

AXA Employee Shareplan

SUBSCRIPTION BROCHURE

International Stock Ownership Plan
for AXA Group Employees



The Features of AXA Shareplan

- A discount to the AXA share price, for the
 - *Traditional Plan (AXA Shareplan Direct Global Fund)* – The value of your investment changes in relation to AXA's share price on the stock market.
 - *Investment Leverage Plan (AXA Plan Global Fund)* – You gain by a multiple if the share price goes up, and your initial euro investment is guaranteed.
- Eligibility to subscribe - you must have been an employee of the AXA Group for at least three months at the start of the subscription period and be an employee at the start of the Cancellation Period.
- Two plans that can be combined.
- A loan of up to £5,000, repayable over 4 instalments.
- A simple procedure for investing within your means, from as little as £10.
- Potential to withdraw from the plan before the end of the five-year *holding period* in certain circumstances.

Please see glossary for all terms in italic.

AXA Shareplan Legal notice

The Information Document pursuant to the exemption for the production of a prospectus under the UK Prospectus Rules 1.2.2(5)R is composed of the Frequently Asked Questions document and this Subscription Brochure.

Additional information on AXA, including the current share price and the online annual report, can be found on the company's website: www.axa.com

By investing in AXA Shareplan, you will be subscribing for units in a Collective Investment Fund (an *FCPE* – Fonds Commun de Placement d'Entreprise). It is the Fund that will subscribe for the shares that AXA will create as a result of a share capital increase.

For the sake of simplicity, this brochure refers to your investment as the "purchase of AXA shares" rather than as the "subscription for *FCPE* units that in turn represent shares in the capital increase reserved for AXA employees".

One Fund unit is approximately equal to one share in the *AXA Shareplan Direct Global Fund* which is operated in conjunction with the Traditional Plan.

As with all investments in shares, the potential for making a gain must be balanced against the risk of making a loss. The value of your investment in AXA shares is affected by fluctuations in both the AXA share price and currency movements.

Although Equiniti will be able to answer your questions about the rules of AXA Shareplan you should consult an independent financial adviser if you need advice about whether or not you should apply to participate.

In particular, please note the tax treatment of investing in AXA Shareplan. For the *Traditional Plan* you will be subject to an immediate Income Tax and National Insurance liability, while for the *Investment Leverage Plan* you will be subject to Income Tax and National Insurance on any gain at the time of disposal. Please ensure that you read the Taxation section in this brochure.

In order to be eligible to participate in AXA Shareplan you must have been employed within the AXA Group for at least three months prior to the *subscription period* and for at least one day during the *Cancellation Period*.

The benefits of Shareplan /

A special price for you

You can invest in AXA shares at a discount to the *Reference Price* in both the *Traditional Plan* and *Investment Leverage Plan*.

A flexible investment

You decide how much you would like to invest from as little as £10, up to a maximum of 25% of your total annual gross salary in the *Traditional Plan* and 2.5% in the *Investment Leverage Plan*. If you wish to participate in both plans, you can invest up to 25% of your gross salary (taking into account the bank financing, which is equal to nine times your investment under the *Investment Leverage Plan*). Your gross salary is your gross basic salary at 31 July for the year of subscription plus any bonus paid in that same year.

Two investment choices

You can choose between the *Traditional Plan* and the *Investment Leverage Plan*. You can also combine the two plans. A calculator is available online to help you calculate your maximum investment.

Interest-free loan – Please note the change to this from previous years

You can purchase shares with an interest-free loan of up to £5,000, repayable through 4 instalments. This replaces the existing 10 monthly salary deduction process. What this means to you is that the payments will be taken from your salary in; February, April, June and August 2015.

Early Release

You are investing over 5 years, but there are certain circumstances that allow you to redeem your investment before the holding period expires in July of the fifth year.

Early Release* is permitted at any time during the holding period in the following circumstances:

- Death of the plan beneficiary or spouse or civil partner.
- Disability of the plan beneficiary, spouse or civil partner or child.
- Termination of employment.

The following early release* can only take place within 6 months of the event taking place

- Marriage or registration of a civil partnership.
- Birth or adoption of a third or subsequent child.
- Divorce or dissolution of a civil partnership, provided that the plan beneficiary is awarded custody (even part-time) of at least one dependent child.
- Acquisition, extension or construction of a principal residence.

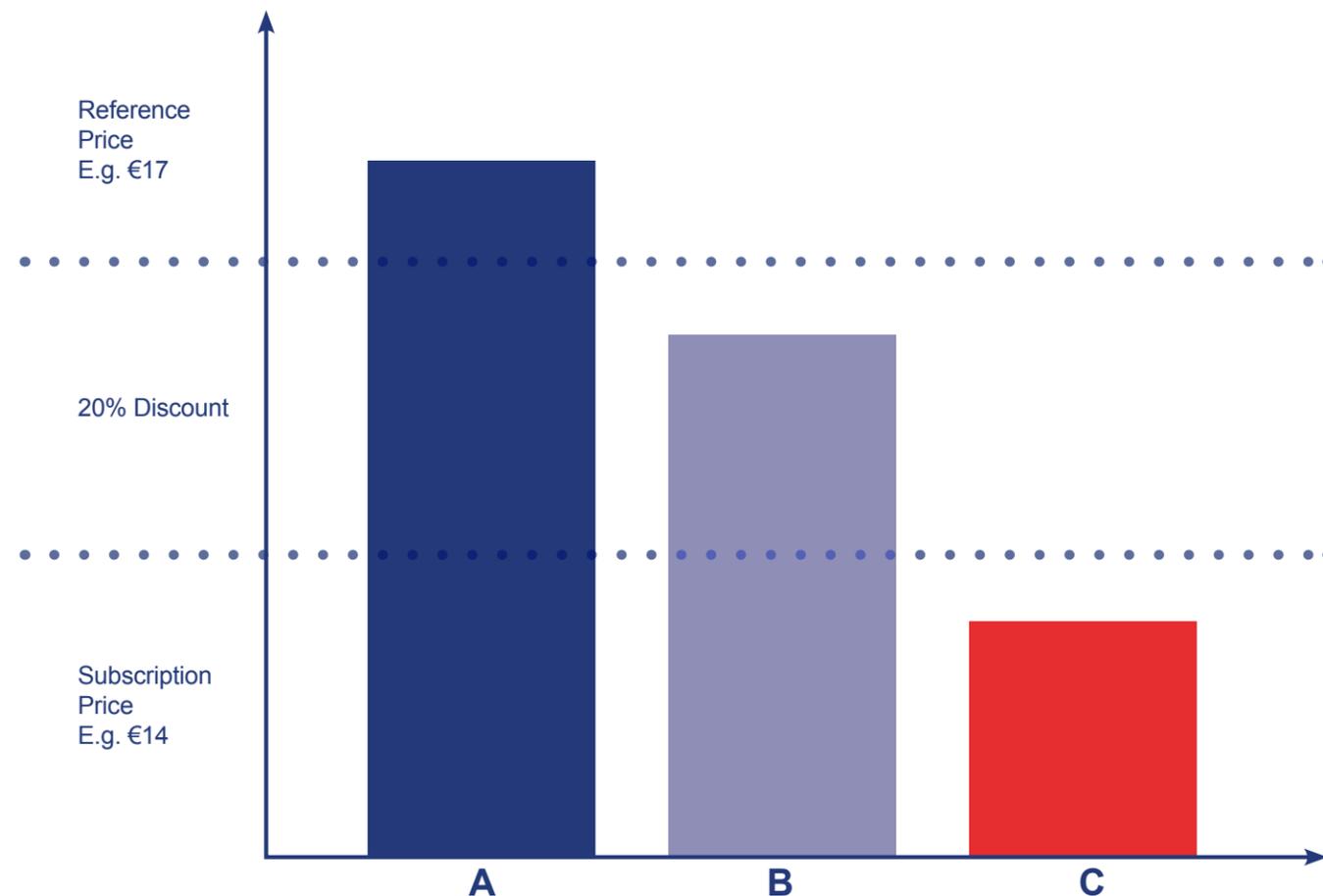
*Subject to any changes in French law and to local regulations regarding withdrawal.

Please note that you can't release your assets on the basis of termination of employment before 1 January in the following year after the subscription.

Traditional Plan FCPE AXA Shareplan Direct Global Fund /

- You can invest up to 25% of your gross annual salary.
- You receive 100% of any increase in the AXA share price compared to the discounted *Reference Price*.
- You will get any dividends that are issued to AXA shareholders reinvested.
- You benefit from a discount on the *Reference Price*.
- Your initial investment is not guaranteed, it can go up or down with the value of the AXA share price.

Potential return (example 20% discount)*



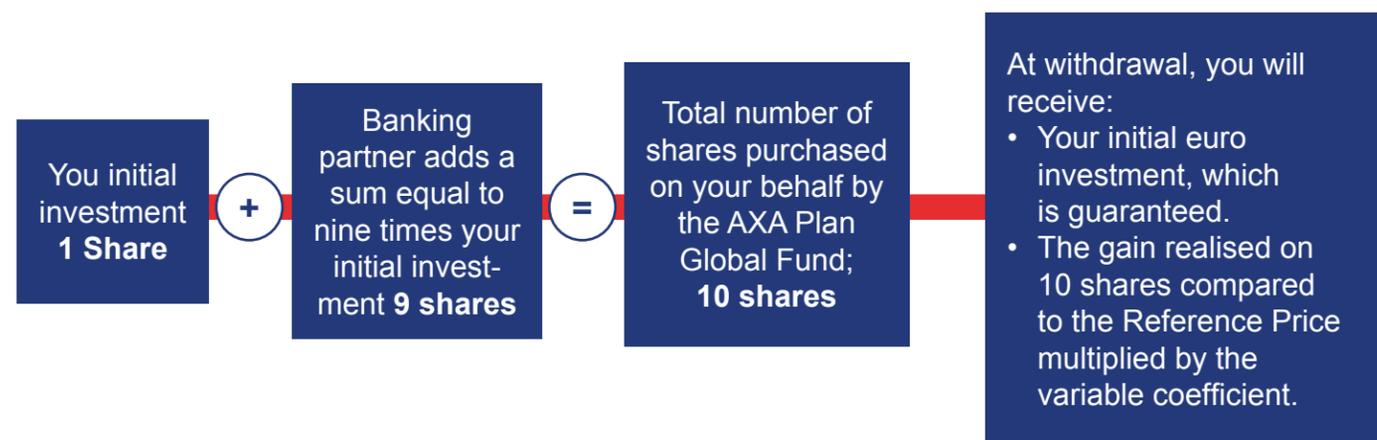
- A** The share price is higher than the reference price. You receive the entire capital gain, including the benefit of the 20% discount.
- B** The share price is lower than the reference price and higher than the Subscription Price. You receive your initial investment and a portion of the benefit of the 20% discount.
- C** The share price is lower than the subscription price. You do not receive all of your initial investment.

Investment Leverage Plan FCPE AXA Plan Global Fund

- Your initial investment is multiplied by 10 due to the participation of AXA's official Shareplan banking partner Natixis.
- You can invest any amount you wish up to 2.5% of your annual gross salary. When multiplied by 10 (as described above) this equates to 25% of your annual gross salary
- You buy AXA shares at a discount on the Reference Price.

- At withdrawal, regardless of the AXA share price you will receive 100% of your initial euro investment, which is guaranteed, and a percentage of any capital gains compared to the Reference Price on the total number of shares the Fund owns in your name.
- You do not receive dividends during the holding period: they are surrendered to the banking partner.

The leverage mechanism



Calculating potential gain[1]:

Gain (beyond reference price) =

$$(\text{personal investment} / \text{subscription price}) * 10 * 75\% * [\text{reference price} / (25\% * \text{final price} + 75\% * \text{reference price})] * (\text{final price} - \text{reference price})$$

Meaning

Number of units * variable Coefficient * Appreciation

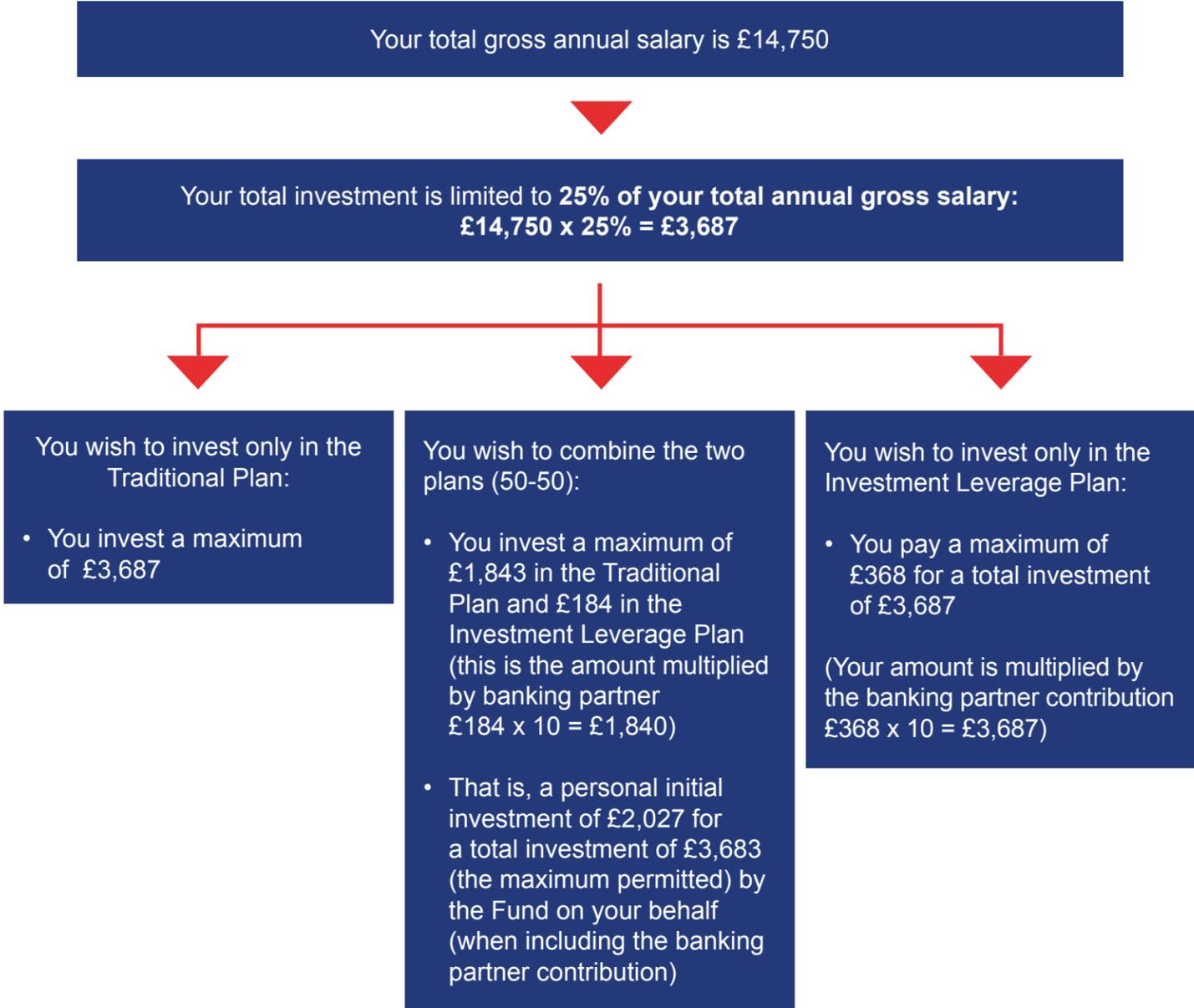
Example (based on a €17 Reference Price) *



* The figures shown are hypothetical. Please see the tax section for information concerning tax liabilities. Please see glossary for all terms in italics.

How much can you invest in the plans? /

Three example investments made on the basis of the same budget



Please use the online calculator to view your maximum investments and to show how your investment will evolve with changes in AXA's share price.

Remember your leverage amount is effectively multiplied by 10. Therefore if the figure you want to subscribe multiplied by 10 equals more than the maximum amount allowed your subscription will be rejected.

These three examples are not exhaustive.

Subscribing to Shareplan /

1. Subscribe between 1st – 16th September

In September you will receive an email inviting you to participate in Shareplan. You will have a limited number of days to log onto the AXA shareplan website to review the brochure and make your subscription choice, its quick and easy, just click on the “Subscribe Now” link, enter the unique reference number (URN) you will receive in the email invitation and your National Insurance number.

Payment can be made either through;

Interest free loan facility,

Please note that the loan facility for 2014 has changed from previous years. Instead of making the repayments over a ten month period, due to changes in the regulations regarding offering a loan the repayments will take place through 4 instalment dates commencing from salary in February, April, June and August. Amounts will NOT be deducted monthly.

Debit card using the secure payment method online.

Cheque.

To make payment by cheque, you will need to complete a paper form and manually send this to Equiniti with your payment. To request a paper form please contact Equiniti on 0871 384 2155 (calls charged at 8p per minute from a BT landline).

If you have lost or have never received your URN, please contact Equiniti on 0871 384 2155 (calls charged at 8p per minute from a BT landline).

All applications will be acknowledged by email.

2. Reference Setting Period between 26th September and 23rd October

The Reference Price will be calculated using the average of the 20 daily V-WAP (volume-weighted average prices). At the end of this period, AXA's Management Board will officially announce the Reference Price and Subscription Price for AXA Shareplan.

The Reference Price and Subscription Price will be announced on 24th of October, please visit the Shareplan section on www.axa-employeebenefits.co.uk for this information.

Subscribing to Shareplan (Continued) /

3. Subscription/Cancellation Period between 28th – 31st October

Following the announcement of the *Reference Price*, employees who missed the opportunity to subscribe in September will be able to enter a subscription during this period.

Please note that if you wish to subscribe in the *Leverage Plan* during October, the maximum amount that you can invest is reduced from 2.5% to 0.25%. The amount will still benefit from the banking partners multiplier (x 10).

If you invested during September the multiplier of 2.5% remains.

Also during this period you will be given the opportunity to cancel their subscription. Cancellations can only be made in full and can be cancelled by logging on to the AXA Shareplan website and clicking onto the “Subscribe Now” link, using your original URN and National insurance details, select the option to cancel your subscription.

The subscription will be cancelled in its entirety and cannot be reversed after the online request has been submitted for processing.

If you subscribe under the *Traditional Plan* you may invest as little as £10 or up to a maximum of 25% of your annual gross salary.

IMPORTANT

If you leave the company before the start of the *Cancellation Period* and have subscribed, your investment will automatically be cancelled under the eligibility rules, and any refund due to your debit card will be made within 10 working days.

If you have chosen an interest-free loan (£5,000 maximum), please select the loan option when subscribing. **Repayments will be over in 4 instalments over an 8 month period, deductions from salary will commence in February, April, June and August 2015.**

Payment by debit card will require a minimum investment of £10, foreign bank cards and credit cards (UK and foreign) will not be accepted. Some banks may have individual limits and you may wish to check with your bank before you proceed with your investment payment.

AXA is committed to ensuring your details are protected and have ensured that any payments you make via a payment card will be handled by a company who is fully compliant with the rules around payment card handling (Payment Card Industry Data Security Standards).

If you leave the AXA Group after the start of the *Cancellation Period* you remain eligible to participate, and if you have requested payment for your Shareplan subscription by loan, AXA retains the right to sell your investment to recover any outstanding loan payments if the amount is not repaid in full from your final salary.

What happens during the holding period? /

The amount you have invested is normally locked in for five years, the *holding period*. However, withdrawal from the plan is possible under certain circumstances.

You may consult www.capeasi.com for information about your investment. This secure site can be accessed via the Intranet and/or the Internet with a user password.

Employees who became shareholders from 2000 will already have received user names and passwords and are able to access the site. New Shareplan participants will receive Capeasi details in January following the end of the subscription period.

If you have lost your original password a new one can be obtained by contacting Equiniti on 0871 384 2155.

With your password you can:

- Obtain details of all your Shareplan investments from 2000 (available and locked in) as well as an itemised list of your most recent transactions and;
- Obtain information on the unit value of the fund and its performance.

Employee shareholders, who own their shares directly, will be entitled to exercise their voting rights at the AXA Shareholder Annual General Meeting, provided that they acquire shares issued in connection with AXA Shareplan.

At the end of the holding period

Your options:

Traditional Plan - You may choose to leave your shares in the plan, or you may sell them.

If you decide not to sell, the investment will continue to move with market movements and you will continue to receive any dividends.

If you decide to sell your investment, the amount of money you receive will be equal to the number of shares that you own multiplied by the unit value on the redemption date (before the deduction of charges).

Investment Leverage Plan- You may choose to sell your investment for cash or transfer the *Net Asset Value* into the *Traditional Plan*. If you do not make a choice, your investment will automatically be sold.

You will be contacted a few months before the end of the holding period to make your choice.

The final price for the *Investment Leverage Plan* is calculated over the last 52 weeks of the holding period as the average of the closing prices of the AXA share measured once in each of those weeks.

If the final price is below the *Reference Price*, the Reference Price is used.

While you continue to own assets under the *Traditional Plan*, you will receive the same information as during the *holding period*.

Should you leave the AXA Group during or after the holding period, AXA Epargne Entreprise will charge an annual management fee of €32. The fee will be paid by selling some of the units held on your behalf.

Selling your Investment, Valuations and Exchange Rates (Continued) /

Investment Leverage Plan

If you elect for early release from the *Investment Leverage Plan* the unit value is calculated based on a three day average of the AXA share price (from the 5th or 20th of the month). Valuations and sales are carried out twice a month (15th and 30th or 31st of each month).

Traditional Plan

The *Traditional Plan* is valued on a daily basis and is calculated within +/- 1% of the AXA share price. This approach is used both at the end of the *holding period* and if you elect to take early release.

If you want to sell your assets you have to send your request to:

Equiniti
Employee Share Plans
Executive Task Team
Aspect House
Spencer Lane
Lancing
West Sussex
BN99 6DA

Exchange Rates

The plans are valued and sold in euros, and the proceeds will be sent to you in sterling based on an exchange rate calculated at the time the funds are transferred from Paris.

The exchange rate used is a commercial rate and not a tourist rate.

When will I get my proceeds?

Proceeds following a sale will be sent to you within 6 – 8 weeks from the date of sale.

Please remember that the value of your investment can fall as well as rise and is not guaranteed. This means that you could get back less than you invested.

Taxation /

Guidance given on UK tax in this brochure represents current tax law, its interpretation and practice as it applies at the date of the brochure. There may be changes to the law, its interpretation or its application in practice during the term of your participation in AXA Shareplan. AXA cannot be held liable for any such changes.

Any tax treatment is dependent on a tax payer's specific circumstances and in particular, no account has been taken of any possible foreign tax aspects. You may wish to consult an independent tax adviser should you require any tax advice in relation to this matter.

Traditional Plan - Summary

An explanation of the tax treatment, including examples, is given below, but the general effect is an immediate Income Tax and National Insurance ("NI") charge for investments in the *Traditional Plan*.

The taxable amount per unit is calculated as the difference between the *Subscription Price* and the closing AXA share price at the end of the *Cancellation Period*. **Please note that you will not know the final tax charge until after the *Cancellation Period* has ended.**

The prices shown in the examples are for illustrative purposes only. Further details of the tax charge will be given when the Cancellation Period has ended. Similarly the tax and NI rates are illustrative only, and your own rates of Income Tax and NI may differ significantly from those shown now and in the future.

Traditional Plan - Tax payable on your investment

Example 1

An investment of £200 in the *Traditional Plan*. In this example the *Subscription Price* is £13.00 a unit and the closing AXA share price at the end of the cancellation period is £15.50. This would result in 15.3846 unit being acquired.

- The taxable amount is £15.50 - £13.00 = £2.50 per unit.
- Put another way, the amount on which Income Tax is payable is £38.46 (15.3846 units x £2.50)

You will pay Income Tax and NI on the taxable amount as if it were salary. The Income Tax and NI will be taken out of your December salary, so your net pay will be less than if you had not invested.

Example 2

Carrying on from the above example, for a 20% basic rate tax payer who also pays NI at 12%

- | | |
|---|----------------------|
| - The taxable amount (as per Example 1) | £38.46 |
| 20% Income Tax | £7.69 (£38.46 x 20%) |
| 12% National Insurance | £4.61 (£38.46 x 12%) |

The Income Tax and NI due totals £12.30 and will be deducted from December salary.

Taxation (Continued) /

Example 3

A 40% higher rate tax payer who also pays NI at 2% decides to invest £1,000 in the *Traditional Plan*. The *Subscription Price* in this example is £13.00 and the closing AXA share price at the end of the cancellation period is £15.50. This would result in 76.92 units being acquired.

- The taxable amount is £2.50 (£15.50 - £13.00) per unit.
- The total taxable amount is therefore £192.30
- 40% Income Tax £76.92 (£192.30 x 40%)
- 2% National Insurance £3.84 (£192.30 x 2%)

The Income Tax and NI which totals £80.76, will be deducted from December salary.

The taxable amounts and Income Tax and NI deductions will be included in the summary P60 forms issued to continuing employees after the end of the tax year.

Traditional Plan – Agreement to tax upfront

Income Tax and NI charges are payable at the time of investment. You agree to this when you submit the Subscription Form online. Because of this there is no Income Tax or NI due when you cash in your investment.

Traditional Plan – Tax when you cash in your investment

You will need to consider capital gains tax (“CGT”) when you sell your investment. The CGT calculation takes account of any Income Tax charge on investment to avoid the same amount being taxed twice. This is done by deducting the original taxable amount from the sale proceeds.

Example 4

- An investment of £1,000 in 2014 and, five years later, the investment is sold for £1,400
- The amount on which Income Tax and NI was paid at investment was £192.30*
The chargeable gain for CGT purposes is calculated as follows:

Sale Proceeds	£1,400
Less original investment	£1,000
Less amount previously taxed	£192.30
Chargeable gain	<u>£207.70</u>

Example 5

- An investment £1,000 and following an early release trigger, the investment is cashed in for £1,125
- The amount on which Income Tax and NI was paid at investment was £192.30*
The allowable loss figure for CGT purposes is calculated as follows:

Sale Proceeds	£1,125
Less original investment	£1,000
Less amount previously taxed	£192.30
Allowable (loss)	<u>£ 67.30</u>

There is an individual annual exemption for CGT. Gains might also be reduced by capital losses on other assets. CGT is currently charged at 18% for basic rate and 28% for higher and additional rate tax payers.

The tax treatment is the same under the early release provisions as for a disposal after the end of the holding period.

Taxation (Continued) /

Traditional Plan – Dividends

Dividends paid on the shares held by the *FCPE* are reinvested on your behalf and you will be told when this happens. You will be liable to Income Tax on the gross amount of the dividend reinvested. For a basic rate tax payer this credit covers the Income Tax liability so that there is no additional tax to pay.

For higher and additional rate tax payers who do have additional Income Tax to pay, this is due for the year in which the dividends are received by the *FCPE* and is collected under self-assessment. The value of the reinvested dividends will form the capital gains tax base cost of the additional units acquired.

***this calculation methodology is described in Example 1 i.e. the difference between the *Subscription Price* and the closing AXA share price.**

Investment Leverage Plan – Summary

No Income Tax or NI is payable at the time of investment.

Income Tax and NI are due on any profit when the investment is disposed of, either at the end of the *holding period* or earlier. A disposal includes a transfer to the *Traditional Plan*. If at the end of the *holding period* you choose not to cash in your investment, Income Tax and NI will therefore be payable at that time. Please note that the Income Tax and NI will be deducted and declared to HM Revenue and Customs, and if you are a non-taxpayer you will need to reclaim the tax from HM Revenue and Customs.

Investment Leverage Plan - Tax payable on investment disposal

Example 6

A 20% basic rate taxpayer who also pays NI at 12% invests £500. At the end of the *holding period* the investment is worth £800.

Taxable amount	£300 (£800 - £500)
20% Income Tax	£ 60
12% National Insurance	£ 36
Income Tax & NI payable	£ 96

Example 7

A 40% higher rate taxpayer who also pays NI at 2%, invests £500. At the end of the *holding period* the investment is worth £800.

Taxable amount	£300 (£800 - £500)
40% Income Tax	£160
2% National Insurance	£ 6
Income Tax & NI payable	<u>£126</u>

Taxation (Continued) /

Investment Leverage Plan - Collection of Income Tax and NI

The Income Tax and NI due will be deducted from the investment proceeds by the Company and paid to HM Revenue and Customs by your employer using Pay As You Earn (PAYE). This process will apply even if you left the AXA Group before disposing of your investment. The taxable amount, Income Tax and NI paid will be included in the form P60 figures issued to continuing employees after the end of the tax year.

Investment Leverage Plan - Leaving the AXA Group and Employer's NI

Your employing company within the AXA Group also has to pay employer's NI when you dispose of your investment. If, when you make a disposal, you have already left the AXA Group by reason of resignation, dismissal or mutual termination of contract, you will also be required to pay the employer's NI liability. However, you will be entitled to Income Tax relief on the employer's NI you pay.

Example 8

A 20% basic rate taxpayer invests £200 in the Investment Leverage Plan and through an early release trigger the investment is now worth £300.

Amount subject to NI	£ 100 (£300 - £200)
Employee's NI, say, 12%	£ 12.00
Employer's NI, say, 13.8%	£ 13.80
Amount subject to Income Tax	£ 86.20 (£300 - £200 - £13.80)
20%, basic rate tax	£ 17.24 (£86.20 X 20%)
Income Tax & both Employee's and Employer's NI payable	£ 43.04 (£17.24 + £12.00 + £13.80)

Example 9

A 40% higher rate taxpayer, invests £600 in the Investment Leverage Plan and through an early release trigger sells the investment, which is now worth £1,000.

Amount subject to NI	£400.00 (£1,000 - £600)
Employee's NI, say, 2%	£8.00
Employer's NI, say, 13.8%	£55.20
Amount subject to Income Tax	£344.80 (£1,000 - £600 - £55.20)
40%, basic rate tax	£137.92 (£344.80 X 40%)
Income Tax & both Employee's and Employer's NI payable	£201.12 (£137.92 + £8.00 + £55.20)

Interest-Free Loan

From an Income Tax perspective there are rules which apply to low interest loans to employees, such as the interest-free loan available under AXA Shareplan . If the total of all such loans (e.g. Shareplan, Season Ticket, etc) does not exceed £10,000 at any time during the tax year then the loans are not taxable. Loans that are taxable will be shown on the taxable benefits statement (Form P11D) issued to relevant employees after the end of the tax year. Where Income Tax is due this is collected under self-assessment and there is no employee's NI liability.

Important

Tax deductions on the Traditional Plan and the first loan deduction will be taken from your February salary.

Glossary /

AXA Actions Relais:	The fund has been created for subscribers to the (FCPE) AXA Direct Global Fund in the AXA Shareplan. The subscriptions held in this Fund will be merged with the (FCPE) AXA Direct Global sub-fund, after the capital increase and following approval from the French Securities and Exchange Commission.	Holding Period:	The period during which your initial investment is frozen, normally five years. There are circumstances which will allow early withdrawal so that you may redeem your investment before the holding period expires. FCPE units are non-transferable.
AXA Epargne Entreprise:	An AXA subsidiary that manages employee saving plans..	Investment Leverage Plan:	A multiplier investment plan whereby the banking partner adds a multiple of nine times the sum you invest. Your initial euro investment is guaranteed and, in return, you receive a percentage of any gain.
Cancellation Period:	The period during which you may cancel your entire subscription i.e. no part cancellations. During the Cancellation Period you will have the opportunity to subscribe, however this is only available to employees who missed the September Subscription Period (we will <u>NOT</u> be making amendments to original requests).	Net Asset Value:	The value per unit in the FCPE, calculated from the total value of the portfolio and the number of units issued. Subscriptions (payments into the Fund) and redemptions (payments out) are made on the basis of this value.
Discount:	Amount by which an AXA share's Reference Price is reduced, and which constitutes a preferential right. It is set by the AXA Group Management Board within the maximum legal limit.	Reference Price:	The average trading price of AXA stock on the Paris Bourse over the 20 trading days from the end of the subscription period, to the beginning of the cancellation period, approved by the AXA Group Management Board.
Dividend	Portion of a company's earnings that may be distributed to shareholders. The dividend, if any, is paid out once a year after approval by the shareholders. It varies with the profit generated by the company.	Subscription Period:	The period in September during which you can apply to participate in AXA Shareplan.
FCPE:	Fonds Commun de Placement d'Entreprise – a Collective Investment Fund, similar to a unit trust.	Subscription Price:	Price at which you can buy your shares after the discount has been applied to make your investment.
(FCPE) AXA Shareplan Direct Global Fund:	Fund established by AXA to receive investments for the Traditional Plan. Employees who decide to subscribe to this plan buy units in this Fund. The Fund then buys AXA shares on the employee's behalf. One unit of the investment Fund (the FCPE) is equal to approximately one AXA share.	Traditional Plan:	An investment plan where the performance of your investment is based directly on the performance of the AXA share price.
(FCPE) AXA Plan [year] Global Fund:	Fund established by AXA to receive investments for the Investment Leverage Plan. Employees who decide to subscribe to this plan buy units in this Fund. The fund then buys AXA shares on the employee's behalf.		

Contacts

Equiniti (Helpline): 0871 384 2155 (calls charged at 8p per minute from a BT Landline)
Online Subscription: www.axa-employeebenefits.co.uk
<https://axashareplan.equiniti.com>