance, tax, audit, human resources, and communication risks. As part of the process, priorities and action points were established for the various GMS Departments that manage these risks.

INTERNAL CONTROL OVER FINANCIAL REPORTING

AXA's internal control over financial reporting (ICOFR) is a process designed under the supervision of AXA's Chief Financial Officer (CFO) to provide reasonable but not absolute assurance regarding the reliability of financial reporting and the preparation of AXA's consolidated financial statements.

AXA's ICOFR includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Group assets;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with the applicable generally accepted accounting principles;
- provide reasonable assurance that receipts and expenditures are being made only in accordance with the authorization of Management and directors of the Group; and
- provide reasonable assurance that unauthorized acquisition, use or disposition of Group assets that could have a material effect on the Group's financial statements would be prevented or detected in a timely manner.

AXA has put in place a comprehensive program coordinated by PBRC, (the Internal Financial Control (IFC) programme), designed to ensure that AXA's Chief Executive Officer and Deputy Chief Executive Officer have a reasonable basis to conclude that AXA's ICOFR is effective as of the end of each year.

The IFC program is based on AXA's IFC Standard which is an internal control and governance standard developed by AXA. AXA's IFC Standard is based on the Internal Control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The IFC Standard is designed to define the IFC scope and governance, ensure consistency and quality in AXA's financial reporting and provide an overall framework for AXA's annual IFC programme.

In accordance with the IFC Standard, the in-scope AXA Group companies must (i) document the significant processes and controls, as well as the rationale of how the associated risk of material misstatements due to error or fraud can be reduced to an acceptable level, (ii) test the design and operational effectiveness of key controls based on the test plans elaborated by Management with insights into risks, and (iii) remediate identified control deficiencies.

At each year-end, the in-scope AXA Group companies are required to perform an evaluation of their ICOFR as part of an internal certification process. This process involves formal sign-off by the Company's process owners and culminates with a formal certificate signed by the Company's CFO or another senior executive officer stating their conclusion as to the effectiveness of the Company's ICOFR and certain other matters.

DISCLOSURE CONTROLS AND PROCEDURES

AXA SA has implemented a formal internal review and sign-off process pursuant to which all Executive Committee members, CFOs and certain other senior executives are required to certify various matters covered in AXA's Annual Report.

This process is based on the following four pillars:

1. CFO Sign-Off Certificates required to be submitted by all local CFOs to PBRC, together with the required subsidiary financial reporting & consolidation information,
2. IFC Management Reports required to be submitted by the CFO or another senior executive officer of every in-scope AXA Group company, as part of the IFC programme,
3. Disclosure Controls & Procedures Certificates required to be submitted by AXA Executive Committee members, regional CFOs and certain other executives (including heads of GMS Departments) pursuant to which each of these executives is required to review the Group's Annual Report and formally certify (i) the accuracy and completeness of the information in the Annual Report with respect to the companies under his/her responsibility, and (ii) the effectiveness of disclosure controls and procedures and ICOFR at companies under his/her responsibility (with specific disclosure of any significant deficiencies or material weaknesses). In addition, as part of this "sub-certification" process, these executives are required to review and comment on a number of transversal disclosures in the Annual Report relating to risk and other matters.
4. CFO sign-off on Notes to the Consolidated Financial Statements: PBRC provided regional CFOs with the contribution of the companies under their responsibility to the consolidated financial statements in order to facilitate their certification on the accuracy and completeness of the information in the Annual Report.

CONCLUSION

The AXA Group believes it has put in place a comprehensive system of internal control procedures and mechanisms that is appropriate and well adapted to its business and the global scale of its operations.

However, all internal control systems, no matter how well designed, have inherent limitations and do not constitute a guaranty or provide absolute certainty. Even systems determined to be effective by Management may not prevent or detect all human errors, all system malfunctions, all fraud or all misstatements and can provide only reasonable assurance. In addition, effective controls may become inadequate over time because of changes in conditions, deterioration of compliance with procedures or other factors.

Part 3 Compensation

For information on the principles and rules adopted by the Board of Directors in order to determine the compensation and the advantages granted to the corporate officers please see

Part 2 – Section 2.2 “Full disclosure on executive compensation and share ownership” of this Annual Report.

Part 4 Corporate Governance Code of reference

Pursuant to the provisions of a French law of July 3, 2008, the Supervisory Board and the Management Board decided, in December 2008, to adopt all of the AFEP/MEDEF recommendations, including the recommendations on the compensation of executive officers dated October 2008, as AXA's Corporate Governance Code of reference.

These recommendations were consolidated in a Corporate Governance Code of Listed Corporations published by the AFEP (*Association Française des Entreprises Privées*) and the MEDEF (*Mouvement des Entreprises de France*) in April 2010 (hereafter the “AFEP/MEDEF Code”), which is available at AXA's registered office or on its website (www.axa.com) under the “Corporate Governance” Section.

AXA complies with the recommendations of the AFEP/MEDEF Code that are in line with the long-established corporate governance principles initiated by the Company. AXA applies the recommendations of the AFEP/MEDEF Code in the conditions detailed, for the most part, in Sections 2.1 “Directors, senior management and employees” and 2.2 “Full disclosure on executive compensation and share ownership” of this Annual Report describing corporate governance mechanisms and containing information about executives' compensation.

In order to take into account certain specificities of its governance practices, AXA has decided to adapt the following provisions of the AFEP/MEDEF Code:

- Section 14.2.1 of the AFEP/MEDEF Code related to the review of the accounts by the Audit Committee: for practical reasons, the review of the accounts by the Audit Committee generally occurs on the day preceding the Board of Directors' review, and not two days before as it is provided for by the AFEP/MEDEF Code. However, the Company endeavours, so far as possible, to provide the members of the Audit Committee with the required documents early enough to allow their proper examination;
- Section 20.2.3 of AFEP/MEDEF Code relative to stock options and performance shares:

- (i) *holding of shares subsequent to subscription options or allotment of performance shares*: in 2007, the Company decided to implement strict rules pertaining to shareholding requirements for AXA's Executive Directors. This policy requires each Executive Director to hold, during the entire duration of his/her functions, a minimum number of AXA shares representing a multiple of his/her annual cash remuneration (fixed salary plus annual variable remuneration) received for the previous fiscal year. The Chairman & Chief Executive Officer is consequently required to hold the equivalent of his/her total cash remuneration multiplied by three and the Deputy Chief Executive Officer is required to hold the equivalent of his/her total cash remuneration multiplied by two AXA shares or ADS or other quoted subsidiaries of the Group are taken into account to calculate the number of shares actually held. Each Executive Director is required to meet with this minimum shareholding requirement within a period of five years from (i) January 1, 2007 or (ii) the date of his/her first appointment as Executive Director if he/she was appointed after January 1, 2007. Considering the already high level of this shareholding requirements imposed upon Executive Directors, the Board of Directors, upon recommendation of its Compensation & Human Resources Committee, has decided that it was not necessary to set higher shareholding thresholds after the initial 5-year period. For the same reasons, the Board of Directors has decided that it was not appropriate to compel Executive Directors to acquire a number of AXA shares once the compulsory holding period of their performance shares has expired;
- (ii) *exercise of stock options*: pursuant to the AFEP/MEDEF Code, companies shall determine periods preceding the disclosure of their financial statements during which the exercise of the stock options is not allowed (“sensitive periods”). To date, the sensitive periods are determined by applying the AXA Group's Compliance and Ethics Guide. They



generally begin 30 days prior to the disclosure of the annual or half-year earnings releases and 15 days prior to its quarterly financial information releases. The Compliance and Ethics Guide prohibits the sale of shares acquired subsequent to the exercise of stock options ("subscription and sale" transactions), but does not prohibit, in accordance with common practice, the simple exercise of options that is not followed by the sale of the shares acquired subsequently.

Pursuant to the provisions of Article L.225-37 of the French Commercial Code, it is specified that the conditions for the participation to Shareholders' Meetings are detailed in Section 23 of AXA's Charter (*statuts*), copies of which are available at the Paris Trade and Companies Register (*Registre du commerce et des sociétés du tribunal de commerce de Paris*). AXA's Charter is also available on the Company's website (www.axa.com). In addition, the information referred to in Article L.225-100-3 of the French Commercial Code is made public in the Report of AXA's Board of Directors which is included in this Annual Report.