AXA GROUP TAX POLICY

Both as a multinational company and as a provider of investments and savings products, the AXA Group follows a responsible and transparent approach on tax issues.

The taxes AXA pays are an important part of its wider economic and social impact and play a key role in the development of countries where it operates [1]. AXA regards it as a critical element of its commitment to grow in a sustainable, responsible and socially inclusive way.

AXA also squares its responsibilities as a co-operative, compliant taxpayer in each and every country in which it operates, with the need to support competitive business growth - serving all its stakeholders including investors, suppliers and employees.

Tax aspects in relation to AXA as a multinational company

THE AXA GROUP'S APPROACH TO TAX ISSUES

In the countries where it operates, AXA is both a tax payer and a tax collector, given that many specific taxes are levied on (re)insurance policies and collected from our customers as part of the insurance and asset management revenues while others are remitted to the various state and federal administrations around the world.

The tax function is organized within the Group to ensure full compliance with all tax legislation in the countries where AXA operates. In addition to the Group Tax Department based in France, all key operational entities/countries/geographic zones have a tax team in charge of ensuring that tax regulations are well understood and fully satisfied by the entities.

As a part of the global internal risk assessment, a specific tax internal control program is implemented. These controls must be reported and documented by each team in scope to ensure full compliance.

A Tax Code of Ethics, agreed between Group Tax Department and local tax teams, highlights the key principles guiding the actions of the various tax teams:

- to remain up to date with respect to applicable laws and regulations,
- to comply with tax laws and regulations,
- to maintain a good relationship with the local tax authorities,
- and not to engage in aggressive tax driven transactions that could compromise the good reputation of the Group.

The satisfaction of this Code of Ethics is a prerequisite of the activities performed by all AXA tax teams. In this respect, a bi-annual tax review process of each key entity or business line is performed by the Group Tax Department in connection with each local team. During these reviews, specific attention is given to tax audits and associated tax risks as well as market positions on tax matters that may impact AXA. These reviews offer a global framework for the tax teams to identify, analyze, control, and report tax risks.

In addition, an International Tax Committee composed of various senior tax executives within AXA tax teams meets every quarter to ensure consistency in approach on some technical topics, as well as agreements on guidelines connected to specific items.

As an international group operating in several countries, the AXA Group is subject to various tax regimes and regulations and takes into account any changes in tax law. AXA is specifically vigilant about the changes that could result in higher tax expenses and payments, higher compliance costs or that may affect the AXA Group's tax liability, return on investments and business operations. In particular, please see the paragraph "Changes

[1] The list of the Group's main subsidiaries and participating interests is available in Appendix III "AXA parent company financial statements" of the 2019 Annual Report. The legal organizational chart of the Group is also published on the Company's website (www.axa.com).

in tax laws or uncertainties in the interpretation of certain tax laws may result in adverse consequences to our business and our results of operations" in Section 4.1 "Risk Factors" of the 2019 Annual Report.

When considering how AXA entities structure commercial arrangements, tax implications are analyzed in parallel with other consequences such as capital efficiency and legal and regulatory aspects when deciding between potential alternative arrangements.

AXA has no licensed insurance or operating business activities in the countries specifically identified as non-cooperative jurisdictions (2) under French and European rules, except in Panama and Oman. The presence in these two countries is purely driven by operational purposes.

In Oman, AXA has been acting locally for several years through one insurance operating branch of its Bahrain insurance subsidiary. It employs circa 130 people there to achieve this business. AXA holds two operating companies in Panama employing circa 150 people at the end of 2018. AXA has decided to close its subsidiary providing assistance services to local customers and/or travelers, but keeps a non-consolidated health claim processing center in the country. As a result, the number of employees locally has decreased to circa 45 people at the end of 2019.

More globally, AXA does not use non cooperative jurisdictions to avoid taxes on operational activities performed elsewhere.

Any presence in countries in which AXA operates with tax rates lower than France are driven by business operations. With the acquisition of the XL Group in September 2018, AXA now has a material presence and substance in Bermuda with nearly 200 employees working for AXA XL there. Despite the fact that Bermuda is a low-tax jurisdiction, it is a center of expertise and one of the key location of the worldwide reinsurance market. It is not considered as a non-cooperative jurisdiction according to the French and European Union laws. This presence is mainly driven by local capital management regulation enabling flexibility on the required capital for reinsurance activities and AXA supports the Economic Substance legislation recently enacted in this country. This situation will in no way change how the AXA Group is managed on the tax side. AXA will continue to tax its operations in the various countries where operational profits are made.

DISCLOSURE ON TAX MATTERS AND INFORMATION ON TAXES CONNECTED WITH THE GROUP'S ACTIVITIES IN EACH COUNTRY

The consolidated financial statements are prepared in compliance with IFRS standards (as disclosed in Note 1 "Accounting principles" in Part 5 – "Consolidated Financial Statements" of the 2019 Annual Report). Accounting for income taxes recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of the entity's assets and liabilities, as required by IAS 12 (see Note 1.17.1 "Income taxes" in Part 5 – "Consolidated Financial Statements" of the 2019 Annual Report).

The Consolidated Financial Statements present the reconciliation between the theoretical tax charge and the effective tax charge under IFRS. All differences are fully explained (see Note 19 "Tax" in Part 5 – "Consolidated Financial Statements" of the 2019 Annual Report). It should be noted that in many jurisdictions where AXA operates, the income and capital gains on savings-products benefit from a favorable tax treatment, also when such products are included in life insurance products. This leads to a lower effective tax rate for life insurance companies.

In addition to the details reported around the Group effective tax rate, AXA reports substantial information on the impacts of any change in local tax regulations on its business, as well as details of the tax burden per line of business and per country. AXA's income tax expenses/benefits are extensively disclosed in the Annual Report and are broken down by business segment and country. For each, a dedicated paragraph provides a

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(2) The list of non-cooperative jurisdictions under French tax rules is given by a ministerial decree dated January 6, 2020 and is composed of the following countries: Anguilla, American Samoa, Bahamas, British Virgin Islands, Fiji, Guam, Oman, Panama, Samoa, Seychelles, Trinidad and Tobago, US Virgin Islands and Vanuatu. Pursuant to Article 238-0 A of the French Code général des impôts, this list includes the states and jurisdictions on the blacklist set out in Annex I to the conclusions adopted by the Council of the European Union on December 5, 2017, as updated from time to time (the most recent version of this list was published on November 14, 2019, and is composed of American Samoa, Fiji, Guam, Oman, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu).

comment about the line related to Tax Income (see Section 2.3 "Activity Report – Underlying earnings, adjusted earnings and net income Group share" of the 2019 Annual Report).

Lastly, AXA reported in 2019 for the first time a Tax Transparency Report where it discloses a lot of information around its tax footprint in its key geographies, as well as key principles of its tax policy. This Report is available on axa.com at the end of the AXA Group Tax Policy page. AXA will update this Report annually and the next version will be available by July 2020.

Tax aspects of activities and products offered by the Group

ACTIVITIES OF THE GROUP

The Group's activities are subject to strict regulations and rigorous control in each territory in which AXA operates. In addition to these regulations, AXA has developed a set of detailed internal standards that applies to all Group entities that are managed or controlled by AXA, regardless of the activities undertaken by the entity or its ownership structure.

According to these internal standards, CEOs must ensure that staff are fully conversant, and comply with applicable laws, mandatory codes of conduct, rules and regulations (including applicable tax laws and regulations) relevant to their area of operations.

This means that local senior management must appreciate the tax implications of the activities in their entity. The main considerations are:

- compliance with the taxation of employees in the territory in which they are employed;
- compliance with the taxation of business undertaken in the territory (including levies and sales taxes); and
- cross-border tax issues.

A specific focus on transfer pricing is made in application of these standards, to ensure that the pricing of our intra-group activities is consistent with the OECD "arm's length" principle as well as with local transfer pricing rules to pay adequate tax on profits where the value is created.

In particular, Chief Financial Officers must ensure that (re)insurance policies entered into represent a true transfer of risk and that their status as (re)insurance contracts could not be subject to challenge. Business between Group companies must be transacted at market prices where a market price exists, or in the absence of market prices, must be supported by formally documented justification for the charge made.

PRODUCTS OFFERED BY THE GROUP

AXA products are not designed to allow or encourage tax evasion. The Group has set up a validation framework to ensure that new products undergo a thorough approval process before they go to market.

The local decision to launch a new product must result from a documented approval process that complies with the AXA Group's standards in terms of product features, pricing, asset-liability management and aspects related to legal, compliance, regulatory, accounting and reputation.

Moreover, AXA has established strict policies regarding its cross-border activities and knowledge of its customers, in order to ensure that our products and services are not misused for money laundering or tax evasion purposes and are governed by specific rules according to which cross-border life insurance proposals must be presented to the Group Tax and Compliance Departments for validation.

While all Group entities must in any case comply with local regulation, the Group Tax Department can veto a product if this product is not compliant with internal rules.

Pursuant to Council Directive (EU) 2018/822, AXA may, as a provider of investments and savings products, have tax reporting obligations with respect to certain cross-border products it designs or implements. In particular, certain investments and savings products with no particular tax motive may be reportable under the above-mentioned Directive.