



# Employee shareholding at AXA

# Foreword



For the twenty-fifth year running, AXA has decided to open up its capital to its employees, offering them an opportunity to once again share in the Group's robust growth and success as shareholders.

AXA's performance in 2017 was excellent, in line with our Ambition 2020 strategic plan, thanks to the outstanding commitment shown by our teams and the simplification of our organization. For the first time in the AXA Group's history, our underlying earnings and net income both crossed the €6 billion mark. These positive results enabled us to pay our shareholders a dividend of €1.26 per share, up 9% from the previous year.

Our ambition is to continue moving forward together, creating sustained long-term growth and value for all our stakeholders. We will achieve this by continuing to build on our strong societal actions, from individual initiatives with AXA Hearts In Action to Group-level commitments, particularly to combat global warming.

Shareplan offers a privileged investment opportunity for the Group's employees and I am delighted to inaugurate this 2018 operation. In 2017, over 29,000 employees from 39 countries, representing more than 27% of the employees concerned, took part in Shareplan, with a total amount of subscriptions representing approximately €444 million. These results highlight the strong level of support for our business development project.

Choosing to invest your savings in Shareplan is of course an individual decision and I would encourage each of you to consider this carefully in line with your own personal objectives.

In this brochure, you will find information to help you make an informed investment decision. Your Human Resources correspondents are also available to answer any questions you may have.

Thank you for your continued confidence in AXA.

Thomas Buberl  
AXA's Chief Executive Officer

## Shareplan means...



### IMPORTANT

Before making your investment decision, you should read the terms of the Shareplan 2018 offering very carefully, particularly the Key Investor Information Documents (KIID) for each of the Employee Stock Ownership Funds related to the Shareplan 2018 offering. The KIID is a concise summary of the essential characteristics of each fund related to this offering. In the event of any conflict between this brochure and the Fund Regulations, the Fund Regulations will take precedence. In making your decision whether or not to invest, you should carefully consider the terms of the Shareplan offering and your personal financial situation as well as the risks of investing in AXA shares, including the risk of significant volatility in AXA's share price over the term of your investment and the impact of changes in exchange rate upon the value of your units. AXA cannot guarantee that Natixis, the partner bank, will fulfill its obligations with respect to the leverage effect plan, (Leverage Plan). For a description of certain risks concerning AXA or investing in AXA shares, please see AXA's Annual Report (Registration Document), Part 4, "Risk Factors and Risk management", available on AXA's website ([www.axa.com](http://www.axa.com)) and the KIID for each Employee Stock Ownership Fund.

# General principles

With Shareplan 2018, participate in AXA's new capital increase reserved for the Group's employees and agents.

## Investment choices offered

You are being offered two investment choices under the AXA Group employee savings plan implemented for countries outside of France (International Employee Stock Purchase Plan or IESPP) also referred to as Shareplan:



### The Traditional Plan

the terms of which are presented on page 4



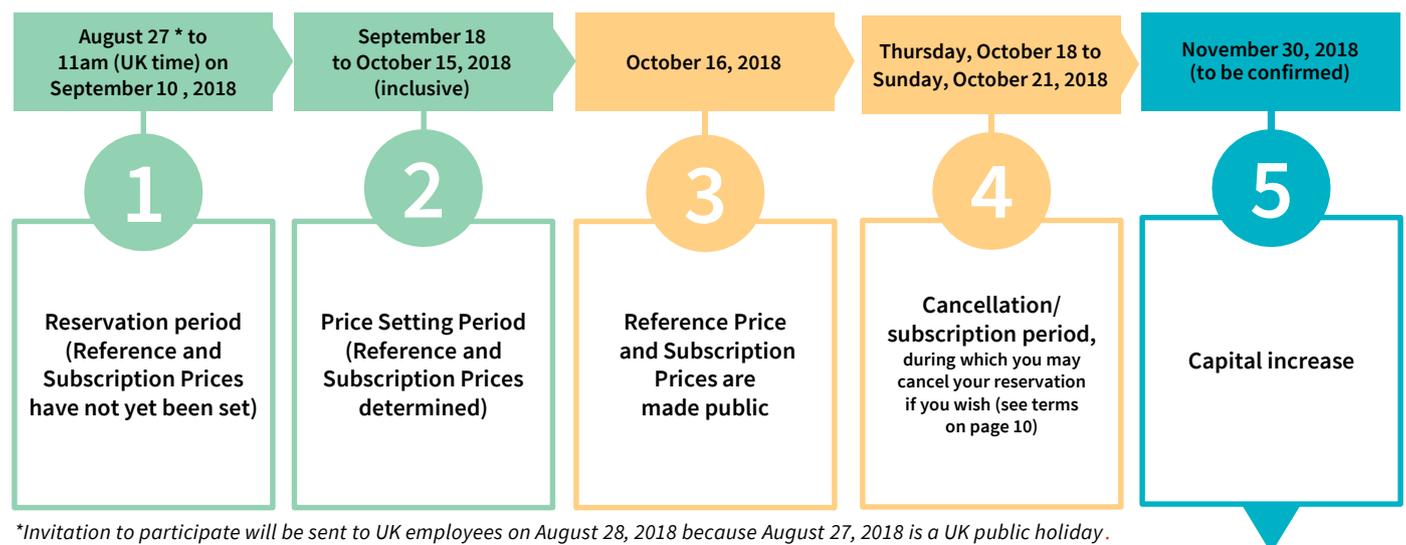
### The Leverage Plan

the terms of which are presented on page 5

You may invest in either plan or a combination of the two at a discount to the Reference Price. As for previous years, units in Shareplan are restricted and may not be redeemed or transferred for a period of approximately five years, subject to very limited exceptions described on page 11.

## Key Dates

Shareplan 2018 will take place as follows:



\*Invitation to participate will be sent to UK employees on August 28, 2018 because August 27, 2018 is a UK public holiday.



On the capital increase date, the new shares offered under Shareplan 2018 will be issued, and participants in Shareplan 2018 will become shareholders of the AXA Group through Employee Stock Ownership Funds.

## CONDITIONS

- Investment ceiling:** your total investment under both plans must not exceed an amount equal to 25% (including the partner bank's additional contribution under the Leverage Plan) of your gross annual salary for 2018. During the Cancellation/subscription period, for the Traditional Plan this investment ceiling remains an amount equal to 25% of your gross annual salary for 2018 but for the Leverage Plan, the investment ceiling will be reduced to an amount equal to 2.5% (including the partner bank's additional contribution) of your gross annual salary for 2018.
- Investment term:** once invested, your assets will be available as of July 1, 2023, or earlier in the event of early release cases (see page 11).
- Interest Free Loan:** you can apply for an interest free loan of up to £5,000, which will be repaid through deductions from your salary over 10 months, starting in December 2018. Please refer to the FAQs for information regarding what will happen if you leave AXA and have not repaid the loan in full.

# Making your investment decision



## Traditional Plan

### Principle

You invest at a Subscription Price set at a 20% discount to AXA's Reference Price.

You subscribe for units of the Employee Stock Ownership Fund AXA ACTIONS RELAIS GLOBAL 2018. This Fund, created for Shareplan 2018, will subscribe for the AXA ordinary shares under this offering reserved for employees, for which listing on Euronext Paris will be requested at the time of their issue. It is intended to be merged with the existing shareholding Fund AXA SHAREPLAN DIRECT GLOBAL (of the Shareplan AXA Direct Global Fund) once the capital increase has been carried out after approval of the French securities regulator (Autorité des marchés financiers - AMF) and of the Supervisory Board of the Fund.

Dividends paid on the shares held in the Fund are reinvested on your behalf into more units or fractions of units.



### IMPORTANT RISK INFORMATION:

**Volatility risk:** The value of your units is linked to the performance of the AXA share price (increasing or decreasing) against the Subscription Price. The value of your investment is not guaranteed and the value of your units can go up or down with the AXA share price. Therefore you could get back less than the original amount you invested and be exposed to a capital loss.

**Exchange rate risk:** The value of your units will be affected by currency fluctuations and the amount you get back will be subject to the exchange rate applying at the time between the Euro and Sterling.

In addition to risks highlighted above, there are further risks associated with investing in the Traditional Plan. Refer to the section headed 'Risk Profile and Rate of Return' within the 'Key Information for Investors Document (KIID)– Traditional Plan' for further details.

## Example assuming a personal investment of €100

Your personal investment €100	THE VALUE OF YOUR UNITS AT REDEMPTION**			
Reference Price of €21*	Final price of €15	Final price of €16.80	Final price of €21	Final price of €26
Subscription Price of €16.80 You invest €100/€16.80 = 5.95 units	<p>↓</p> <p><b>LOWER</b> than the <b>Subscription Price</b> €15 x 5.95 = <b>€89.25</b> i.e. a compound annual growth rate of <b>-2.4%</b> <b>(Capital loss)</b> + Potential reinvested dividends</p>	<p>=</p> <p><b>EQUAL</b> to the <b>Subscription Price</b> €16.80 x 5.95 = <b>€100.00</b> i.e. a compound annual growth rate of <b>0%</b> + Potential reinvested dividends</p>	<p>↗</p> <p><b>HIGHER</b> than the <b>Subscription Price</b> €21 x 5.95 = <b>€124.95</b> i.e. a compound annual growth rate of <b>5.0%***</b> <b>(Capital gain)</b> + Potential reinvested dividends</p>	<p>↗</p> <p><b>HIGHER</b> than the <b>Subscription Price</b> €26 x 5.95 = <b>€154.70</b> i.e. a compound annual growth rate of <b>10.0%</b> <b>(Capital gain)</b> + Potential reinvested dividends</p>

\* This Reference Price of €21 is given as an example only. The Reference Price for Shareplan 2018 will be announced on October 16, 2018.

\*\* No income tax and NICs should be payable at redemption. A capital gains tax charge may apply. Please refer to the Tax file section for further information, pages 13 to 15.

\*\*\*  $5\% = (\frac{€124.95}{€100})^{1/4.5} - 1$  with 4.59 being the number of years between November 30, 2018 and July 1, 2023.

The prices and figures shown in the example are for illustrative purposes only and you should refer to the Fund's KIID and Regulations for full details of how the value of your units would be calculated.

Upon redemption, you may get back less than your original Sterling investment depending on the Euro: Sterling exchange rate. The compound annual growth rates detailed in the example above do not reflect the impact of exchange rate fluctuations.

# Making your investment decision



## Leverage Plan

### Principle

You subscribe for units in the Leverage Plan (FCPE – Compartment AXA Plan 2018 Global) which is invested in ordinary newly issued AXA shares, for which listing on Euronext Paris will be requested at the time of their issue.

When you subscribe under the Leverage Plan, an additional contribution by the partner bank, Natixis, enables an investment to be made on your behalf equal to 10 times your personal Euro investment. The investment is at a Subscription Price set at a 5.85% discount to AXA's Reference Price.

Your personal Euro investment is guaranteed in Euros by the partner bank, Natixis.

In return for these benefits, you agree to waive the benefit of the 5.85% discount to the Reference Price applied at subscription when calculating the gain at maturity (or early release) as well as the dividends and a portion of any gain on all of the units subscribed on your behalf.

### Calculating the value of your units at redemption

The value of your units at redemption corresponds to your initial personal Euro investment (which is guaranteed) increased by a proportion of the gain if the AXA share price has appreciated above the Reference Price.

#### IMPORTANT RISK INFORMATION:

**Volatility risk:** The value of your units is linked to the performance of the AXA share price and can go up or down with the AXA share price.

**Exchange rate risk:** The value of your units will be affected by currency fluctuations and the amount you get back will be subject to the exchange rate applying at the time between the Euro and Sterling.

In addition to risks arising from exchange rate fluctuation there are further risks associated with investing in the Leverage Plan. Refer to the section headed '**Risk Profile and Rate of Return**' within the '**Key Information for Investors Document (KIID) – Leverage Plan**' for further details.

## Example assuming a personal investment of €100

Your personal investment €100	THE VALUE OF YOUR UNITS AT REDEMPTION **				
Reference Price of €21*	Final Price of €15	Final Price of €20	Final Price of €22.361	Final Price of €23.813	Final Price of €35.079
Subscription Price of €19.77 You invest €100/€19.77 = 5.06 units	 <b>LOWER</b> than the <b>Reference Price</b>  You recover <b>€100</b>  i.e. a compound annual growth rate of <b>0%</b>	 <b>LOWER</b> than the <b>Reference Price</b>  You recover <b>€100</b>  i.e. a compound annual growth rate of <b>0%</b>	 <b>HIGHER</b> than the <b>Reference Price</b>  You recover <b>€150***</b>  i.e. a compound annual growth rate of <b>9.2%****</b>  <i>This is split between your Personal Euro Investment of €100 and a gain realised of €50</i>	 <b>HIGHER</b> than the <b>Reference Price</b>  You recover <b>€200</b>  i.e. a compound annual growth rate of <b>16.3%</b>  <i>This is split between your Personal Euro Investment of €100 and a gain realised of €100</i>	 <b>HIGHER</b> than the <b>Reference Price</b>  You recover <b>€500</b>  i.e. a compound annual growth rate of <b>42%</b>  <i>This is split between your Personal Euro Investment of €100 and a gain realised of €400</i>

\* This Reference Price of €21 is given as an example only. The Reference Price for Shareplan 2018 will be announced on October 16, 2018.

\*\* Excluding any applicable deductions of income tax and NICs.

\*\*\*  $€150 = €100$  (your initial investment) +  $[5.06 * 7.5 * (€21.00 / (0.50 * €22.361 + 0.50 * €21.00)) * (€22.361 - €21.00)]$  i.e. a compound annual growth rate of 9.2%. Refer to the formula on the next page for an explanation of this calculation.

\*\*\*\*  $9.2\% = (€150 / €100)^{(1/4.59)} - 1$  with 4.59 being the number of years between November 30, 2018 and July 1, 2023.

The prices and figures shown in the example are for illustrative purposes only and you should refer to the Fund's KIID and Regulations for full details of how the value of your units would be calculated.

Upon redemption, you may get back less than your original Sterling investment depending on the Euro: Sterling exchange rate. The compound annual growth rates detailed in the example above do not reflect the impact of exchange rate fluctuations.

# Making your investment decision



## Leverage Plan

### Calculating the value of your units at redemption

The final value of your units will be equal to the total sum of your personal Euro investment and, if the Final Price is above the Reference Price, a proportion of any gain.

If the Final Price is higher than the Reference Price, your Euro gain will be determined by multiplying (i) the number of units subscribed through your personal Euro investment, (ii) the variable performance multiple and (iii) the share price appreciation, i.e. the average closing share price for the period during which the Final Price is calculated minus the Reference Price.

If the Final Price is not higher than the Reference Price, the Euro gain is zero, and you will only get back your personal Euro investment.

The three components used to calculate any gain are set out in the formula below:

$$\left( \frac{\text{Personal Euro Investment}}{\text{Subscription price}} \right) \times \left( \frac{\text{Leverage effect (10)} \times \text{Percentage of Participation} \times \text{Reference Price}}{0.50 \times \text{Final Price} + 0.50 \times \text{Reference Price}} \right) \times (\text{Final Price} - \text{Reference Price})$$

↓
↓
↓

Number of units
Variable performance multiple
Share price appreciation

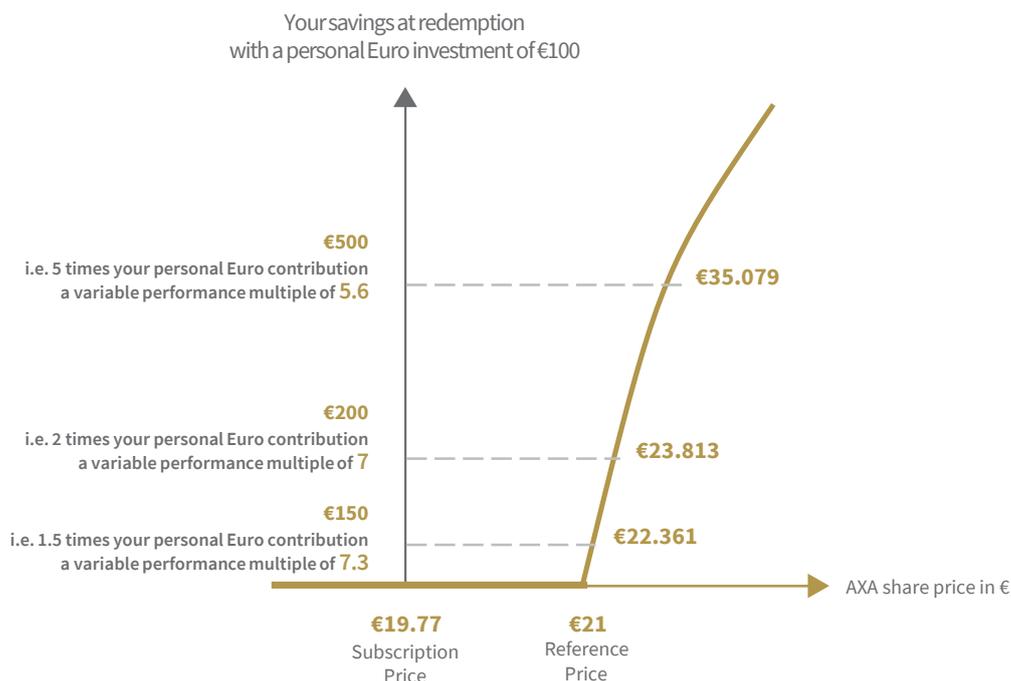
The Reference Price and the Percentage of Participation may be adjusted upward or downward, within the conditions described in the Fund Regulations. The Percentage of Participation may be adjusted to reflect a change in laws, regulations or taxation, including the application of taxes on financial transactions. The Percentage of Participation of 75% was determined particularly with regard to the laws, regulations and taxation in force on the date of the call for bids to select the partner bank for this year's operation, i.e. February 8, 2018.

### The variable performance multiple



The variable performance multiple decreases when the AXA share price increases. Therefore, in our example when the Final Price is €22.361, the variable performance multiple amounts to 7.3 and when the Final Price is €35.079, the variable performance multiple amounts to 5.6.

Regardless of this, the higher the share price, above the Reference Price, the greater your Euro gain (in the Fund Regulations this is defined as "performance").



The prices and figures shown in the example are for illustrative purposes only and you should refer to the Fund's KIID and Regulations for full details of how the value of your units would be calculated.

# Comparing the two plans

Example with a Reference Price of €21 and a personal investment of €100 in each plan.

	 <b>Traditional</b>	 <b>Leverage</b>
<b>SUBSCRIPTION PRICE</b>	20% discount to the Reference Price	5.85% discount to the Reference Price (you give up this discount when the value of your units is calculated on redemption)
<b>INVESTMENT GUARANTEED BY THE PARTNER BANK</b>	NO	YES (in return you give up the discount to the Reference Price, as well as any dividends and a portion of any gain when the value of your units is calculated on redemption)
<b>DIVIDENDS</b>	YES (reinvested in additional units or fractions of units)	NO
<b>PERSONAL INVESTMENT CEILING</b>	25% of gross annual salary	2.5% of gross annual salary, or 0.25% of gross annual salary during the Cancellation/subscription period (Note: excluding additional contribution by partner bank)
<b>CALCULATION OF THE GAIN</b>	Above the <b>Subscription Price</b>	Above the <b>Reference Price</b>
<b>Your personal Euro investment multiplied by:</b>		
	<b>If the Final Price reaches:</b>	
<b>1.5</b> i.e. a compound annual rate of <b>9.4%</b>	25.20 €	22.361 €
<b>2</b> i.e. a compound annual rate of <b>16.6%</b>	33.60 €	23.813 €
<b>5</b> i.e. a compound annual rate of <b>43%</b>	84.00 €	35.079 €

(1) The prices and figures shown in the examples above are for illustrative purposes only and you should refer to the Fund's KIID and Regulations for full details of how the value of your units would be calculated.

(2) Refer to the Investment Modelling tool (page 9) for illustrative investment outcomes based on a full range of Final Prices, including where the Final Price may be lower than the Subscription or Reference Price.

(3) The calculations above do not take into account dividends reinvested under the Traditional Plan.

(4) The compound annual growth rates detailed in the table above do not reflect the impact of exchange rate fluctuations.

(5) For a summary of the UK tax position for each plan, please refer to the Tax File (pages 13-15).

# Close-up look at...

## The investment ceiling

The maximum amount that can be invested in both plans combined is an amount equal to 25% of your gross annual salary.

- During the Reservation period, the investment ceiling is an amount equal to 25% for both plans, including the partner bank's additional contribution for the Leverage Plan
- During the Cancellation/subscription period, the ceiling is an amount equal to 25% for the Traditional Plan and 2.5% (including the partner bank's additional contribution) for the Leverage Plan.

Assuming that:	Reservation period:	Cancellation/subscription period:
<ul style="list-style-type: none"> <li>• <b>A</b> is the amount invested in the Traditional Plan</li> <li>• <b>B</b> is the amount invested in the Leverage Plan, including the partner bank's additional contribution. <math>B=10*b</math></li> </ul>	$A + B \leq 25\%$ of your gross annual salary	$A + B \leq 25\%$ of your gross annual salary
	<b>AND</b>	<b>AND</b>
<ul style="list-style-type: none"> <li>• <b>b</b> being your personal Euro investment in the Leverage Plan</li> </ul>	$B \leq 25\%$ i.e. $b \leq 2.5\%$	$B \leq 2.5\%$ i.e. $b \leq 0.25\%$

## NB:

If the total amount of shares requested exceeds the amount of the capital increase authorized by the AXA Board of Directors\*, AXA will proportionately adjust each participants' personal Euro investment. In this case, participants will be notified individually and will receive, if appropriate, a statement indicating the difference between the initial Euro subscription and the amount actually invested. This applies to:

- Personal Euro investment in both plans (Traditional and Leverage).
- All participants in the 2018 capital increase.

\*The maximal nominal amount of 135 million euros, corresponding to the issue of 58,951,965 ordinary shares.



## Example:

If Subscriptions had to be reduced by 25% then this would work as follows:

**Employee's personal Euro investment:** €1,500, with a €1,000 investment in the Traditional Plan and €500 in the Leverage Plan. For the €500 invested by the eligible employee under the Leverage Plan, €4,500 is contributed by the partner bank. As such, €6,000 is invested on the eligible employee's behalf (€1,000 in the Traditional Plan and €5,000 (€500 + €4,500) in the Leverage Plan).

**Amount invested after adjustment:** €6,000 \* (1-25%) = €4,500, with:

**Traditional Plan:** €1,000 \* (1-25%) = €750

**Leverage Plan:** €5,000 \* (1-25%) = €3,750

**Total employee investment:** €750 + €3,750 = €4,500

# Find out more



## Model your investment?

An investment modeling tool is accessible at the following address:

- Internet: <https://shareplan.axa.com>
- password: Shareplan2018

**Important:** The investment modelling tool is not compatible with Internet Explorer 8

### IMPORTANT RISK INFORMATION

The figures in this tool are provided for illustrative purposes only. The final value of your units and the amount you receive on redemption of your units (including any Euro personal investment under the Leverage Plan) will be determined in accordance with the Fund Regulations and will be affected by the performance of the AXA share price (which can go up or down) and the prevailing Euro : Sterling exchange rate at the time. Currency fluctuations may mean that your personal Euro investment on redemption is lower than the original Sterling amount you invested.

## Sites

Further information to help you make an informed decision:

**Intranet:** [http://axagroupweb.corp.intraxa/default\\_2.htm](http://axagroupweb.corp.intraxa/default_2.htm)

**Internet:** <https://axagroupweb.axa.com>

Login : Shareplan2018

Password : NewOper2018

**Website:** <https://www.axa-employeebenefits.co.uk/shareplan>

In particular, you will find a link to a set of FAQs, the Key Investor information Documents (KIIDs), as well as the regulations for each Fund on this website.

## Manage your investment

You can track the valuation of your units and check the latest transactions on your account on the secured website [www.capeasi.com](http://www.capeasi.com) (accessible through the Intranet and/or Internet with the Internet account number and your personal password which can be obtained from Equiniti).



## Contact

If you have any questions regarding Shareplan you can contact Equiniti by phone using the employee helpline number 0371 384 2155 or by email at [axashareplanenquiries@equiniti.com](mailto:axashareplanenquiries@equiniti.com)

# Practical details

## Who is eligible to participate?



Employees of AXA Group on August 27, 2018 and on the last day of the Cancellation/subscription period, i.e. October 21, 2018, with at least three months service with the AXA Group on October 21, 2018.

## Key dates

- You will be able to reserve your subscription from August 27\* to 11am (UK time) on September 10, 2018, inclusive
- The Reference and Subscription Prices will be known on October 16, 2018\*\*, and announced on the Group website ([www.axa.com](http://www.axa.com)) and on <https://www.axa-employeebenefits.co.uk/shareplan/shareplan-2018>.
- There will be a Cancellation/subscription period from Thursday, October 18 to Sunday, October 21, 2018, inclusive, during which you may choose to:
  - **Confirm your reservation**, in which case you do not have anything to do, your reservation will be automatically confirmed,
  - **Cancel your entire reservation**, using the online Shareplan service,
  - **Apply to subscribe using the online Shareplan service:**
    - under the Traditional Plan, based on the same terms as during the Reservation period,
    - under the Leverage Plan, with a lower maximum investment amount of an amount equal to 2.5% of your 2018 gross annual salary (including the partner bank's additional contribution, meaning that your personal contribution may not be higher than an amount equal to 0.25% of your gross annual salary).

\* Invitation to participate will be sent to UK employees August 28, 2018 because August 27, 2018 is a UK public holiday.

\*\* Subject to the decisions of the AXA Chief Executive Officer setting the final dates of the Cancellation/subscription period and the Subscription Prices.

## How do I make a reservation/subscription?

### Reservation period

On August 28, 2017, you will receive an invitation (either by email or through the post depending on your work circumstances), which will contain the link to the online Shareplan service and your Unique Reference Number (URN).

Through <https://www.axa-employeebenefits.co.uk/shareplan/shareplan-2018> click on “Invest Now” and you will enter the online system and be asked to enter your URN and National Insurance number. From here proceed through to the online Shareplan service where you can make your reservation.

### Cancellation/subscription period

On October 18, 2017, you will receive a second communication outlining the choices available to you.

## Payment Methods

You can pay for your Shareplan investment using one of the methods below:

- **By Debit card using the secure online Shareplan service**

Payment must be with a UK bank debit card. Credit or foreign cards are **not** accepted.

- **By applying for an interest free loan**

Up to a maximum of £5,000 which will be repaid through deductions from salary over 10 months, starting in December 2018. Please refer to the FAQs for information regarding what will happen if you leave AXA and have not repaid the loan in full at the date you leave.

- **By Cheque**

Requires completion of a manual form provided by Equiniti.

- **Or a combination of the above**

# How and when can I access my Shareplan units?



## Did you know?

Your units are locked-up for five years. They will therefore be available as of July 1, 2023. There are currently nine early release events that allow you to withdraw from Shareplan before this date.

### In the following cases, requests must be submitted within 6 months of the triggering event:

1. Marriage or civil solidarity pact (PACS), or other equivalent in your jurisdiction if relevant, such as in the UK, a civil partnership;
2. Birth or adoption of a child when there are already at least two dependent children in the household;
3. Divorce, separation or dissolution of a civil solidarity pact provided that you are awarded sole or joint residential custody of at least one dependent child;
4. Creation or purchase of a business or acquisition of a stake in a SCOP cooperative enterprise (an enterprise in which the employees hold the majority of the company's share capital) or other equivalent in your jurisdiction, if relevant, by the participant, his/her children, spouse or PACS partner, or other equivalent in your jurisdiction if relevant, provided that they have management control;
5. The use of savings for the acquisition, construction, extension with creation of new living space, of a primary residence, or repair of damage to same following the occurrence of a natural disaster defined as such by local authorities.\*

*\* The redemption value must not exceed the value of the invoice for the work being carried out or the purchase price of the primary residence, if being bought.*



### In the following cases, requests may be submitted at any time following the triggering event:

1. Disability with permanent or temporary impossibility to carry out a professional activity of the participant, his/her children, spouse or PACS partner, or other equivalent in your jurisdiction if relevant;
2. Death of the participant, his/her spouse or PACS partner, or other equivalent in your jurisdiction if relevant;
3. Termination of employment or term of office of the participant;
4. Over-indebtedness of the participant as recognized by the relevant local authority.

**To calculate the Interim Price in the event of early withdrawal, please refer to the Fund's KIID.**

### IMPORTANT

If a partial early release is requested under one of the options above, further releases using the same reason from any Fund or another year's units will be rejected. One redemption per early release reason is allowed. You may however, be able to make an early release request for another reason.

For further information on early release events please go to [www.axa-employeebenefits.co.uk/shareplan](http://www.axa-employeebenefits.co.uk/shareplan)

**NB: Only early withdrawals which occur as from October 22, 2018, i.e. after the Cancellation/subscription period is closed will be allowed. The first date on which an early redemption of units invested in the Shareplan AXA Direct Global Fund (Traditional Plan) will take place is December 12, 2018 (for any request made up to December 11, 2018). The first date on which early redemptions on units invested in the Fund FCPE – Compartment AXA Plan 2018 Global (Leverage Plan) will take place is December 28, 2018 (for any request made up to December 13, 2018). Each of the nine cases will allow you to process only one early redemption.**

# What can I do after the holding period?



## Traditional Plan

**Keep your assets in the Plan:** units remain in the Compartment AXA SHAREPLAN DIRECT GLOBAL (of the AXA Shareplan Direct Global Fund) and their value will continue to evolve in line with the AXA share price. Dividends will continue to be reinvested into units or fractions of units and the units remain available for redemption.

**Redeem your assets\*:** you will receive a sum corresponding to the number of units held, multiplied by the first net asset value calculated after your redemption request has been received by AXA Epargne Entreprise. All proceeds from redemption are converted into Sterling using the commercial exchange rate (this is different to the tourist rate) at the point when the proceeds are received in the UK. For more information about redemption see the section on subscription and redemption terms in the KIID. Refer to the Tax file for details of the tax position.

**If you choose to do nothing at the end of the holding period,** your units will remain in the Compartment AXA SHAREPLAN DIRECT GLOBAL and they will remain available for redemption.

You will receive further information in advance of the maturity date regarding the choices available to you.

\* See example on page 4



## Leverage Plan

**Leave your assets invested:** at the end of the holding period, your units will be transferred on request through a merger (following the decision of the Fund Supervisory Board and approval by the AMF), to the Traditional Plan (the existing AXA SHAREPLAN DIRECT GLOBAL compartment of the same Fund). Your units will remain available for redemption and will evolve in line with the AXA share price. Your personal Euro investment will no longer be guaranteed by the partner bank. Refer to Tax file for details of the tax position/income tax and NICs deductions.

**Redeem your assets\*\*:** you will receive your personal Euro investment and a variable portion of any gain generated, calculated as indicated on page 6 (refer to Tax file for details of the tax position/income tax and NICs deductions). All proceeds from redemption are converted into Sterling using the commercial exchange rate (this is different to the tourist rate) at the point when the proceeds are received in the UK. For more information about redemption, see the section on subscription and redemption terms in the Fund's KIID.

**If you choose to do nothing at the end of the holding period,** your units will be redeemed and amounts payable to you will be returned via payroll (refer to Tax file for details of the tax position/income tax and NICs deductions).

In all cases, at the end of the holding period, your personal Euro investment will no longer be guaranteed by the partner bank and will be directly affected by any rise or fall in the AXA share price.

You will receive further information in advance of the maturity date regarding the choices available to you.

\*\* See example on page 5

### General reminder of good investment practices:

It is recommended that you balance and diversify all your investments and adapt your investment choices according to:

- your investment capacity;
- your profile as an investor: cautious / risk taker (you can refer to the description of the two plans in order to assess the risk profile of each).

# Tax file

Set out below is a summary of the UK tax law, interpretation and practice which may affect you as at the date of the brochure. It is provided without liability or responsibility on the part of AXA.

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. We recommend that you consult an independent tax adviser before you make any decisions.

## HIGH LEVEL COMPARISON OF THE TWO PLANS:

	Traditional	Leverage
<b>AT SUBSCRIPTION</b>	<b>Yes</b> Income tax and NICs on the discount provided, i.e. the excess of the closing AXA share price at the capital increase date over the Subscription Price, taken from December 2018 salary	<b>No</b>
<b>AT REDEMPTION (MATURITY/EARLY RELEASE)</b>	No income tax or NICs due	<b>Yes</b> Income tax and NICs are payable on any sterling gain, either at the end of the holding period or earlier following an early release event
<b>CAPITAL GAINS TAX</b>	You will need to consider capital gains tax ("CGT") when you redeem your units if your overall gains exceed the annual allowance for the year in which your units are redeemed	<b>Does not apply on redemption</b> If you transfer your units into the Traditional Plan, any future gains on those units may be subject to Capital Gains tax
<b>ON DIVIDENDS</b>	<b>Maybe</b> – UK tax residents are entitled to a tax-free dividend allowance of £2,000 (as of 6 April 2018) per year. Any dividend income in excess of this allowance will be subject to income tax which will be collected through self assessment. Full details of the rates payable can be found below	<b>Does not apply</b>

## Traditional Plan

**Summary** – There will be an immediate income tax and employee's National Insurance Contributions ("NICs") charge for participants investing in the Traditional Plan if the closing AXA share price on the capital increase date exceeds the Subscription Price. Any employer's NICs charge will be borne by your employing company, if you. An explanation of the tax treatment, including examples, is given below.

Income tax and NICs charges are payable at the time of investment and will be deducted by your employing company from your December 2018 payroll and paid to HM Revenue and Customs (HMRC) by your employing company using Pay As You Earn (PAYE). The taxable amount, income tax and employee's NICs paid will be included in the form P60 figures issued to continuing employees after the end of the tax year.

The taxable amount per unit is calculated as the excess of the closing AXA share price on the capital increase date over the Subscription Price. If the closing AXA share price on the capital increase date is the same or less than the Subscription Price no income tax or NICs charge would arise. The closing AXA share price on the capital increase date is unlikely to be the same as the Reference Price. It may be higher or lower. **Please note that you will not know the final tax charge until after the capital increase date.**

Agreement to tax upfront – Income tax and NICs charges are payable at the time of investment on the excess of the closing AXA share price at the capital increase date over the Subscription Price. The offer of participation in the Traditional Plan is made on the condition that you enter into a joint tax election with your employing company. You agree to this when you submit the Subscription Form and enter into the joint tax election with your employing company. Because of this there should be no income tax or NICs due when you redeem your units but you will need to consider capital gains tax ("CGT").

**Important – income tax & employee's NICs in respect of the Traditional Plan will be taken from your December 2018 salary.**

# Tax file

The prices shown in the following examples are for illustrative purposes only. Further details of the value on which the charge to income tax and NICs will be based will be given when the capital increase date has passed. Similarly the income tax and NICs rates are illustrative only, and your own rates of income tax and employee's NICs may differ significantly from those shown, now and in the future.

## Example

An investment of €500 in the Traditional Plan. In this example the Subscription Price is €16.80 (Reference Price of €21 less a discount of 20%) per unit and the closing AXA share price at the capital increase date is €22. This would result in 29.7619 units being acquired.

- The amount subject to income tax and NICs is €22.00 - €16.80 = €5.20 per unit.
- The total amount upon which income tax and NICs are payable is €154.76 (29.7619 units x €5.20).

In Sterling, using an exchange rate of €1.12:£1, this equates to £138.18. You will pay income tax and employee's NICs on this amount as if it were salary. The income tax and employee's NICs will be deducted from your December 2018 salary. Your net pay for December 2018 will be less than if you had not invested. A breakdown of the impact for basic rate, higher rate and additional rate tax payers is shown below:

	Basic rate tax payer	Higher rate tax payer	Additional rate tax payer
Amount upon which income tax and NICs is payable	£ 138.18	£ 138.18	£ 138.18
Income tax (basic rate: 20%, higher rate: 40%, additional rate: 45%)	£ 27.64	£ 55.27	£ 62.18
Employee's NICs (basic rate: 12%, higher rate: 2%, additional rate: 2%)	£ 16.58	£ 2.76	£ 2.76
<b>Total income tax &amp; employee's NICs payable</b>	<b>£ 44.22</b>	<b>£ 58.03</b>	<b>£ 64.94</b>

**Tax when you redeem your units** - You will need to consider CGT when you redeem your units. The CGT calculation takes account of any income tax charge on subscription to avoid the same amount being taxed twice. This is done by deducting the original taxable amount from the redemption proceeds. In addition CGT exemptions and reliefs, such as the annual allowance (currently £11,700 for the 2018/2019 tax year) may reduce your total chargeable gain.

Gains might also be reduced by capital losses on other assets. CGT is currently charged at 10% for basic rate and 20% for higher and additional rate tax payers, (except in relation to gains from residential property and carried interest). CGT is collected directly from you by HMRC through self-assessment. Any chargeable gains should be included in your annual tax return.

The tax treatment is the same for withdrawal following an early release event as for a redemption after the end of the holding period.

The example below shows the position where an investment of €500 (£446.43) is sold for £700 ("gain example") and for £400 ("loss example"). The original taxable amount is then deducted from any redemption proceeds to establish the amount upon which CGT is chargeable. For the purpose of this example the exchange rate is consistent at both the point of investment and the point of redemption.

	Gain example	Loss example
Redemption proceeds	£ 700.00	£400.00
Original investment (Sterling)	£ 446.43	£ 446.43
Amount previously taxed	£ 138.18	£ 138.18
<b>Chargeable gain/loss</b>	<b>£ 115.39</b>	<b>- £ 184.61</b>

**Dividends** –Participants who are resident for tax purposes in the UK are entitled to a tax-free dividend allowance of £2,000 for the 2018/19 tax year.

Tax is payable on any dividends received over the £2,000 dividend allowance at a rate of 7.5% on dividend income within the basic rate band; 32.5% on dividend income within the higher rate band; and 38.1% on dividend income within the additional rate band.

# Tax file

## Leverage Plan

**Summary** - No income tax or NICs are payable at the time of investment.

Income tax and NICs are due on any gain when the units are redeemed, either at the end of the holding period or earlier following an early release event. A transfer of units to the Traditional Plan will be treated as redemption of your units for tax purposes if at the end of the holding period you choose not to redeem your units but instead choose to transfer to the Traditional Plan. Please note that the income tax and NICs will be deducted from salary and accounted for to HMRC and, if you are a non-taxpayer, you will need to reclaim the tax from HMRC.

In certain circumstances you may also be required to meet the employer's NICs obligation. You agree to this when you join the plan.

The income tax liability on the redemption of your units arises under the employment income legislation. It is not an income tax liability arising from an investment and as such will not be eligible for any of the allowances which apply to investments e.g. the dividend allowance or the personal savings allowance.

**Collection of income tax and NICs** – Amounts payable to you on redemption of your units will be paid to you via payroll. The income tax and NICs due will be deducted from any gains on redemption of your units and paid to HMRC by your employing company using PAYE. This process will apply even if you left the AXA Group before redeeming your units. The taxable amount, income tax and NICs (employee's and employer's NICs) paid will be included in the form P60 figures issued to continuing employees after the end of the tax year. If you transfer your units to the Traditional Plan the income tax and employee's NICs payable on any gains made will be taken from the first available payroll.

If after you have left there is a requirement to pay an amount of income tax and NICs to HMRC on your behalf, and attempts to recover this amount from you are unsuccessful, AXA will redeem a portion of your Shareplan units on your behalf to pay the outstanding amount.

### Example

An investment of €500 in the Leverage Plan is worth €800 Euros at the end of the holding period or on early release.

The taxable/NICable amount is €800 - €500 = €300. In Sterling, using an exchange rate of €1.12:£1, this equates to £267.86.

You will pay income tax and NICs on the amount as if it were salary. The amount payable to you on redemption will be paid through payroll. The income tax and NICs will be taken out of your August 2023 salary or the first available payroll in the event of an early release.

A breakdown of the impact for basic rate, higher rate and additional tax payers (excluding any potential employer's NICs liability) is shown below:

	Basic rate tax payer	Higher rate tax payer	Additional rate tax payer
Amount upon which income tax and NICs is payable	£ 267.86	£ 267.86	£ 267.86
Income tax (basic rate: 20%, higher rate: 40%, additional rate: 45%)	£ 53.57	£ 107.14	£ 120.54
Employee's NICs (basic rate: 12%, higher rate: 2%, additional rate: 2%)	£ 32.14	£ 5.36	£ 5.36
Total income tax & employee's NICs payable	<b>£ 85.71</b>	<b>£ 112.50</b>	<b>£ 125.90</b>

## Leaving the AXA Group and Employer's NICs

**Traditional Plan:** Your employing company within the AXA Group pays employer's NICs at the time of investment. However, if, when the income tax and employee's NICs are taken from your December 2018 salary, you have already left the AXA Group by reason of resignation, dismissal or mutual termination of contract, you will be required to pay the employer's NICs liability. You will be entitled to income tax relief on the employer's NICs you pay. The current rate of employer's NIC's is 13.8% and it is payable on the amount subject to income tax.

**Leverage Plan:** Your employing company within the AXA Group pays employer's NICs when you redeem your units. However, if, when you redeem your units, you have already left the AXA Group by reason of resignation, dismissal or mutual termination of contract, you will be required to pay the employer's NICs liability. You will be entitled to income tax relief on the employer's NICs you pay. The current rate of employer's NIC's is 13.8% and it is payable on the amount subject to income tax.

## 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 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 benefit of the low interest is not taxable. If the total exceeds £10,000 at any time during the tax year then all such loans are 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 must be included in your annual tax return. No employee's NICs liability will arise.

# Direct voting rights



**Since 2005 you have been able to directly exercise the voting rights associated with shares acquired on your behalf under Shareplan.**

## Strengthening shareholder democracy

Enabling better corporate governance, the acquisition of direct voting rights represents a step towards growing buy-in for AXA's projects and successes among its staff.

## How are direct voting rights exercised?

At least 15 days before each AXA Shareholders' Meeting, you will receive documents indicating in particular the proposed resolutions (decisions submitted for approval to the shareholders) and the conditions for exercising your voting rights.

You may then choose between attending the Shareholders' Meeting in person to exercise your voting rights or if you are unable or do not wish to attend, being represented or voting by correspondence using a paper form or the internet.

If you are unable to travel and choose to vote by post or to designate a proxy, you will be able to watch the Shareholders' Meeting online at [www.axa.com](http://www.axa.com).

NB: The voting rights relating to Shareplan operations prior to 2005 will continue to be exercised by the Funds' Supervisory Board.



### Did you know?

If you subscribe to Shareplan 2018, you will receive a form which will allow you to authorize AXA to send you your notice of meeting to attend its Shareholders' Meetings and all information and documents relating to these meetings by email.

# Glossary

## AMF (Autorité des marchés financiers)

The AMF is the French securities regulator.

## AXA EPARGNE ENTREPRISE (AXA EE)

AXA EE is accredited to manage employer-sponsored employee savings plans. As the custody account-keeper for units, AXA EE performs administrative management for the individual accounts of unit holders in the Funds.

## AXA INVESTMENT MANAGERS PARIS (AXA IM Paris)

AXA IM Paris is the Company in charge of the administrative management of the Funds in which employees hold units.

## ADJUSTMENTS OF SUBSCRIPTION REQUESTS

Proportional adjustment of the amount of each individual subscription initially requested by all participating employees, if the global amount of shares requested exceeds the amount of capital increase authorized by the Board of Directors of AXA.

## CANCELLATION/SUBSCRIPTION PERIOD

**Thursday, October 18 to Sunday, October 21, 2018 (inclusive)**

Period during which employees may cancel their reservation or subscribe under specific conditions (see page 10). If employees do not cancel their reservation, it will automatically be confirmed.

## COMPOUND ANNUAL GROWTH RATE

Annual capitalization rate enabling to calculate the value of the savings considering the personal investment and the investment period, i.e.  $\text{Personal investment} \times (1 + \text{compound annual growth rate})^{(\text{investment period})} = \text{amount of the savings at redemption}$ .

## DIVIDEND

Fraction of the company's earnings distributed to its shareholders, where appropriate. Dividends vary depending on the profits generated by the company and its dividend policy.

## EMPLOYEE STOCK OWNERSHIP FUND

This is a specific employee savings UCI (Undertakings for Collective Investment). Such funds, alternative investment funds (FIA in French) subject to the French law, are created in order to collect the employee's savings and are offered within the context of an employee savings plan implemented by the company. The funds used in this offering are quasi-exclusively invested in AXA SA shares, which are listed on Euronext Paris, the French stock exchange.

## EURONEXT PARIS

This is the French stock exchange, formally known as Paris Bourse. It is considered the second largest exchange in Europe behind the UK's London Stock Exchange.

## FINAL PRICE

**For the Traditional Plan:** Net Asset Value at the redemption date.

**For the Leverage Plan:** For details of how the Final Price (at maturity) is determined, refer to the Fund's KIID and Regulations.

## GROSS ANNUAL SALARY

This is your gross annual salary for 2018 as at 31 July 2018 (pro-rated if you started after 1 January 2018, but with credit for months up to 31 December 2018) plus any bonus/sales incentive payments received in the 12 months up to 31 July 2018. Your gross annual salary is the amount you are paid before salary sacrifice deductions and is based on the number of hours you work (not your full-time equivalent salary).

## GUARANTOR/PARTNER BANK

Natixis, for the Shareplan 2018 Leverage Plan.

## HOLDING PERIOD

Period during which your units are locked into the Funds. There are nine events when early withdrawal is permitted, see page 11 for details of the early release events.

## INTERIM PRICE

**For Leverage Plan only:** for details of how the Interim Price in the case of early withdrawal is determined please refer to the Fund's KIID and Regulations.

## NET ASSET VALUE

Value of one Fund unit in Euros, calculated based on the overall portfolio value and the total number of units issued. Subscriptions and redemptions are carried out based on this value.

## PRICE SETTING PERIOD

**September 18 to October 15, 2018 (inclusive)**

Period during which the Reference Price and Subscription Prices (as defined below) are calculated.

## REFERENCE PRICE

Arithmetic average of the 20 daily VWAPs (volume-weighted average prices), i.e. the arithmetic average of average AXA share trading prices during a given trading day, weighted by the volume of AXA shares traded on Compartment A of Euronext Paris at each price (excluding opening and closing prices), over a period of 20 trading days ending on the last trading day before the Chief Executive Officer - commissioned by the Board of Directors - officially sets the opening date of the retraction/subscription period.

## RESERVATION PERIOD

**August 27 to 11am (UK time) September 10, 2018**

Period during which employees can apply to participate in AXA Shareplan and reserve units. The Reference and Subscription Prices are not known at this stage.

## SUBSCRIPTION PRICES

The prices at which you subscribe to units in the Traditional Plan and the Leverage Plan are set at a discount to the Reference Price. The Subscription Price under the Traditional Plan is set at a discount of 20% to the Reference Price and the Subscription Price for the Leverage Plan is set at a discount price of 5.85% to the Reference Price.

## VARIABLE PERFORMANCE MULTIPLE

This multiple is equal to the leverage of 10 x the "Participation Percentage" (75%) x the ratio between (i) the Reference Price and (ii) the addition of (a) 0.50 times the Final Price or the Intermediate Price (as appropriate) and (b) 0.50 times the Reference Price.

**Warning:** This document is provided to you for information purposes only. AXA SA or your employer will not provide any investment, tax or any other type of advice. Investing in Shareplan is a personal decision that you must make yourself, taking into account your financial resources, your investment goals, your personal tax situation and any other investment alternatives available to you. In order to analyse your own personal financial situation and your interest in investing in the different choices offered, you should consult with your financial intermediary (bank, financial management adviser, etc.).

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