



EURONEXT SECURITIES

FISCAL GUIDE

FRANCE

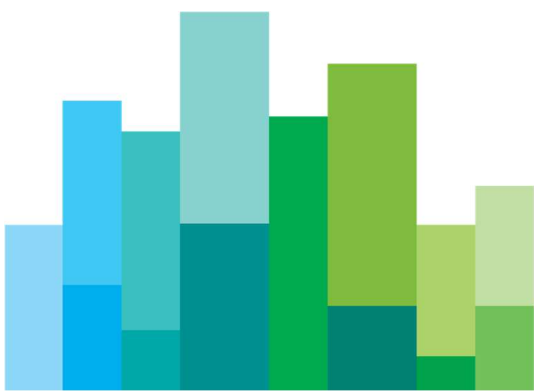
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FRENCH MARKET



1.1 Securities

Below you find the types of securities involved and the procedure/s in place

| Securities | Relief at source | Quick refund | Standard refund |
|------------------------|------------------|----------------|-----------------|
| Debt securities | Not applicable | Not applicable | Not applicable |
| Equities | Not available | Not available | Available |

| Securities | Procedure | Eligible subjects | Required documents | Deadline | Appendix |
|------------|-----------------|--|--|--|--------------------------|
| Equities | Standard Refund | Residents in countries having signed a Double Taxation Treaty with France (see Appendix A) | FR – ES-MIL552 POA (only in case the forms are signed by ES-MIL client on behalf of the final beneficial owner) | 2 months before 31 December of the second year after which the dividend payment was made * | Appendix 1 |
| | | | FR – Form 5000-EN FR – Form 5001-EN | | Appendix 2 Appendix B |

*Special treatment in case the refund is over 10.000 Euro (see Page 6)

| Securities | Procedure | Eligible subjects | Required documents | Deadline | Appendix |
|--------------------------------|---|--|--------------------|----------|----------|
| Government and Corporate bonds | No taxation as all bonds issued after 1 January 1987 are paid gross | All final investors independent from the status or country of residence are paid gross | N/A | N/A | N/A |

1.2 Holding Restrictions

There is an holding restrictions for securities held on our books. This means that ES-MIL cannot hold positions on behalf of French beneficial owners.

Holdings of French beneficial owners need to be transferred to a different custodian.

1.3 Standard Refund – DTA rate procedure

1.3.1 Eligibility criteria

You may obtain a refund of the difference between the applied and the Double Taxation Agreement (DTA) rate of withholding tax if you hold French equities on behalf of a beneficial owner who is resident in a country that has a DTA in place with France.

For a list of DTA countries, consult the DTA table - Equities.

Withholding tax may be refunded to mutual funds that are specifically entitled to DTA benefits according to the percentage of units held by residents of the same country as the country of establishment of the mutual fund when the entitlement of funds to treaty benefits is limited to the proportion of their unit holders who are residents of their home country.

For investment funds from the United States, United Kingdom and Trinidad and Tobago covered in the tax treaties between France and these countries, and those from Spain

covered by Administrative Instruction 14 A-7-05 of 27 June 2005, treaty benefits apply to all income received from French sources.

Important notice:

Tax refund service is not offered by ES-MIL to beneficial owners under the name of "Investment Funds". These kind of beneficial owners may file for tax refunds directly with the French Tax Authority (DRESG).

ES-MIL as direct custodian can issue an income statement (dividend certificate) and/or a tax statement which must be attached to reimbursement applications.

To apply for a Tax Voucher, the client must send us the following documents:

- FR - ES-MIL 552 (Appendix 1)

1.3.2 Documentation requirements

To apply for a refund of the difference between the maximum and the DTA rate of withholding tax, you must send us the following documents:

- a certificate of residence (Form 5000) per beneficial owner
- a calculation and repayment of withholding tax on dividends (Form 5001)
- A power of attorney, only in case a legal representative signs the forms on behalf of the final beneficial owner (if the forms are signed by the beneficial owner himself it is not applicable)

Important notice:

1. Tax refunds for amounts exceeding 10.000 euros must be sent to ES-MIL no later than 7 months before the market deadline, for those that will be sent later ES-MIL will not guarantee the refund, and we'll be managed on 'best effort basis'.
2. Forms 5000 and 5001 relating to tax refunds must be completed by entering only one fiscal year, it means that on the 5001 there must be only one year of payment to which a 5000 signed by the Revenue Agency must be associated"
3. Forms 5001 has to be filled, preferably, using the European numbers convention (e.g. 5.000,00 Eur)
4. Forms received not compliant with the rules reported will be rejected;

1.3.2.1 CERTIFICATE OF RESIDENCE (FORM 5000) PER BENEFICIAL OWNER

This form consists of three copies, each of two pages. All copies should be completed and filed with the competent tax authorities in the beneficial owner's country of residence.

The tax authorities complete the certificate of residence on the copies intended for the paying agent or issuer in France and return them to the applicant.

The tax authorities keep the first copy for their own records. The applicant keeps the second copy for its own records.

The third copy must be sent to us to be forwarded to the paying agent or issuer in France.

Form 5000 is available in the following languages. Please note however, that the third copy, required by the French tax authorities, is always in the French language.

- English (F_F042/Form 5000-EN)
- French (F_F006/Form 5000-FR)
- Dutch (F_F046/Form 5000-NL)
- German (F_F043/Form 5000-DE)
- Italian (F_F045/Form 5000-IT)
- Spanish (F_F044/Form 5000-ES)

Note that the form must be printed front and back

1.3.2.2 A CALCULATION AND REPAYMENT OF WITHHOLDING TAX ON DIVIDENDS (FORM 5001)

This form consists of three copies, each of two pages.

All copies should be completed and filed with the competent tax authorities in the beneficial owner's country of residence.

The tax authorities keep the first copy for their own records. The applicant keeps the second copy for its own records.

The third copy must be sent to us to be forwarded to the paying agent or issuer in France.

The Form 5001 is available in the following languages. Please note however, that the third copy, required by the French tax authorities, is always in the French language.

- English (F_F033/Form 5001-EN)
- French (F_F017/Form 5001-FR)
- Dutch (F_F036/Form 5001-NL)
- German (F_F032/Form 5001-DE)
- Italian (F_F035/Form 5001-IT)
- Spanish (F_F034/Form 5001-ES)

Note that the form must be printed front and back

1.3.3 Deadline to receive documentation

To be effective, our Help Desk Fiscal team should receive your documentation no later than 2 months before 31 December of the second year after which the dividend payment was made.

As reported Tax refunds for amounts exceeding 10.000 euros must be sent to ES-MIL no later than 7 months before the market deadline, for those that will be sent later ES-MIL will not guarantee the refund, and we'll be managed on 'best effort basis'.

Under French Tax Law, the statute of limitation for submitting tax reclaim forms to the French tax authorities is the end of the second year following the year of the dividend payment, with the following exceptions:

- The Netherlands, the deadline is three calendar years from 31 December of the year in which the dividend was paid
- Germany, the deadline is four calendar years from 31 December of the year in which the dividend was paid

1.4 Rules applicable to special categories of beneficial owners

1.4.1 Pension and mutual funds

Pension funds and mutual funds which do not specifically benefit from the DTA convention are required to complete an additional form attesting their tax residency:

Address and tax status certificate valid for a year.

1.4.2 Exceptions needing additional or substitute documents (more details below)

- US-resident beneficial owners, pension and mutual funds
 - US-resident Participants holding for US-resident beneficial owners
 - US-resident beneficial owners
1. The Form 5000 is required for Standard Refund but it is not required to be stamped by the US tax authorities for US-residents. A duly completed Form 6166 issued by the Internal Revenue Service (IRS) is required for all US beneficial owner types where their account is not managed by a US-resident Participant.

2. The Form 6166 is considered as a replacement of the tax authorities stamp on the Form 5000.
 3. For individuals the tax year indicated on the 6166 must be the same as the year of the payment date.
- US-resident Participants should complete box VI of the Form 5000 on behalf of their US beneficial owners. The Form 6166 is required for all US beneficial owners types except individuals and corporations.
 - Canadian mutual or pension funds

Specific certificate issued by the Canadian tax authorities for mutual fund corporations:

1. trusts governed by a Canadian registered pension plan (RPP) or a pension corporation ('Régimes de pension agréés' (RPA))
2. registered retirement savings plans for which the corporate trustee is the issuer of the plan ('Régimes enregistrés d'épargne retraite' (REER))
3. registered retirement income funds for which the corporate trustee is the issuer of the plan ('Fonds enregistrés de revenu de retraite' (FERR))
4. non-profit making organizations resident in the EU or the EEA

A reduced withholding tax rate of 15% may be granted to non-profit making organizations resident in the EU or the EEA:

1. resident in a EU/EEA country that has an administrative assistance treaty in place with France
2. have provided the French tax authorities with documentary evidence to support their eligibility to the reduced withholding tax rate

1.4.3 Special rules for tax-exempt entities – Unconditional exemption

1.4.3.1 ELIGIBILITY CRITERIA

You may obtain full refund of the withholding tax if you hold equities on behalf of a beneficial owner that is a tax-exempt entity.

In accordance with French tax law, non-French sovereign states, non-French central banks, and international organizations are permanently and automatically exempt from withholding tax on dividends paid on French equities if such investments do not represent 'a direct investment' (as provided by law n° 66-1008 of 28 December 1966).

1.4.4 Special rules for tax-exempt entities – Exemption subject to agreement

1. You may obtain full refund of the withholding tax if you hold equities on behalf of a beneficial owner that is a tax-exempt entity.
2. Non-French sovereign states, non-French central banks, and international organizations that have 'a direct investment' in French equities are considered exempt from withholding tax on dividends paid on such securities if they have obtained an 'agrément' from the French Ministry of Economy and Finance.
3. Similarly, all non-French public institutions are required to obtain an 'agrément' to be considered exempt from French taxes, irrelevant of whether they have a direct investment in the French equities or not.
4. To obtain such 'agrément', written application must be filed with the French Ministry of Economy and Finance and supported by relevant documentation.

1.5 Market claim processing

Clients can settle cross border transaction on French securities via ES-MIL only on OTC basis, as ES-MIL does not settle on exchange transactions.

This is a key point to underline, as the rule defined by the French Authority on market claim processing, is different between on exchange and OTC, as below detailed:

- When the trade is on exchange, the legal owner of the dividend is the holder / buyer of the securities, therefore in case of settlement fail when buying securities with settlement date before the record date of a dividend payment it happens that:
 - The proceed is considered a dividend for the intended buyer (who is subject to taxation), irrespective of settlement fail (so that dividend was paid to the counterparty)
 - The proceed is considered a price adjustment for the receiver party, which received the proceed due to a settlement fail and provided to give back the undue amount via market claim processing
- When the trade is OTC, it works in the opposite way, as the legal owner of the dividend is the one holding securities in its account at record date, irrespective of fail in settlement.

As a consequence, in case of settlement fail when buying securities with settlement date before the record date of a dividend payment it happens that:

- The proceed is considered a dividend for the receiver (who is subject to taxation), irrespective that dividend was received due to a fail

- The proceed is considered a price adjustment for the intended buyer, who received back the amount via market claim processing

On the basis of the above mentioned explanations and considering that ES-MIL allows to settle only transactions performed via OTC, cross border market claims of French securities are managed as below detailed:

- If the proceed is paid to a ES-MIL client, as result of settlement fail, ES-MIL apply taxation to its client, as the proceed is legally a dividend; in order to give back the amount to the French counterparty a market claim will be filed (on a gross proceed basis) and the amount given back to the counterparty is qualified as price adjustment
- If the proceed is paid to the French counterparty, as result of settlement fail, this one is considered a dividend for the French counterparty (which will be subject to taxation in Euroclear), while ES-MIL will receive a market claim (on a gross proceed basis) qualified as price adjustment for its client.

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