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AXA
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REPORT OF THE INDEPENDENT AUDITOR
(Rapport du commissaire aux apports)

In charge of describing and assessing the particular advantages (*avantages particuliers*) related to the preferred shares (category B shares) that may be issued

GENERAL MEETING OF SHAREHOLDERS
OF 30 APRIL 2009
TWENTY-THIRD RESOLUTION

Stéphane LIPSKI
19 rue Clément Marot
75008 PARIS

Dear Shareholders,

I have prepared this report in accordance with Articles L.228-15, L.225-147 and R.225-136 of the French Commercial Code as independent auditor in charge of describing and assessing the particular advantages (*avantages particuliers*) related to the preferred shares (category B shares) that may be issued by your company, pursuant to the mission decided by the Order from the President of the Commercial Court of Paris (*Ordonnance de Monsieur le Président du Tribunal de Commerce de Paris*) on 2 March 2009.

The characteristics of the preferred shares that may be issued by your company are set out in the draft resolutions and draft bylaws, as determined by the Management Board on 23 March 2009, which have been both published in *Bulletin des Annonces Légales Obligatoires* on 27 March 2009. I am required to describe and assess the particular advantages (*avantages particuliers*) related to such preferred shares. For that purpose, I have performed my work in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes*.

This report is presented as follows:

- I. Presentation of the envisaged transaction
- II. Description of the particular advantages (*avantages particuliers*)
- III. Work performed and assessment of the particular advantages (*avantages particuliers*)
- IV. Conclusion

I. PRESENTATION OF THE ENVISAGED TRANSACTION

1.1. Background

To provide your company with the required flexibility to reinforce its core capital as necessary, the Management Board proposes to your General Meeting:

- that you grant a delegation of authority to the Management Board to increase the share capital of your company through:
 - o the issue of preferred shares reserved for the sole benefit of AXA ASSURANCES IARD MUTUELLE and AXA ASSURANCES VIE MUTUELLE (twenty-third resolution) and/or
 - o the issue of preferred shares with preferential subscription rights in favour of the shareholders (twenty-fourth resolution) and/or
 - o the issue of preferred shares without preferential subscription rights (twenty-fifth resolution);

- in the event the Management Board makes use of a delegation of authority pursuant to one or several of the above resolutions, that you delegate your authority to amend the bylaws of your company accordingly (twenty-sixth resolution to be submitted to your approval).

Pursuant to Article L.228-15 of the French Commercial Code, my mission is required in relation to the potential issue of preferred shares in favour of AXA ASSURANCES IARD MUTUELLE and AXA ASSURANCES VIE MUTUELLE (twenty-third resolution).

1.2. Main terms and conditions of the preferred shares that may be issued

The main terms and conditions of the preferred shares that may be issued are:

- the maximum aggregate amount of share capital increases which may be raised pursuant to the twenty-third, twenty-fourth and twenty-fifth resolutions of your General Meeting shall not exceed gross issue proceeds of €2 billion, subject to such amount not exceeding €1 billion in total nominal amount;

- the issue price of one preferred share shall be equal to the volume weighted-average quoted price of the AXA ordinary share on Euronext Paris over the twenty trading days preceding the decision to issue;
- the preferred shares will not necessarily be listed on a regulated market;
- the preferred shares shall not be convertible into ordinary shares;
- given their characteristics and the current applicable regulations, the preferred shares shall be eligible without limit in the consolidated solvency margin of the AXA group.

II. DESCRIPTION OF THE PARTICULAR ADVANTAGES (AVANTAGES PARTICULIERS)

The particular advantages (*avantages particuliers*) related to the preferred shares that may be issued are set out in the draft amended bylaws of your company, as determined by the Management Board on 23 March 2009 (the “Draft Bylaws”).

I draw to your attention that the description, as set out below, of the particular advantages (*avantages particuliers*) of the preferred shares that may be issued, is a simplified presentation. A detailed presentation of the particular advantages (*avantages particuliers*) is set out in the Draft Bylaws.

The preferred shares that may be issued:

- shall not have voting rights at General Meetings of shareholders, nor preferential subscription rights, but shall rank in priority to ordinary shares in the event of a winding-up (see paragraph 2.1. below),
- shall be entitled to receive a preferred dividend pursuant to the terms set out in the Draft Bylaws (see paragraph 2.2. below),
- may be repurchased at the option of AXA, subject to certain conditions, pursuant to the terms set out in the Draft Bylaws (see paragraph 2.3. below).

I draw to your attention that each issue of preferred shares that the Management Board may decide in compliance with the terms set out below, may have different financial terms, including their issue price and terms of remuneration.

2.1. General rights of holders of preferred shares and, in particular, absence of voting rights, absence of preferential subscription rights and senior ranking in the event of a winding-up

The rights of holders of preferred shares are set out in the Draft Bylaws, in compliance with Articles L.228-11 *et seq.* of the French Commercial Code.

Holders of preferred shares shall have the same rights as holders of ordinary shares except for:

- voting rights at General Meetings of shareholders (in accordance with article 9 of the Draft Bylaws and as specified in Article L.228-11 of the French Commercial Code);
- preferential subscription rights in relation to capital increases in cash (in accordance with Article L.228-11 of the French Commercial Code and as specified in Article 9 of the Draft Bylaws);
- rights to dividends paid to ordinary shareholders, it being specified that holders of preferred shares shall be entitled to a preferred dividend (as defined in Article 25 of the Draft Bylaws);
- holders of preferred shares shall rank in priority to ordinary shareholders. After reimbursement of the nominal value of the preferred shares and then the nominal value of the ordinary shares, the liquidation surplus ("*boni de liquidation*") shall be allocated in priority to pay to preferred shareholders the difference between the issue price of the preferred shares and their nominal value, the remainder being then divided between ordinary shareholders (Article 27 of the Draft Bylaws).

Pursuant to Article L.225-99 of the French Commercial Code, a decision by the General Meeting of shareholders to modify the rights relating to a category of preferred shares will not be considered final until it has been approved by a special meeting of shareholders of the said category. In addition, to ensure that the preferred shares continue to be taken into account in the solvency margin of the AXA group, the prior approval of the French insurance regulator (*Autorité de Contrôle des Assurances et des Mutuelles*) will be required in the event of any change in their characteristics.

Changes in the share capital (Article 7 of Draft Bylaws):

- in the event of a division, reduction or increase in the nominal value of ordinary shares, the characteristics of the preferred shares shall be automatically adjusted so as to take into account these changes, it being specified that the nominal value of a preferred share shall always be equal to the nominal value of an ordinary share;
- in the event of a capital increase by capitalization of issue premiums by way of an increase in the nominal value of shares, the nominal value of each ordinary share and of each

preferred share shall be increased by the same amount. In the event of a capital increase by capitalization of issue premiums by way of a free allotment of new shares, the preferred shareholders shall receive preferred shares of the same category as those held;

- Any capital reduction due to losses shall be borne by shareholders *pro rata* their holding in the share capital of the Company.

2.2. The preferred shareholders' right to a preferred dividend

As referred to in paragraph 2.1., preferred shares, if issued, shall be entitled to a preferred dividend.

2.2.1. Preliminary definitions

Before setting out the terms and conditions of the preferred dividend, certain relevant definitions are set out below.

Pursuant to Article 25 of the Draft Bylaws:

The "Current Amount" of a preferred share is, for any given fiscal year, the issue price of the said preferred share (i) minus all losses charged on the issue price, it being specified that these losses will first be charged on the relevant issue premiums of the shares (so that the issue premiums of all categories of shares will be reduced in the same proportion) and then applied equally to the shares by way of reduction in the nominal amount of such shares, and (ii) increased by the Reconstitution Part of the Current Amount (as defined below) as at December 31 of the relevant fiscal year, provided that the Current Amount will only be reconstituted, partly or in whole, in the event that the preferred dividend has been paid in respect of the two preceding fiscal years.

The "Reconstitution Part of the Current Amount" will be a percentage of the earnings available for distribution, as appearing in the certified annual financial statements; this percentage will correspond to the fraction of the relevant preferred share in the share capital as at December 31 of the relevant fiscal year.

In the event of successive reductions and reconstitutions of the Current Amount, the total aggregate amount of reductions and reconstitutions carried out for the relevant preferred share will be taken into account.

In any case, the Current Amount of a preferred share shall never exceed its issue price.

2.2.2. Terms and conditions to determine the preferred dividend

The terms and conditions to determine the preferred dividend are defined in Article 25 of the Draft Bylaws.

The preferred dividend will be paid to the holders of preferred shares subject to the following:

- the decision of the ordinary General Meeting to vote a distribution, on the basis of earnings available for distribution of the relevant fiscal year, it being specified that, if the General Meeting votes to not pay a preferred dividend in full for a given fiscal year, no dividend shall be paid to ordinary shareholders for the same fiscal year;
- the consolidated solvency margin of the AXA group shall not fall, due to this distribution, below the minimum percentage required by the applicable insurance regulations.

The preferred dividend shall be equal to a multiple of the dividend to be paid on an ordinary share, as determined by the Management Board in its decision to issue preferred shares, it being specified that this multiple may not be less than 1.2 nor greater than 1.8, and that, in any event, the amount of the preferred dividend:

- may not be less than a percentage of the Current Amount, as determined by the Management Board in its decision to issue preferred shares, which cannot be less than 6% nor greater than 8% (the “Minimum Percentage”),
- may not be greater than a percentage of the Current Amount, as determined by the Management Board in its decision to issue preferred shares, which cannot be less than 10% nor greater than 14%.

In addition, in any event, the preferred dividend to be paid to all holders of preferred shares shall not exceed 90% of the earnings available for distribution for the relevant fiscal year within the meaning of Article L.232-11 of the French Commercial Code.

Furthermore:

- the preferred dividend to be paid for the fiscal year during which the preferred shares have been issued shall be equal to the preferred dividend as determined above and by taking into account the number of days from the issue date of the preferred shares to

December 31 of the relevant fiscal year, on a 365-day basis or 366-day basis for a leap year,

- the shareholders' General Meeting may resolve not to distribute the preferred dividend or to distribute only part of the preferred dividend; in this case, the preferred dividend for the relevant fiscal year or any part of the preferred dividend for the relevant fiscal year not distributed, shall not be carried forward to the following fiscal years.

2.3. Repurchase of preferred shares by AXA

The preferred shares, that may potentially be issued, may be repurchased by AXA pursuant to the terms and conditions set out in Article 26 of the Draft Bylaws.

AXA may repurchase issued preferred shares:

- as from the fifth anniversary of the issue of preferred shares¹,
- and subject to the prior approval of the French insurance regulator (*Autorité de Contrôle des Assurances et des Mutuelles*).

AXA may repurchase the preferred shares, at a repurchase price equal to their issue price, increased by an amount corresponding to the preferred dividend accrued as at the repurchase date, calculated on a *pro rata temporis* basis, on the basis of the Minimum Percentage as defined above.

In addition, the preferred shares so repurchased will be cancelled.

¹ In addition:

- (i) In the event that an issue, merger or spin-off requiring the approval of a special meeting of holders of preferred shares of any category, is not approved by such special meeting, AXA may repurchase all the shares comprising the relevant category of preferred shares on the date specified in the Repurchase Notice (as defined in the Draft Bylaws) (in this case, the repurchase shall be at the issue price without the addition of the accrued dividend);
- (ii) If any category of preferred shares no longer qualify without limit as part of the consolidated solvency margin of the AXA group in accordance with applicable insurance regulations due to a change in these regulations or a change in their interpretation by the French insurance regulator, AXA may repurchase at any time all shares comprising the relevant category of preferred shares on a date that may not precede the date on which such preferred shares no longer qualify without limit as part of the consolidated solvency margin (in this case, the repurchase shall be at the issue price increased by the accrued dividend, just as in the case where AXA repurchases preferred shares as from the fifth anniversary date of the issue of the preferred shares). In both cases, the repurchase of preferred shares would be subject to the prior approval of the French insurance regulator (*Autorité de Contrôle des Assurances et des Mutuelles*)

III. WORK PERFORMED AND ASSESSMENT OF THE PARTICULAR ADVANTAGES (*AVANTAGES PARTICULIERS*)

3.1. Work performed

I performed the work I deemed necessary in accordance with the professional standards set forth by the *Compagnie Nationale des Commissaires aux Comptes*, to assess the particular advantages (*avantages particuliers*) related to the preferred shares (category B shares) that may be issued by your company.

In particular:

- I had discussions with managers of AXA in charge of this transaction, as well as with their advisors, to understand the envisaged transaction and the background in which it is carried out and to analyse the terms of the proposed transaction;
- I examined:
 - o the current bylaws of AXA;
 - o the draft resolutions to be submitted to your General Meeting as determined by the Management Board on 23 March 2009;
 - o the draft of the amended bylaws of AXA, as determined by the Management Board on 23 March 2009;
 - o the Management Board's report to your General Meeting, as determined on 23 March 2009;
 - o the publication by AXA in *Bulletin des Annonces Légales Obligatoires* on 27 March 2009;
- I carried out several simulations of preferred dividends in accordance with various scenarios.

3.2. Assessment of the particular advantages (*avantages particuliers*)

In accordance with our professional standards, I am not required to judge the grounds for granting the particular advantages (*avantages particuliers*). I am only required to describe and assess each of the particular advantages (*avantage particulier*) related to the preferred shares that may be issued.

Set out below is my assessment of each of the particular advantages (*avantages particuliers*) described in the second part of this report.

I draw to your attention that the assessment, as set out below, of the particular advantages (*avantages particuliers*) of the preferred shares that may be issued, has been carried out in substance. A detailed presentation of the particular advantages (*avantages particuliers*) is set out in the Draft Bylaws.

3.2.1. Assessment of the absence of voting rights, the absence of preferential subscription rights and the senior ranking in the event of a winding-up

3.2.1.1. Absence of voting rights

As referred to in paragraph 2.1. of this report, the preferred shares that may be issued shall not give right to any voting rights at ordinary or extraordinary General Meetings of AXA.

My comments on this specific characteristic are the following:

- (a) The absence of voting rights may have the following consequences:
 - depriving holders of preferred shares from taking part in all decisions of General Meetings relating to the payment of preferred dividends:
 - ordinary shareholders, who are the only shareholders to hold voting rights, may therefore decide against the payment of a preferred dividend;
 - the impact of this right is however mitigated by the fact that in the event the ordinary shareholders so decide, they would also be depriving themselves of an ordinary dividend, as no dividend may be paid on ordinary shares if the dividend on the preferred shares has not been paid in full;
 - depriving the preferred shareholders from taking part in all decisions relating to the amendments to the bylaws, the appointment or removal of a member of the Supervisory Board or the approval of the annual financial statements.

- (b) The rights of holders of preferred shares shall nevertheless remain protected by the provisions of Articles L.225-99 of the French Commercial Code whereby “*the decision of a general meeting to modify the rights relating to a category of shares is not final until it has been approved by the special meeting of the shareholders of that category*”.

3.2.1.2. Absence of preferential subscription rights

Moreover, as referred to in paragraph 2.1. of this report, the preferred shares that may be issued pursuant to Article L.228-11 of the French Commercial Code, shall not have preferential subscription rights.

My comments on this specific characteristic are the following:

- (a) the absence of preferential subscription rights results in holders of preferred shareholders being deprived from the possibility to subscribe to subsequent share capital increases with preferential subscription rights; and therefore exposes them to a risk of economical dilution;
- (b) the effects of such risk are nonetheless to be mitigated by the fact that the remuneration of the preferred shares shall be paid in priority and is explicitly determined in the bylaws.

3.2.1.3. Senior ranking in the event of a winding-up

In addition, as referred to in paragraph 2.1. of this report, the preferred shares that may be issued shall rank senior to ordinary shares in the event of a winding-up of AXA.

My comments on this specific characteristic are the following:

- (a) the priority ranking of preferred shareholders entitles them, in the event the liquidation amount ("*produit de la liquidation*") is not sufficient to reimburse the contributions of all shareholders, to be paid in priority to ordinary shareholders, for an amount equal firstly, to the nominal value and secondly, to the issue premium;
- (b) however the impact of this advantage must be mitigated as follows:
 - it would only apply in the event of a winding-up of AXA,
 - in the financial statements as at 31 December 2008, the reserves of AXA are positive (it being specified that these reserves do not, in accordance with applicable accounting rules, benefit from latent capital gains on assets) and are therefore sufficient to reimburse the contributions of all shareholders,

- once their contribution shall have been reimbursed in full, holders of preferred shares shall not be entitled to any additional rights to the liquidation surplus (*boni de liquidation*).

3.2.2. Assessment of the right of the holders of preferred shares to a preferred dividend

As referred to in paragraph 2.2. of this report, preferred shares benefit from a remuneration which is specifically set out in the Draft Bylaws.

This remuneration, subject to (i) the approval by the General Meeting of the preferred dividend² and (ii) due to the distribution of such remuneration, the consolidated solvency margin of the AXA group not falling below the minimum percentage required by the applicable insurance regulations:

- shall be equal to a minimum percentage of the Current Amount³ between 6% and 8%⁴,
- shall be equal to a maximum percentage of the Current Amount that may not be lower than 10% and higher than 14%⁴,
- within the range set out above, shall be greater than the ordinary dividend by applying a multiple that shall be between 1.2 and 1.8⁴,

the preferred dividend may not in any case exceed 90% of the earnings available for distribution for the relevant fiscal year.

I draw to your attention that the preferred dividend shall not be tax deductible from AXA's income subject to corporate tax.

My comments on this specific characteristic are as follows:

- (a) the payment of a dividend to holders of ordinary shares shall be subject to sufficient distributable amounts available to pay the preferred dividend in full;

² It being specified that the General Meeting could decide not to distribute part of or the entirety of the preferred dividend for a given fiscal year; in this case, no ordinary dividend shall be distributed for that given fiscal year.

³ The Current Amount is equal to the issue price, except in the event it is reduced when losses are charged on the issue premium or on the nominal value.

⁴ This percentage is determined by the Management Board in its decision to issue.

- (b) holders of preferred shares shall have a minimum remuneration of at least 6%;
 - this minimum remuneration is higher than the rate of return paid on ordinary shares during the last five fiscal years (calculated as the ratio between the dividend paid to the ordinary shareholders and the average quoted price);
 - however this higher remuneration shall be mitigated by the cap that applies to the remuneration as referred to in (c) below;

- (c) the level of remuneration of the preferred shares shall be capped at 14% in any case;
 - holders of preferred shares will therefore not benefit from a potential growth of AXA ordinary dividends beyond 14%; on the basis of an issue price of 9.281 euros (AXA's quoted price as at 26 March 2009), this threshold shall be reached when the ordinary dividend is 1.30 euro per share, i.e. slightly higher than the dividend paid for the 2007 fiscal year;

- (d) in order to guarantee a distribution between, on the one hand, the amount granted to preferred shareholders and, on the other hand, the amount granted to ordinary shareholders, which shall correspond to their respective stake in the capital, it will be necessary and sufficient that the dividend per ordinary share be equal to the cap of the preferred dividend per share, in that case:
 - if the ordinary dividend per share were to be below this cap, the respective part of the amount granted to preferred shares shall be greater than their stake in the share capital;
 - on the other hand, if the ordinary dividend per share were to be greater than this cap, the respective part of the amount granted to preferred shares shall be lower than their stake in the share capital;

- (e) the remuneration of the preferred shares shall depend on the Current Amount, as defined in paragraph 2.2.1. of this report;
 - this amount, in substance, corresponds to the issue price of the preferred shares, adjusted as appropriate and if necessary reduced to take into account losses after the issuance, beyond a franchise consisting of the reserves accumulated by the company (it being specified that any profits appearing after a decrease in the Current Amount shall be used to increase the Current Amount up to the issue price, as necessary, subject to a preferred dividend having been distributed during the two preceding fiscal years);

- a decrease in the Current Amount would mean there have been accounting losses of your company subsequent to the issuance of the preferred shares greater than reserves available; based on the financial statements as at 31 December 2008, and taking into account the dividend distribution for the 2008 fiscal year, the amount of reserves of your company amounts to approximately €4.3 billion;
- if such losses were to appear, the remuneration of the preferred shares shall be reduced, since it shall be based on a Current Amount, which in this case shall no longer be equal to the issue price but lower than this price.

3.2.3. Assessment of the repurchase of preferred shares by AXA

As referred to in paragraph 2.3. of this report, AXA shall have the right to repurchase preferred shares that might be issued subject to (i) the repurchase occurring after the fifth anniversary of the issue and (ii) the prior approval of the French insurance regulator (*Autorité de Contrôle des Assurances et des Mutuelles*).

Preferred shares may be repurchased by AXA at their issue price increased by an amount corresponding to the preferred dividend accrued from the date of the issue to the date of the repurchase, calculated on the basis of the Minimum Percentage.

In addition, as referred to in paragraph 2.3. of this report, specific conditions concerning repurchase period and repurchase price relating to the repurchase of preferred shares by AXA are provided, in the following particular circumstances: (i) in the event of an issue, merger or spin-off requiring the approval of a special meeting of holders of preferred shares of any category which is not approved by such special meeting or (ii) if any category of preferred shares no longer qualify without limit as part of the solvency margin of the AXA group.

As previously stated, any preferred shares repurchased by AXA shall be cancelled.

My comments on this specific characteristic are the following:

- (a) depending on whether the quoted price of AXA increases or decreases, as compared to the issue price of the preferred shares, if AXA decides to repurchase a given category of preferred shares that it may issue, AXA will have to pay a sum higher or lower than the quoted price for the same number of ordinary shares;
- (b) except as provided in paragraph 2.3. of this report, if AXA issues preferred shares, it shall not have the right to repurchase them before the fifth anniversary of the issue date;

during those five fiscal years, AXA shall therefore have the obligation to remunerate the preferred shares as provided for in paragraph 2.2. of this report, without having any possibility of not performing this obligation.

IV. CONCLUSION

To conclude, I have no particular comments to make with respect to the particular advantages (*avantages particuliers*) provided and attached to the preferred shares that may be issued by your company as described above and explicitly set out in the Draft Bylaws.

Paris,
27 March 2009

STÉPHANE LIPSKI