

GUIDE TO THE 2042 TAX RETURN AND APPENDICES

Please refer to the document in French, you can obtain a copy from your Relationship Manager.

INVESTMENT INCOME

A) Income subject to withholding or deduction at source

Income (including any dividends) for which you have elected to pay a fixed levy at source must be reported, for informational purposes, on your return (lines 2DA, 2DH, 2EE).

B) Income eligible for the 40% tax allowance (*gross amount, line DC*):

Distributions made directly or indirectly by companies liable for corporate income tax or an equivalent tax and having their head office in a European Community Member State or in a country that has signed with France a tax accord containing an administrative assistance clause designed to combat tax evasion or fraud, and by mutual funds governed under article L 214-2 of the CMF [French Monetary and Financial Code] or so-called "coordinated" mutual funds established in another European Community Member State as well as in Iceland or Norway, investment companies, SDRs [regional development companies] and SCRs [venture capital companies], so long as said entities or companies itemize their distributions, are taxed according to the progressive income tax brackets after deducting (except when the fixed levy at source has been elected for part of the distributed income received during the year by the client or a member of his tax household (line 2DA)):

- 1) A 40% reduction in the gross amount of the dividends and related income received;
- 2) A fixed annual reduction of 1,525 € for a taxpayer who is single, widowed or divorced or 3,050 € for a married or PACS-joined couple filing jointly (after applying deductible fees and expenses). If this reduction is greater than the amount of the taxable income, the surplus can neither be refunded nor carried over to the following year;

Income eligible for the reduction and deposited on or after January 1, 2010 are no longer eligible for the 50% tax credit capped annually at 115 euros or 230 euros depending on the family status defined in the former Article 200 vii of the general tax code.

C) Other Income

Taxable income must be declared according to the gross amount, including tax credits and without deducting collection fees. These fees and any account fees are deductible when they are incurred for securities whose income is subject to the progressive income tax brackets. Account fees paid for the management of your PEA [equity savings scheme] are not deductible. We have calculated the amount of your deductible collection fees, which must be reported on line 2CA.

For account fees, the amount indicated in the section entitled "Pour information" corresponds to the total amount (both deductible and non-deductible) of the account fees paid (excluding PEA). It is your responsibility to calculate the deductible portion of these fees and add it to line 2CA.

CAPITAL GAINS

A) Sale of securities and shares

1) Evaluating the tax threshold

For sales of securities (both listed and unlisted), ownership interests and related shares, as defined in article 150-OA of the General Tax Code as well as those performed when closing a PEA

that has been open for less than 5 years or, under certain conditions, for more than 5 years (see the specific section on PEAs below), the realized gains are taxable as income when the annual amount of sales for your tax household exceeds 25,839 euros for 2010.

Since transfers of ownership on listed shares occur 3 stock market days after the trade date, the results of sales and the annual threshold of 25,830 euros are counted, for the 2010 year, for trades performed between December 29, 2009 and December 28, 2010. This rule does not apply to subscriptions/purchases of mutual fund shares.

In the case of an exceptional change to your personal, family or professional circumstances (layoff, disability, death, retirement, divorce, etc.), you can determine whether or not you have crossed the tax threshold by calculating the average on sales in the current tax year and the two previous years, in a scenario where sales for the current tax year exceed the threshold of 25,830 euros.

2) If the amount of sales for your tax household is less than or equal to 25,830 euros

The capital gains are exempt from income tax.

Nonetheless, as of January 1, 2010, social security contributions are due on these net capital gains at a rate of 12.3% starting from the 1st euro (on a separate tax statement) and they must therefore be declared.

3) If the amount of sales for your tax household is greater than 25,830 euros

All of the capital gains are taxable starting from the 1st euro at a rate of 18% (+ social security contributions at a rate of 12.3%, on a separate tax statement) (see special case for PEAs). The amount of income from these sales recorded within our establishment appears at the bottom of **Justificatif 2561 ter**, to be provided to the tax department:

- if you wish to declare the income based on the information available to us, simply attach this complete document and fill out lines 3VG or 3VH of the **2042 statement**.

- if you perform your own calculations, the **Justificatif 2561 ter** document may be submitted to the tax department, if necessary, without the lower portion, and you are responsible for filling out the **2074 statement**.

It should be specified that, except in specific cases, the reform on capital gains tax that calls for a reduction according to the length of time the stocks and shares have been held will take effect only for sales made on or after January 1, 2012.

4) Applying capital losses

Given the elimination of the tax threshold mentioned in paragraph A) 1) above as of January 1, 2011:

- regardless of the amount of sales in 2010, the net **capital losses** realized in 2010 can be carried over to the next ten years. In order to apply them later against income taxes and social security contributions, capital losses must be declared on the **2074 statement** and/or reported on the **2042 statement**.

- if the sale threshold was not exceeded in 2010, the capital losses on sales that can be carried over as of January 1, 2010 are eligible for a 19% income tax credit for the 2010 year, in the amount applied to the net capital gains on sales made in 2010 for social security contributions.

B) "Financial profits"

"Financial profits" (MATIF, FCIMT, MONEP and warrants) are subject to an 18% rate (+ social security contributions at a rate of 12.3%, on a separate tax statement), starting from the 1st euro of gain:

- for transactions performed in France, the net income is taxable as a capital gain. If you (or the members of your tax household) have not performed other transactions involving securities or related investments during the 2010 year, you may use the **Justificatif 2561 ter** document, by attaching it, and report the net income on the 2042 statement (lines 3VG or 3VH). Otherwise, you must fill out the 2074 statement.

For taxation at an income tax rate of 18%, gains and losses on these transactions can be offset by the capital gains or losses on the sales by your tax household described in paragraph A) when the amount of the latter is greater than €25,830.

For social security contribution taxation, gains and losses on these transactions can be offset by the capital gains or losses on the sales by your tax household described in paragraph A).

- for transactions not performed in France, the net income is taxable as investment income. You must report gains on line 2TS of the 2042 statement. Any losses suffered on such transactions during a year can be applied exclusively against profits of the same type realized during that same year and the six following years.

EQUITY SAVINGS SCHEMES (PEA)

A) Methods for taking a PEA into account when evaluating the 25,830 euro threshold

If a PEA is closed before the completion of the 5th year or if a PEA is closed after the completion of the 5th year only when, as of the closing date, the market value of the plan is less than the total of the payments made since it was opened and on the condition that the stocks belonging to the plan have been sold in their entirety, the market value of the plan must be taken into account when calculating the annual sale threshold of **25,830 euros**.

B) Methods for declaring

PEA closed within 2 years: if the annual sale threshold of 25,830 euros has been exceeded, report the gains realized upon closing the PEA on line 3VM of the **2042-C statement** or fill out a **2074 statement in the case of a capital loss**. The tax rate is 22.5%, plus 12.3% for social security contributions.

If the annual sale threshold is not exceeded, the net gains are subject only to social security contributions (see Capital Gains A) 2)).

PEA closed after between 2 and 5 years: if you have not performed any other taxable transaction in 2010 and the annual sale threshold of **25,830 euros** has been exceeded, report the gains realized on line 3VG or the losses on line 3VH of the 2042 statement; you must attach **document 2561 ter**. In all other cases, a **2074 statement** must be filled out. The tax rate is 18%, plus social security contributions.

If the annual sale threshold is not exceeded, the net gains are subject only to social security contributions (see Capital Gains A) 2)).

PEA closed after 5 years or partial withdrawal after 8 years: realized gains do not generate income tax liability but they are, except in certain cases, subject to social security contributions. In the case of a loss, simply fill out a 2074 statement. Social security contributions were withheld by the bank at the time of the closure or partial withdrawal, and paid to the tax administration.

Income from unlisted stock:

If you own a PEA that includes unlisted stock, the income generated by this stock is exempt from income tax only up to a limit of 10% of the sums invested to acquire said stock (it remains subject to social security contributions). As such, it is your responsibility, on your tax return, to mention the taxable portion of this income (including tax credits), which you will calculate based on the amount indicated in 2FU and 2TS. Similarly, only the fraction of tax credits related to the income that you calculated on lines 2FU and 2TS should be copied into box 8TA.

SAVINGS DIRECTIVE: for non-residents

The EU Directive on taxation of savings income is designed to organize an exchange of information between Member States in order to tax "interest payments" received in one Member State by individuals who are resident for tax purposes in another Member State. Within this framework, our establishment is obligated to submit to the French tax authorities the amount of "interest payments" received in 2010 by individual clients whose tax home is in a European Community Member State (other than France) or in certain depended or associated territories. The French tax administration must transmit this information to the tax authorities in the beneficiary's country of residents. These amounts do not necessarily represent the taxable amount that will be used by the tax administration in your country of residence to calculate your taxes. Payments subject to these measures include: interest on savings products; interest distributed by certain mutual funds; the amount of any sales, purchases or reimbursements of

certain accounts receivable, shares or interests in certain mutual funds. This Directive does not modify the tax laws applicable in France to non-residents.