CNP ASSURANCES GROUP TAX POLICY

December 2019

Issuer	Group tax department
Version	V 2019-01
Status	Validated by Group tax department
Scope of application	Group CNP Assurances
Date of application	01 01 2020
Subject	Group tax policy
Last update date	12 26 2019
Related policies and procedures	C@pEthic – Group code of conduct 2019 CNP Assurances Group compliance policy Aprill 2019 Group conflicts of interest policy September 2018 Anti-corruption and influence-peddling group policy December 2019 Anti-fraud framework procedure July 2019 Supervision standards Compliance and CSR with regards to investing activities in sensitive countries June 2019

Synthesis :

CNP Assurances Group's tax policy is intended to harmonise tax practices across the Group, whilst at the same time upholding any local requirements and the Group's compliance rules. Its scope covers all taxes and duties provided for by tax regulations in the countries in which CNP Assurances is established

Table of contents

1. Presentation of CNP Assurances Group and context

A benchmark player in the French personal insurance market, CNP Assurances is active in 19 countries in Europe and Latin America, with a significant presence in Brazil, its second largest market.
Acting as an insurer, co-insurer and reinsurer, CNP Assurances develops innovative personal risk/protection and savings/pensions solutions. It has more than 37 million personal risk/protection insureds worldwide and more than 14 million savings/pensions policyholders. In line with its business model, the Group's solutions are distributed by multiple partners and aligned with each partner's physical or digital distribution model, while also being tailored to local client needs in each country.

CNP Assurances is a major taxpayer, paying out close to €800 million in corporate income tax around the world in 2018, including €372 million in France. It is also a major tax collector, with around €800 million in taxes paid on behalf of policyholders in France in 2018.

A public company with a deep commitment to corporate citizenship, CNP Assurances Group's tax policy is defined in compliance with the laws and regulations of each of the countries in which the Group is present.

2. Principles

CNP Assurances Group's tax policy is intended to harmonise tax practices across the Group, whilst at the same time upholding any local requirements and the Group's compliance rules. Its scope covers all taxes and duties provided for by tax regulations in the countries in which CNP Assurances is established (corporate income tax, tax on insurance premiums, payroll tax, etc.).

CNP Assurances considers itself to be a responsible taxpayer that upholds the tax laws of each of the countries in which it is present.

The Group and its subsidiaries are committed to implementing national and international standards developed in recent years to ensure greater transparency and efficiency in the fight against tax evasion. It complies with the recommendations of the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) plan and the Directives on Administrative Cooperation (DAC) for its deployment at a European level, as well as with the United States' Foreign Account Tax Compliance Act (FATCA) tax regulations.

CNP Assurance entities are also in the process of introducing initiatives to monitor the latest developments in local tax law and compliance, and are encouraged by the Group to solicit as much external advice as they need to ensure that they have thoroughly understood all tax-related texts and their correct application.

Any subsidiary liable for taxes and duties is fully responsible for producing their own returns and for paying any sums due. Local executive management remains responsible for any tax-related decisions taken with respect to tax authorities.

There are no CNP Assurances Group entities in any of the non-cooperative states and territories listed in Article 238-0 A of the French Tax Code (*Code Général des Impôts*). Group entities must also comply with any equivalent lists defined by local legislation.

CNP Assurances publishes the tax proof for the Group in the notes to its consolidated financial statements. The tax proof explains the difference between the theoretical tax expense, in other words profit before tax multiplied by the current tax rate, and the effective tax expense.

It also publishes the tax expense for its companies by geographical region in the corporate social responsibility report included in its registration document.

3. <u>Governance</u>

CNP Assurances's Group Tax department was created to more closely manage the tax obligations and requirements of a group of 35 insurance subsidiaries in France, Brazil, Argentina, Italy, Spain, Ireland, Cyprus, Greece and Luxembourg and their 13 branches.

The aim of the Group Tax department is to provide CNP Assurances's management with a tax strategy that allows for:

- the effective management of tax risk at a group level,
- the definition of shared practices at a group level,
- the sharing of good practices,
- the forward-planning of any tax-related issues in cross-border operations.

The effective management of the Group's tax risks and challenges is ensured through the collection and analysis of the information reported by the insurance subsidiaries, random checks on tax returns and the review of the tax proofs of the main subsidiaries.

Tax Risks and Updates reporting is based on a questionnaire used to identify the tax risks to which the Group's subsidiaries are exposed.

The questionnaire flags any tax risks and their consequences, any tax disputes, any changes in regulations and whether they apply, as well as any changes in any tax losses. It is regularly updated to take into account current events or issues that are of interest to the Group. Reporting is carried out on a half-yearly basis for the large subsidiaries and on a yearly basis for the others.

Questionnaires are sent to the tax correspondents of the subsidiaries to fill in and are then reviewed by the Group.

Measures to monitor the latest developments in local tax law and compliance have been introduced and shared with the subsidiaries and branches. This monitoring identifies any changes that could have an impact on the Group's entities in their respective sectors of activity.

Each subsidiary appoints a tax correspondent who will act as the Group's contact for the subsidiary, or for a group of subsidiaries and their subsidiaries, in particular as regards any reporting or related exchanges.

On-site presentations and discussions on collective areas for concern are organised by the Group Tax department for the main subsidiaries each year. They are also an opportunity to share Group best practices.

4. Transfer pricing

CNP Assurances Group cross-border operations that are subject to transfer pricing are relatively limited. Cross-border operations are carried out in order to assist certain subsidiaries at their request if they do not have the necessary resources to properly fulfil some of their activities.

The issue of transfer pricing mainly arises when it comes to:

- reinsurance contracts,
- the secondment of staff (managers and technical experts),
- the provision of IT equipment, in particular under the requirements of Solvency II,
- miscellaneous support services (management of office equipment, internal audit services, etc.).

The use of transfer pricing is limited to shared resources, employees and minor reinsurance operations in accordance with OECD guidelines.

5. Location strategy

The location of a CNP Assurances subsidiary depends first and foremost on the economic and commercial value of said location and more often than not on the presence of a local business partner.

Outside of France, the Group has expanded by setting up long-term joint ventures with banking and other partners that have a deep local presence and a broad distribution network. Leading examples of this are Caixa Econômica Federal in Brazil, UniCredit in Italy and Santander Consumer Finance in Ireland.

6. Tax transparency

CNP Assurances is committed to implementing the national and international tax standards developed in recent years to ensure greater transparency and efficiency in the fight against tax evasion.

It complies with the recommendations of the OECD's Base Erosion and Profit Shifting (BEPS) plan and the Directives on Administrative Cooperation for its deployment at a European level, as well as with the United States' FATCA tax regulations.

The BEPS plan is a series of recommendations by the OECD under the OECD/G20 Inclusive Framework that aims to improve the coherence of international tax rules in order to prevent tax avoidance by multinational enterprises.

The plan aims to establish a single set of international tax regulations to prevent tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.

The BEPS plan breaks down into seven recommendations adopted by the European Union and aimed at:

- a framework for administrative cooperation in tax transparency (Directive on Administrative Cooperation or DAC);
- the automatic exchange of information on certain categories of income (DAC 1);
- the automatic exchange of financial account information (Common Reporting Standard or CRS, DAC 2);

- the automatic exchange of information on tax rulings (BEPS action 12, DAC 3);
- the automatic exchange of the country-by-country reports of large multinational enterprises (CbCR, BEPS Action 13, DAC 4);
- the automatic exchange of beneficial ownership (access to information to prevent money laundering and the financing of terrorism by tax authorities, DAC 5);
- mandatory disclosure rules for cross-border arrangements and the automatic exchange of information between tax authorities (DAC 6).

CNP Assurances has several codes and policies that contribute to its good business ethics, notably the prevention of tax fraud, and that apply across the Group, including the Group's procedure for investments in sensitive countries.

This procedure defines the rules for monitoring investments in sensitive countries that apply to the entire Group. These rules meet the following objectives:

- to ensure compliance with regulations on embargoes;
- to ensure compliance with regulatory requirements in the fight against money laundering and the financing of terrorism (AML/CFT);
- to incorporate sustainable governance criteria when analysing issuing countries or countries of residence and to uphold CNP Assurances's public commitments (to support the principles of the Global Compact);
- to ensure compliance with regulations and responsible investor approaches on tax havens.

With respect to tax havens, CNP Assurances strictly forbids any investments in:

- Any of the **non-cooperative states and territories listed in Article 238-0 A of the French Tax Code**: Non-cooperative states and territories are states and territories outside of the European Community that have been subject to review by the OECD with respect to transparency and the exchange of information regarding tax matters, and have not as yet signed a treaty with France that allows for the exchange of all information needed to apply the tax legislation of the parties, or signed any such treaty with at least twelve other states or territories.

  The list of non-cooperative states and territories is established by order of the French Minister of the Economy, Finance and Budget and after consultation with the French Minister of Foreign Affairs.

- Any countries listed in the **European Union tax haven blacklist**: the blacklist includes any country that has refused to discuss or remedy any shortfalls in good tax governance.
- Any countries listed in the Group's **Additional list of tax havens** where there is a significant risk of a lack of transparency.

As well as any investment, CNP Assurances also prohibits any business activity in these sensitive countries.

CNP Assurances has produced its own Country by Country Reporting (**CbCR**) for the Group since financial year 2016.

It also fulfils all of its disclosure obligations under the US Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (**CRS**).