

FINAL TERMS



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AXA

(incorporated as a *société anonyme à directoire et conseil de surveillance* in France)

**Issue of £700,000,000 Fixed to Floating Rate Undated Deeply Subordinated Notes (the Notes)
under the €12,000,000,000
Euro Medium Term Note Programme**

SERIES NO: 27
TRANCHE NO: 1

Issue Price: 100 per cent.
First Call Date (as defined herein): 16 October 2019

PART A – CONTRACTUAL TERMS

The Notes have been assigned a rating of BBB+ by Standard & Poor's Ratings Services, Baa1 by Moody's Investors Services Limited and A by Fitch Ratings Ltd. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A suspension, withdrawal or reduction of the ratings assigned to the Notes may adversely affect the market price of the Notes.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering circular dated 14 June 2007, as supplemented by a first and second supplement to such offering circular dated 19 June and 26 September 2007 respectively (such offering circular and supplements together, the **Offering Circular**) which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and from the registered office of the Issuer and the specified office of the Principal Paying Agent.

The terms and conditions of the Notes are constituted by the Terms and Conditions of the Notes and the Possible Further Terms appearing in the Offering Circular, as supplemented by these Final Terms (which shall, for the avoidance of doubt, include the Annexe hereto) and all references to "Final Terms" shall be construed accordingly.

These Final Terms constitute the definitive terms and conditions of the Notes and shall prevail in the event of inconsistency with the provisions of the Offering Circular referred to above.

It is the Issuer's intention to fund any early redemption of the Notes in accordance with Conditions 7(b), 7(c), 7(e) or 7(e)1 of the Notes, in whole (but not in part) only to the extent that the Issuer has raised funds in the period of six months preceding such redemption by the issuance of Share Capital Securities (as defined herein) or securities with terms and conditions similar to the Notes (in particular in relation to the provisions on maturity, deferral of remuneration, payments of deferred remuneration and on replacement) or mandatorily convertible bonds or notes having a maturity of 3 years, in an aggregate amount at least equal to the aggregate principal amount of the Notes.

Potential investors should read carefully the section entitled **Risk Factors** set out in the Offering Circular before making a decision to invest in the Notes.

HSBC

Bookrunners

The Royal Bank of Scotland

The date of this document is 9 October 2007

1. Issuer: AXA
2. (a) Series Number: 27
- (b) Tranche Number: 1
3. Specified Currency or Currencies: Sterling
4. Aggregate Nominal Amount:
 - (a) Series: £700,000,000
 - (b) Tranche: £700,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. Specified Denominations: £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. Notes in definitive form will only be issued upon the occurrence of an Exchange Event.
7. (a) Issue Date: 16 October 2007
- (b) Interest Commencement Date: 16 October 2007
8. Maturity Date: Not Applicable
9. Interest Basis: Fixed Rate changing to Floating Rate as specified in paragraphs 15 and 16 below
10. Redemption/Payment Basis: See below
11. Change of Interest Basis or Redemption/Payment Basis:
 - (i) In respect of the period (such period the **Fixed Rate Interest Period**) from and including the Issue Date to but excluding 16 October 2019 (the **First Call Date**) the Notes shall bear interest at the Fixed Rate specified in paragraph 15 below
 - (ii) In respect of the period (such period the **Floating Rate Interest Period**) from and including 16 October 2019 the Notes shall bear interest at the Floating Rate specified in paragraph 16 below
12. Put/Call Options: Issuer Call
(See *Annexe for details*)
13. (a) Status of the Notes: Undated Deeply Subordinated Notes
(See *Annexe for details*)

The Relevant Supervisory Authority for the purposes of Condition 7(e) is at the Issue Date the *Autorité des Assurances et des Mutuelles* (ACAM)

(b) Date required board (or similar) approval for issuance of Notes obtained: 4 June 2007

14. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions Applicable in respect of the Fixed Rate Interest Period

(a) Rate of Interest: 6.772 per cent. per annum payable annually in arrear

(b) Interest Payment Date: 16 October in each year (commencing on 16 October 2008) up to and including the First Call Date

(c) Fixed Coupon Amount: Not Applicable

(d) Broken Amount(s): Not Applicable

(e) Day Count Fraction: Actual/Actual (ICMA)

(f) Determination Date(s): 16 October in each year

(g) Other terms relating to the method of calculating interest for Fixed Rate Notes: None

16. Floating Rate Note Provisions Applicable in respect of the Floating Rate Interest Period

(a) Specified Period(s)/Specified Interest Payment Dates: 16 January, 16 April, 16 July and 16 October in each year from and including the First Call Date

(b) Business Day Convention: Modified Following Business Day Convention

(c) Additional Business Centre(s): Not Applicable

(d) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination

(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): Not Applicable

(f) Screen Rate Determination:

- Reference Rate: LIBOR 3 months
- Interest Determination Dates: The first day of each Interest Period
- Relevant Screen Page: Reuters page LIBOR01

(g) Margin: 2.37 per cent. per annum

(h)	Minimum Rate of Interest:	Not Applicable
(i)	Maximum Rate of Interest:	Not Applicable
(j)	Day Count Fraction:	Actual/365
(k)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index Linked Interest Note Provisions	Not Applicable
19.	Dual Currency Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call:	Applicable from and including the First Call Date
(a)	Optional Redemption Dates:	The First Call Date and any Interest Payment Date falling thereafter subject to the prior approval of the Relevant Supervisory Authority
(b)	Optional Redemption Amount:	Original Nominal Amount (as defined in the Annexe)
(c)	If redeemable in part:	
(i)	Minimum Redemption Amount:	Not Applicable
(ii)	Maximum Redemption Amount:	Not Applicable
(d)	Notice period (if other than as set out in the Conditions):	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	See Annexe
23.	Early Redemption Amount payable on redemption for taxation reasons or on the occurrence of a Regulatory Event and/or the method of calculating the same (if required or if different from that set out in Condition 7(f)):	See Annexe

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event (as defined below)
- For these purposes an "Exchange Event" means that (i) an Enforcement Event (as defined in Condition 10) has occurred or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available
- (b) New Global Note: No
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: Not Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): Yes (if Definitive Notes are issued in exchange for, and in accordance with, the terms of the Permanent Global Note). Talons mature on each 25th Interest Payment Date
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
28. Details relating to Instalment Notes: Not Applicable
29. Redenomination applicable: Redenomination not applicable
30. Other final terms: See Annexe

DISTRIBUTION

31. (a) If syndicated, names of Managers:
- (b) Stabilising Manager (if any): Not Applicable
32. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D

33. Additional selling restrictions:

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the Financial Services Act) and Article 31, second paragraph, of CONSOB (the Italian Securities Exchange Commission) Regulation No. 11522 of 1 July 1998, as amended (Regulation No. 11522); or
- (b) in other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (Regulation No. 11971).

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 11522 and Legislative Decree No. 385 of 1 September 1993, as amended (the Banking Act);
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €12,000,000,000 Euro Medium Term Note Programme of AXA.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer: 

By: Allan de Nailly Nestle

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- | | | |
|-------|---|---|
| (i) | Listing: | Bourse de Luxembourg |
| (ii) | Admission to trading: | Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 16 October 2007 |
| (iii) | Estimate of total expenses related to admission to trading: | €1,000 |

2. RATINGS

- | | | |
|----------|---|------|
| Ratings: | The Notes to be issued have been rated: | |
| | S & P: | BBB+ |
| | Moody's: | Baa1 |
| | Fitch Ratings Ltd: | A |

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Bookrunner, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- | | | |
|------|-------------------------|---|
| (i) | Reasons for the offer : | The proceeds will be used for general corporate purposes. |
| (ii) | Estimated net proceeds: | £697,375,000 |

5. OPERATIONAL INFORMATION

- | | | |
|-------|--|--------------------------|
| (i) | ISIN Code: | XS0325823119 |
| (ii) | Common Code: | 032582311 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (vi) | Intended to be held in a manner which would allow Eurosystem eligibility: | No |

ANNEXE

CONSOLIDATED TERMS AND CONDITIONS

*The following are the Consolidated Terms and Conditions of the Notes which are a consolidation of the "Terms and Conditions of the Notes" and "Possible Further Terms" (together, the **Programme Conditions**) set out in the Offering Circular dated 14 June 2007 relating to AXA's Euro Medium Term Note Programme, as supplemented by a first and second supplement to such Offering Circular dated 19 June and 26 September respectively. The numbered paragraphs set out below follow the sequence of the numbered paragraphs in the Programme Conditions as supplemented in places by further numbered paragraphs reflecting such further terms. The abbreviation "N/A" will be applied to any such numbered paragraph which is not applicable to the Notes.*

DEFINITIONS

For the purposes of these Conditions:

Accumulated Net Earnings means, as at the end of any 6-month period of the Issuer, the sum of the consolidated net earnings of the Issuer, as determined in accordance with Applicable Accounting Standards, for the two 6-month periods ending on the last day of such period.

Adjusted Capital Amount means the shareholders' equity (including any mandatory convertible bonds or notes having a maturity of 3 years or less) before minority interests as reflected in the consolidated balance sheet of the Issuer as at the end of any 6-month period, as determined in accordance with Applicable Accounting Standards, minus foreign currency translation adjustments, treasury shares and fair value in shareholders' equity and minus any preference shares and Deeply Subordinated Obligations issued during the period beginning on the relevant Lagged Reporting Date and ending on the Current Reporting Date, as reflected in such consolidated balance sheet.

Adjusted Shareholders' Equity Amount means the shareholders' equity before minority interests as reflected in the consolidated balance sheet of the Issuer as at the end of any 6-month period, as determined in accordance with Applicable Accounting Standards, minus foreign currency translation adjustments, treasury shares and fair value in shareholders' equity, as reflected on such consolidated balance sheet.

Applicable Accounting Standards means IFRS (International Financial Reporting Standards) as applicable at the relevant dates and for the relevant periods, or other accounting principles generally accepted in France and applied by the Issuer which subsequently supersede them.

Applicable Regulations means at any time the solvency margin or capital adequacy regulations applicable to the Issuer and/or the Group then in effect in France and applicable to the Issuer and/or the Group.

Benchmark Half-Year Period means the 6-month period that ends five 6-month periods prior to the Current Reporting Date.

Bond Yield means the rate per annum equal to the annual yield to maturity of the Comparable Bond Issue, assuming a price equal to the Comparable Bond Price for the Calculation Date.

Calculation Agent means a financial institution of good standing or other appropriate entity appointed in good faith by the Issuer for the purpose of carrying out certain functions relating to the determination of the Make Whole Amount.

Calculation Date means the second London Business Day prior to the date set forth for redemption.

Comparable Bond Issue means, with respect to date set forth for redemption, the bond selected by the Calculation Agent that would be used, at the time of selection and in accordance with customary financial

practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes from the date set forth for redemption to the First Call Date.

Comparable Bond Price means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Calculation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

Compulsory Interest Payment Date means each Interest Payment Date on which no Mandatory Deferral Event has occurred and is continuing and prior to which:

- (a) in the absence of a Solvency Event, at any time during a period of one year prior to such Interest Payment Date, or
- (b) upon the occurrence of a Solvency Event and for so long as a Solvency Event is continuing, at any time between the date of the first occurrence of that Solvency Event and the relevant Interest Payment Date,

any of the following events has occurred:

- (i) the Issuer has declared or paid a dividend in any form, or made a payment of any nature, on any Share Capital Securities;
- (ii) the Issuer has made a payment on any other Deeply Subordinated Obligations unless such payment was a compulsory interest payment under the terms of any such other Deeply Subordinated Obligations issued by the Issuer;
- (iii) the Issuer has redeemed, repurchased or otherwise acquired any Share Capital Securities, by any means (except shares repurchased by the Issuer in the context of its own buy-back programme (*programme de rachat d'actions*), under any equity derivative hedge structure or transaction or, under any hedging of stock options programme or any other compensation benefit programme);
- (iv) the Issuer has redeemed, repurchased or otherwise acquired any Deeply Subordinated Obligations in accordance with their terms.

Consolidated Net Income means the consolidated net income (excluding minority interests) of the Issuer as calculated in the consolidated accounts approved by the Issuer's shareholders' general meeting.

Current Reporting Date means the date of the most recently completed and published annual or semi-annual financial statements of the Issuer.

Deeply Subordinated Notes means all and any bonds or notes of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer, including bonds or notes whose subordination provisions are governed by the provisions of Article L.228-97 of the French *Code de commerce*, as amended by law no. 2003-706 on financial security dated 1 August 2003 and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but behind all present and future *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer and behind Ordinary Subordinated Obligations of the Issuer and Unsubordinated Obligations of the Issuer.

Deeply Subordinated Obligations means any Deeply Subordinated Notes (including the Notes) or other Obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Notes.

Determination Date means, for the purposes of Condition 5(h), the date falling 10 Paris business days prior to each Interest Payment Date.

Early Redemption Amount means in respect of each Note on the date set forth for redemption the higher of: (i) the Original Nominal Amount of such Note plus any current and previous PIK Amounts, and (b) the Make Whole Amount.

End of Solvency Event means, following a Solvency Event, the first date on which either of the following events occur: (a) if the Solvency Event occurred pursuant to paragraph (a) of the definition thereof, the consolidated solvency margin level of the Issuer, calculated in accordance with the Applicable Regulations, is equal to 100 per cent. of the minimum consolidated solvency margin level required by the Applicable Regulations; or (b) if the Solvency Event occurred pursuant to paragraph (b) of the definition thereof, the notification by the Relevant Supervisory Authority to the Issuer that it has determined, in its sole discretion, in view of the financial condition of the Issuer, that the circumstances which resulted in such Solvency Event have ended.

Excess Amount means, in relation to the amount of interest on the Nominal Amount that would otherwise have been due (the **Current Interest Amount**), the amount by which the Current Interest Amount exceeds the New Capital Amount.

First Call Date means 16 October 2019.

Future Tier One Regulations means the solvency margin or capital adequacy regulations which may in the future be introduced into France (or if the Issuer and/or the Group becomes domiciled in a jurisdiction other than France, such other jurisdiction) and applicable to the Issuer and/or the Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion in Tier 1 capital or core capital as opposed to Tier 2 capital or secondary capital (whatever the terminology that may be retained).

Group means the Issuer and its consolidated subsidiaries taken as a whole.

IFRS means the International Financial Reporting Standards, as amended from time to time.

Interest Commencement Date means the Issue Date.

Interest Payment Date shall mean a Fixed Interest Payment Date or a Floating Interest Payment Date.

Issue Date means 16 October 2007.

Lagged Reporting Date means the date of the annual or semi-annual financial statements of the Issuer immediately prior to the Current Reporting Date.

Make Whole Amount means in respect of each Note an amount, as determined by the Calculation Agent, equal to the sum of (x) the present value of the Original Nominal Amount of such Note plus any current and previous PIK Amounts discounted from the First Call Date to the date set forth for redemption and (y) the present value of each scheduled interest payment to (and including) the First Call Date, calculated on the basis of the Original Nominal Amount of the Note plus any current and previous PIK Amounts, discounted from the relevant Interest Payment Date to the date set forth for redemption, in each case at a discount rate equal to the sum of (a) 90 basis points and (b) the Bond Yield on an Actual/Actual-ICMA annual basis.

Market Disruption Event means the existence or occurrence of any of the following events or circumstances:

- (i) a temporary suspension or limitation imposed on trading or on settlement procedures for transactions in the ordinary shares of the Issuer on the Euronext Paris exchange if such suspension or limitation is, in the determination of the Principal Paying Agent, material in the context of the sale of such ordinary shares;
- (ii) a material adverse change in general domestic or international economic, political or financial conditions, including without limitation as a result of terrorist activities or acts of war, or an effect of

international conditions on the financial markets or currency exchange rates or controls such as to make it, in the opinion of the Issuer, impracticable or inadvisable to proceed with the issue or delivery of Payment Shares or Payment Securities.

New Capital Amount means the net proceeds received by the Issuer from new issuance and/or sales during the period of 180 days prior to the relevant Interest Payment Date of (i) Payment Shares or (ii) Parity Securities.

Nominal Amount means the nominal value of each Note at any time taking into account any reduction or increase in accordance with the Loss Absorption or Reinstatement provisions of Condition 3(d), and any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method.

Obligations means any payment obligation expressed to be assumed by, or imposed on, the Issuer under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law.

Ordinary Subordinated Creditors means any Person to whom the Issuer owes an Ordinary Subordinated Obligation.

Ordinary Subordinated Obligations means any Obligations of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which rank and will rank in priority to all present and future *titres participatifs* issued by the Issuer, *prêts participatifs* granted to the Issuer and Deeply Subordinated Obligations of the Issuer.

Original Nominal Amount means the nominal value of each Note on the Issue Date, without taking into account any Loss Absorption or Reinstatement pursuant to Condition 3(d) or any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method.

Parity Securities means hybrid securities with terms and conditions (in particular in relation to the provisions on the deferral of remuneration, payments of deferred remuneration and on replacement) similar to these Conditions and that provide equity credit from the rating agencies at least equivalent to that of the Notes and preference shares (*actions de préférence*) designated by the Issuer at or before the time of issuance and/or sale as available to pay distributions on the Notes.

Payment Shares means ordinary shares designated by the Issuer at or before the time of issuance and/or sale as available to pay distributions on the Notes.

Person includes any person, company, corporation, firm, government, state or agency of a state or any grouping (whether or not having separate legal personality) or two or more of the foregoing.

Primary Bond Dealer means any credit institution or financial services institution that regularly deals in bonds and other debt securities.

Reference Bond Dealer means either the Calculation Agent, or any other Primary Bond Dealer selected by the Calculation Agent after consultation with the Issuer.

Reference Bond Dealer Quotations means the average, as determined by the Calculation Agent, of the bid and ask prices for the Comparable Bond Issue (expressed in each case as a percentage of its nominal amount) quoted in writing to the Calculation Agent by such Reference Bond Dealer at 11:00 am (London time) on the Calculation Date.

Regulatory Event means that:

- (i) under Applicable Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal the proceeds of the Notes are not eligible for the purposes of calculating the consolidated solvency margin of the Issuer and/or the Group; or

- (ii) the proceeds of the Notes are not eligible for inclusion in the Tier 1 Capital or core capital for the purpose of the determination of the consolidated solvency margin or capital adequacy ratio of the Issuer and/or the Group under Future Tier One Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal.

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required by Applicable Regulations to comply on a consolidated basis with certain applicable minimum solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Autorité de Contrôle des Assurances et des Mutuelles (ACAM)*.

Share Capital Securities means any ordinary shares (*actions ordinaires*), or preference shares (*actions de préférence*) issued by the Issuer.

Solvency Event means the first date on which either of the following events occur: (a) the consolidated solvency margin level applicable to the Issuer and/or the Group falls below 100 per cent. of the minimum consolidated solvency margin level required by the Applicable Regulations; or (b) the Issuer is notified by the Relevant Supervisory Authority that it has determined, in its sole discretion, in view of the deteriorating financial condition of the Issuer, that the circumstances described in the foregoing paragraph (a) of the Compulsory Interest Payment Date definition would apply in the near future.

Unsubordinated Creditors means any Person(s) to whom the Issuer owes Unsubordinated Obligations.

Unsubordinated Obligations means any Obligations of the Issuer which are unsubordinated (including, without limitation, holders of Senior Notes, depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation).

1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form by AXA (the **Issuer**) in sterling in the aggregate principal amount of £700,000,000 divided into notes (the **Notes**) in the specified minimum denomination (the **Specified Denomination**) of £50,000 each, with tradeable amounts of £1,000 in excess thereof.

2. N/A

3. STATUS OF THE NOTES AND SUBORDINATION

(a) N/A

(b)(i) & (ii) N/A

(b)(iii) The Notes, having no specified maturity, are Undated Deeply Subordinated Notes, whose subordination provisions are governed by French law and, more specifically the provisions of Article L.228-97 of the French *Code de commerce*, as amended by law no. 2003-706 on financial security dated 1 August 2003.

The Notes and any related Coupons constitute direct, unconditional, unsecured and undated Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to all present and future *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, Ordinary Subordinated Obligations of the Issuer and Unsubordinated Obligations of the Issuer.

The Notes shall rank in priority to any class of share capital, whether represented by ordinary shares or preference shares (*actions de préférence*) issued by the Issuer.

The rights of the Noteholders in the event of the judicial liquidation (*liquidation judiciaire*) of the Issuer will be calculated on the basis of the then Nominal Amount of the Notes together with accrued interest (if any) and any other outstanding payments under the Notes. If the Original Nominal Amount has been reduced in the context of one or more Loss Absorption(s), the rights of the Noteholders are calculated on the basis of the Original Nominal Amount plus any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method, to the extent that all other creditors of the Issuer (including Unsubordinated Creditors of the Issuer, Ordinary Subordinated Creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) have been or will be fully reimbursed, as ascertained by the liquidator. The rights of the Noteholders in the event of the liquidation of the Issuer for any other reason than judicial liquidation (*liquidation judiciaire*) will be calculated on the basis of the Original Nominal Amount of the Notes plus any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method, together with accrued interest and any other outstanding payments under the Notes.

No payment will be made to holders of shares of any class whatsoever of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders under the Notes have been paid by the Issuer.

In the event of incomplete payment of creditors ranking senior to holders of Deeply Subordinated Notes and related Receipts and Coupons (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Deeply Subordinated Notes and relative Receipts and Coupons will be terminated. The holders of Deeply Subordinated Notes and any relative Receipts and Coupons shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

- (c) As specified in Condition 5
- (d) **Loss Absorption – Reinstatement**
 - (i) **Loss Absorption**

In the event that, at any time a Solvency Event has occurred, the management board (*Directoire*) of the Issuer undertakes to convene an extraordinary shareholders' meeting during the 3 months immediately following the occurrence of the Solvency Event to propose to its shareholders a share capital increase or any other measure to remedy such Solvency Event.

If then,

the share capital increase or any other proposed measures are not accepted by the extraordinary shareholders' meeting of the Issuer, or if the share capital increase adopted by such extraordinary shareholders' meeting is insufficiently subscribed to remedy the Solvency Event, or, in any event, if the Solvency Event subsists at the end of the Quarter (as defined below) following the Quarter during which the Solvency Event has occurred,

the management board (*Directoire*) of the Issuer will implement, within 10 days, a reduction of the then Nominal Amount of the Notes (**Loss Absorption**).

Quarter means one quarter of a calendar year, i.e.: 1 January to 31 March, 1 April to 30 June, 1 July to 30 September and 1 October to 31 December.

Any such reduction shall be applied in respect of each Note equally and, in the event the Issuer has outstanding other Deeply Subordinated Notes, such reduction will be applied on a pro-rata basis among them.

The amount by which the Nominal Amount of the Notes is reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities in accordance with the Applicable Regulations (as defined below), will be (in the case that a Solvency Event has occurred pursuant to clause (a) of the definition thereof) the lower of (i) the amount of the excess of (a) the total consolidated capital required by the Applicable Regulations over (b) the total consolidated capital of the Issuer after the share capital increase or any other measures adopted by the shareholders' meeting of the Issuer to remedy the Solvency Event (or the total consolidated capital of the Issuer in the absence of such measures) and (iii) the Nominal Amount of the Notes before such reduction. In the case that a Solvency Event has occurred pursuant to clause (b) of the definition thereof, the amounts by which Nominal Amount of the Notes are reduced will be determined by the Issuer with the consent of the Relevant Supervisory Authority.

The Aggregate Nominal Amount shall be adjusted accordingly.

The Aggregate Nominal Amount pursuant to the above provision may be reduced on one or more occasions, as required.

Notwithstanding any other provision of these Conditions, the Nominal Amount of each Specified Denomination shall never be reduced to an amount lower than one sterling pence (or equivalent).

(ii) **Reinstatement**

If following a Loss Absorption, a positive Consolidated Net Income is recorded by the Issuer for at least two consecutive financial years following the End of Solvency Event (a **Return to Financial Health**), the Issuer shall increase the then Nominal Amount of the Notes to such maximum amount (either to the Original Nominal Amount plus any current or previous increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method or to any other amount lower than the Original Nominal Amount plus any current or previous increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method) (a **Reinstatement**) to the extent that any such Reinstatement does not give rise to a Solvency Event.

A Reinstatement shall be made on one or more occasions in the circumstances described above until the then Nominal Amount of the Notes has been reinstated to the Original Nominal Amount as from the Return to Financial Health (save in the event of occurrence of another Solvency Event).

The amount of the Reinstatement will not exceed the amount of the latest Consolidated Net Income of the Issuer.

(iii) **Notifications**

The occurrence of a Solvency Event, End of Solvency Event or Return to Financial Health shall be notified to the Noteholders in accordance with Condition 14 not later than 7 Business Days following its occurrence.

Any reduction or increase of the Nominal Amount of the Notes shall be notified to the Noteholders in accordance with Condition 14 not later than 7 Business Days prior to its occurrence.

4. N/A

5. **INTEREST**

(a) **Fixed Rate Interest Period**

- (i) The Notes shall bear interest on their Nominal Amount from and including the Issue Date to but excluding the First Call Date (such period the **Fixed Rate Interest Period**) at the rate of 6.772 per cent. per annum (the **Fixed Rate**). Interest shall be payable in arrear on 16 October in each year (each such date a **Fixed Interest Payment Date**). The first payment of interest shall be made on 16 October 2008.

Day Count Fraction means for these purposes Actual/Actual (ICMA).

(b) **Floating Rate Interest Period**

The Notes shall bear interest on their Nominal Amount from and including the First Call Date (the **Floating Rate Interest Commencement Date**) to but excluding the relevant date of redemption (such period, the **Floating Rate Interest Period**) as follows:

- (i) Interest during the Floating Rate Interest Period will be payable at the Floating Rate on 16 January, 16 April, 16 July and 16 October in each year, in each case subject to modification pursuant to the Modified Following Business Day Convention (each, a **Floating Interest Payment Date**).
- (ii) such interest shall be payable in respect of each **Floating Interest Period** (which expression shall mean the period from (and including) a Floating Interest Payment Date (or the First Call Date) to but excluding the next (or first) Floating Interest Payment Date).
- (iii) The **Floating Rate** will be the London inter-bank offered rate for three months (**LIBOR**) appearing on the Relevant Screen Page as at 11:00 a.m. (London) time on the Interest Determination Date in question plus the Margin.

Interest Determination Date means the first day of each Floating Interest Period.

Margin means 2.37 per cent. per annum.

Relevant Screen page means Reuters page LIBOR01.

(iv) **Determination of Floating Rate and calculation of Floating Interest Amounts**

The Principal Paying Agent will at or as soon as practicable after each time at which the Floating Rate is to be determined, determine the Floating Rate for the relevant Floating Interest Period.

The Principal Paying Agent will calculate the amount of interest (the **Floating Interest Amount**) payable on the Notes in respect of each Nominal Amount for the relevant Floating Interest Period. Each Floating Interest Amount shall be calculated by applying the Floating Rate to each Nominal Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest one sterling pence, half of one sterling pence being rounded upwards.

Day Count Fraction means, in respect of the calculation of an amount of Floating Interest Amount, Actual/365.

(v) **Notification of Floating Rate and Floating Interest Amounts**

The Principal Paying Agent will cause the Floating Rate and each Floating Interest Amount for each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and any stock exchange on which the Notes are for the time being listed (by no later than the first day of each Floating Interest Period) and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to each stock exchange on which the Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London and Luxembourg.

(vi) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) N/A

(d) N/A

(e) **Accrual of Interest**

Each Note will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

1. the date on which all amounts due in respect of such Note have been paid; and
2. five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(f) N/A

(g) **Mandatory/Optional Cancellation of Interest Payments**

- (i) Payment of interest in cash will be compulsory on any Compulsory Interest Payment Date.
- (ii) On any other Interest Payment Date (an **Optional Interest Payment Date**), the Issuer may, at its option, elect not to pay interest in respect of the Interest Period ending immediately prior to such **Optional Interest Payment Date**, with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure, in which case the Issuer shall have no obligation to make such payment and any such non-payment shall not constitute a default by the Issuer under the Notes or for any other purpose.
- (iii) On any **Optional Interest Payment Date**, following the occurrence of a Solvency Event, interest shall be suspended and shall not accrue during the period commencing on the

occurrence of the Solvency Event and ending on the date of the End of Solvency Event and for the avoidance of doubt, the Issuer shall have no obligation to pay interest in respect of such period and such non-payment shall not constitute a default by the Issuer under the Notes for any other purpose.

- (iv) Any interest not paid on an Optional Interest Payment Date as provided by sub-paragraphs (ii) and (iii) above will be forfeited and accordingly will no longer be due and payable by the Issuer.
- (v) The suspension of payment and accrual of interest in accordance with this Condition 5(g) shall be notified to the Noteholders in accordance with the Condition 14 not later than 7 Business Days prior to the relevant Interest Payment Date.

(h) Mandatory Deferral of Interest Payments

- (i) **A Mandatory Deferral Event** shall have occurred on an Interest Payment Date if on the Determination Date:
 - (A) a Solvency Event has not occurred and the Issuer has not otherwise elected to cancel the interest payment in accordance with sub-paragraph (g)(ii) above; and
 - (B) the Accumulated Net Earnings of the Issuer for the two 6-month periods ending on the Lagged Reporting Date is less than or equal to zero; and
 - (C) the Adjusted Shareholders' Equity Amount as at the Lagged Reporting Date has declined by 10% or more as compared to the Adjusted Shareholders' Equity Amount as at the end of the Benchmark Half-Year Period; and
 - (D) the Adjusted Capital Amount as at the Current Reporting Date has declined by 10% or more as compared to the Adjusted Shareholders' Equity Amount as at the end of the Benchmark Half-Year Period.
- (ii) If on any Interest Payment Date a Mandatory Deferral Event has occurred, the Issuer shall defer payment of interest otherwise accruing during the Interest Period ending immediately prior to such Interest Payment Date. However the Issuer may choose, in its discretion, to satisfy such interest on such Interest Payment Date by way of one or more Alternative Coupon Settlement Mechanisms (as defined below). In such event, the Issuer will be required to defer any Excess Amount.
- (iii) Following the occurrence of a Mandatory Deferral Event, the Issuer shall be required to defer the interest that would otherwise be due on each subsequent Interest Payment Date, (subject to the right of the Issuer to settle such interest at any time by way of an Alternative Coupon Settlement Mechanism (as defined below)), until the Mandatory Deferral Event has been cured as of any subsequent Determination Date. In such event, the Issuer may only begin to make payments of interest on the Notes (other than pursuant to the exercise of an Alternative Coupon Settlement Mechanism), on any Interest Payment Date if on the Determination Date for that Interest Payment Date (x) no new Mandatory Deferral Event has occurred and (y) any previous Mandatory Deferral Events have been cured.
- (iv) A Mandatory Deferral Event that has occurred on a previous Determination Date shall be treated as having been cured on any Determination Date if the Adjusted Capital Amount as at the Issuer's most recently completed and published semi-annual report before that Determination Date has increased to more than 90% of the Adjusted Shareholders' Equity Amount at the end of the Benchmark Half-Year Period for the Determination Date on which the Mandatory Deferral Event has occurred.

- (v) Any interest deferred in accordance with this provision will constitute (**Deferred Interest**) and may only be satisfied by using one or a combination of the Alternative Coupon Settlement Mechanisms (as defined below).
- (vi) The mandatory deferral of payment of interest in accordance with this Condition 5(h) shall be notified to Noteholders in accordance with Condition 14 on or before the Determination Date preceding the relevant Interest Payment Date in respect of which such deferral is to occur. Such notice shall, if applicable, set out any intention of the Issuer at such time to satisfy such deferred interest payment by way of one or more Alternative Coupon Settlement Mechanisms.

(i) **Optional Payment of Deferred Interest**

The Issuer may, at its option, upon giving not less than 7 Business Days prior notice in accordance with Condition 14, satisfy outstanding Deferred Interest in full or in part on any date notified to the Noteholders as the date on which such Deferred Interest shall be paid (the **Optional Settlement Date**), as adjusted for any delay caused by a Market Disruption Event in accordance with paragraph (l) below, by way of one or a combination of the following alternative coupon settlement mechanisms (each an **Alternative Coupon Settlement Mechanism** or **ACSM**):

- (i) the Issuer may raise the funds required for the satisfaction of the relevant Deferred Interest through the issue or sale of existing or newly issued Payment Shares (the **Payment Share Settlement Method**), provided that: (I) there is no legal or *de facto* impediment to the issue or sale of such Payment Shares by the Issuer; (II) the aggregate amount of Payment Shares issued and/or sold by the Issuer in any 12-month period for purposes of satisfying Deferred Interest shall not exceed 2 per cent. of the aggregate amount of Share Capital Securities of the Issuer in issue at the date of such issue or sale (the **Payment Share Threshold**); (III) the Issuer may not use treasury shares purchased in the market for cash during the 6 months prior to the date on which such Deferred Interest shall be paid for purposes of satisfying the Payment Share Settlement Method; and provided further that (IV) the *Directoire* of the Issuer has obtained the authority to issue any new shares pursuant to an authorisation by the *Assemblée Générale* and is not subject to any restriction with respect to using or issuing such shares for the purposes of such Payment Share Settlement Method; and/or
- (ii) the Issuer may raise the funds required for the satisfaction of the relevant Deferred Interest by issuing, directly or indirectly, Parity Securities (the **Parity Securities Settlement Method**), provided that: (I) there is no legal or *de facto* impediment to the issue or sale of such Parity Securities by the Issuer; (II) the aggregate principal amount of all Parity Securities issued (the **PSSM Amount**) and any PIK Amount (as defined below), together with any previous PSSM Amounts and any previous PIK Amounts, must not at any time exceed 15 per cent. of the Original Nominal Amount (the **PSSM/PIK Threshold**) or 25 per cent. of such Original Nominal Amount, if at least 10 per cent. of the Parity Securities consists of preference shares (*actions de préférence*) the dividends in relation to which are forfeited if not paid; and provided further that (III) the *Directoire* is not subject to any restriction with respect to issuing such securities for the purposes of such Parity Security Settlement Method; and/or
- (iii) the Issuer may satisfy the relevant Deferred Interest by increasing the then current Nominal Amount of the Notes by an amount equal to some or all of such Deferred Interest (the principal amount of each outstanding Note being increased accordingly) (the **Payment in Kind Settlement Method**), such that thereafter the amount of such Deferred Interest shall form part of the principal of the Notes and shall bear interest at the rate of interest applicable to the Notes, provided that: (I) the aggregate amount of Deferred Interest satisfied by way of the Payment in Kind Settlement Method (the **PIK Amount**), together with any PSSM Amount and any previous PIK Amounts and PSSM Amounts, must not at any time exceed

the PSSM/PIK Threshold; and provided further that (II) the Payment in Kind Settlement Method may only apply on an Interest Payment Date.

Deferred Interest shall not be satisfied at any time by way of the Payment in Kind Settlement Method if, following a Loss Absorption, there has not yet been a full Reinstatement in respect of such Loss Absorption.

Any Deferred Interest not satisfied by way of one or more of the foregoing Alternative Coupon Settlement Mechanisms shall remain outstanding.

The Issuer shall use its best efforts to satisfy any Deferred Interest by way of any one or a combination of the foregoing Alternative Coupon Settlement Mechanisms during the period of 5 years (the **5 Year ACSM Period**) following the relevant Optional Settlement Date and the Issuer shall use reasonable efforts to obtain and maintain delegated authority to issue or sell sufficient Payment Shares to enable it to pay one year of interest and any outstanding deferred amount of interest payable by the Issuer.

If at the end of any 5 Year ACSM period in respect of any Deferred Interest the Issuer has been unable to make full payment of such Deferred Interest in accordance with the ACSM, the obligations of the Issuer to satisfy the amount of interest that was deferred at the beginning of such 5 Year ACSM period shall, to the extent not already settled under the ACSM, be cancelled.

(j) **Mandatory Payment of Deferred Interest**

(i) The Issuer shall be required to satisfy any outstanding Deferred Interest on any date described in (A), (B) or (C) below (the **Deferred Settlement Date**), as adjusted for any delay caused by a Market Disruption Event in accordance with paragraph (l) below:

(A) the due date for redemption of the Notes;

(B) the date on which a reason for the liquidation or dissolution with respect to the Issuer exists, except in connection with a merger where the entity resulting from such merger assumes all of the obligations of the Issuer under the Notes;

(C) the next subsequent Interest Payment Date prior to which:

(I) the Issuer has declared or paid a dividend in any form, or made a payment of any nature, on any Share Capital Securities;

(II) the Issuer has made a payment on any other Deeply Subordinated Obligations, unless such payment was a compulsory interest payment under the terms of such other Deeply Subordinated Obligations issued by the Issuer;

(III) the Issuer has redeemed, repurchased or otherwise acquired any class of its share capital (whether such shares are represented by ordinary shares or preference shares), by any means (except shares repurchased by the Issuer in the context of its own buy-back programme (*programme de rachat d'actions*), under any equity derivative hedge structure or transaction or, under any hedging of stock options programme or any other compensation benefit programme); or

(IV) the Issuer has redeemed, repurchased or otherwise acquired any Deeply Subordinated Obligations in accordance with their terms.

- (ii) If the Issuer makes any partial payment of interest or of a deferred payment on any other Deeply Subordinated Obligations (other than a payment which is a compulsory interest payment under the terms of such other Deeply Subordinated Obligations), the Issuer shall satisfy any outstanding Deferred Interest in the same proportion on the Interest Payment Date immediately following the date on which such payment was made. In such case the proportion shall be equal to the product of the amount of the deferred payment actually paid divided by the outstanding amount of the deferred payment.
- (iii) Subject to sub-paragraphs (iv) and (v) below, if the Issuer is required to satisfy any Deferred Interest, it may do so by way of any one or a combination of the Alternative Coupon Settlement Mechanisms. To the extent that the Issuer is not able to satisfy any such Deferred Interest in accordance with any Alternative Coupon Settlement Mechanisms on the Deferred Settlement Date, such Deferred Interest shall remain outstanding and the Issuer shall remain entitled to settle such Deferred Interest at any time using any one or a combination of the Alternative Coupon Settlement Mechanisms available to it.
- (iv) The Issuer shall use its best efforts to satisfy any Deferred Interest by way of any one or a combination of the Alternative Coupon Settlement Mechanisms during the period of 1 year (the **1 Year ACSM Period**) following the relevant Deferred Settlement Date and the Issuer shall use reasonable efforts to obtain and maintain delegated authority to issue or sell sufficient Payment Shares to enable it to pay one year of interest and any outstanding deferred amount of interest payable by the Issuer.
- (v) If at the end of any 1 Year ACSM Period in respect of any Deferred Interest the Issuer has been unable to make full payment of such Deferred Interest in accordance with the ACSM, the obligations of the Issuer to satisfy the amount of interest that was deferred at the beginning of such 1 Year ACSM Period shall, to the extent not already settled under the ACSM, be cancelled.
- (vi) In the case where Deferred Interest becomes repayable as a result of the liquidation or dissolution of the Issuer pursuant to Condition 5(j)(i)(B), the obligations of the Issuer in respect of such Deferred Interest shall be due in cash and shall rank *pari passu* with the obligations of the Issuer in respect of the principal amount of the Notes in an amount up to the PSSM/PIK Threshold pursuant to Condition 5(i)(i)(B); to the extent the PSSM/PIK Threshold would be exceeded, the obligation of the Issuer to satisfy such Deferred Interest shall be cancelled.
- (k) Interest payable on any Compulsory Interest Payment Date or Optional Interest Payment Date will always be calculated on the basis of the then current Nominal Amount.
- (l) Any Optional Settlement Date or Deferred Settlement Date shall be postponed by a period equal to the time during which any Market Disruption Event exists plus 60 days.
- (m) Subject to the provisions of the last paragraph of Condition 5(i) and 5(j)(iv), any Deferred Interest which has not yet been satisfied by the Issuer using any one or a combination of the Alternative Coupon Settlement Mechanisms, shall remain outstanding. For the avoidance of doubt, outstanding Deferred Interest shall not bear interest.
- (n) Under no circumstances shall there be an obligation on the part of the Issuer to sell or issue Payment Shares or issue Parity Securities. Noteholders are advised that compulsory provisions of French company or stock exchange law may prevent the Issuer from selling existing or issuing new Share Capital Securities.
- (o) The net proceeds received by the Issuer from new issuance and/or sale of (i) Payment Shares and (ii) Parity Securities during the period of 180 days prior to the relevant Optional Settlement Date (with

respect to optional Payment of Deferred Interest) or, as the case may be, the Deferred Settlement Date (with respect to Mandatory Payment of Deferred Interest) shall be taken into account for the purposes of calculating any Payment Share Threshold or PSSM/PIK Threshold.

6. PAYMENTS

(a) Method of payment

Subject as provided below, payments will be made by credit or transfer to a Sterling account maintained by the payee with, or, at the option of the payee, by a Sterling cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Upon the date on which any Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) and any other amounts accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) N/A

(e) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

(f) **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange currency deposits) in:

- (i) the relevant place of presentation;
- (ii) Luxembourg; and
- (iii) London;

(g) **Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Early Redemption Amount; or
- (iii) any other amounts (including, if applicable, PIK Amounts) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 and any Deferred Interest.

7. REDEMPTION AND PURCHASE

(a) **No scheduled redemption**

The Notes are Undated Deeply Subordinated Notes and have no fixed maturity. The Issuer shall have the right (subject to the prior approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part, only in accordance with Conditions 7(b) to (e)1 below

(b) **Redemption for tax reasons**

- (i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 45 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the Notes provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding for French taxes. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (i) a certificate signed by a director of the Issuer stating that the

Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

If the Issuer would on the occasion of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and the Issuer shall (subject as provided below) forthwith redeem all, but not some only, of the Notes then outstanding, upon giving not less than seven nor more than thirty days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date is past, as soon as is practicable thereafter.

Any such redemption may be subject to the prior approval of the Relevant Supervisory Authority.

- (ii) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 45 days' notice to the Principal Paying Agent, and in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if on the occasion of the next payment due under the Notes, interest payable thereunder is no longer tax-deductible by the Issuer as a result of any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the Notes provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible in France. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (i) a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such redemption and that payments of interest under the Notes will no longer be tax-deductible as aforesaid and (ii) an opinion of independent legal advisers of recognised standing to such effect.
- (iii) Notes redeemed pursuant to sub-paragraphs (i) or (ii) above will be redeemed at their Original Nominal Amount plus any current and previous PIK Amounts, together with any outstanding Deferred Interest (which shall only have been funded by way of the ACSM), plus (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the option of the Issuer (Issuer Call)

The Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding on the First Call Date or any Interest Payment Date thereafter at their Original Nominal Amount plus any current and previous

PIK Amounts, together with any outstanding Deferred Interest (which shall only have been funded by way of the ACSM), plus (if appropriate) with interest accrued to (but excluding) the date of redemption.

Any such early redemption may be subject to the prior approval of the Relevant Supervisory Authority.

(d) N/A

(e) **Exchange, Variation or Redemption following a Regulatory Event**

If at any time the Issuer determines that a Regulatory Event has occurred with respect to the Notes, as certified to the Principal Paying Agent by a Director of the Issuer, the Issuer may, subject to the prior consent of the Relevant Supervisory Authority and the Issuer having given notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), but without any requirement for the consent or approval of the Noteholders, Receiptholders or Couponholders, exchange the Notes for, or vary the terms of the Notes so that they become, securities whose net proceeds constitute Tier 1 capital or core capital (whatever the terminology employed by Future Tier One Regulations to describe such capital) on terms which are not prejudicial to the interests of the Noteholders, as certified by a Director of the Issuer and by a representative of each of two independent investment banks of international standing. The Principal Paying Agent shall accept the certificates of the Issuer and independent investment banks as sufficient evidence of the occurrence of a Regulatory Event and that such exchange or amendments to the terms of the Notes are not prejudicial to the interests of the Noteholders. Any such modification or exchange shall be binding on the Noteholders, the Receiptholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

If the consent of the Relevant Supervisory Authority is not given or the proceeds of the Notes, as so exchanged for, or varied into, securities whose proceeds constitute Tier 1 Capital or core capital, do not (or would not, if so exchanged or varied) qualify as Tier 1 Capital or core capital, the Issuer may, provided that a Solvency Event has not occurred within the previous six months, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14, redeem on any Interest Payment Date, in accordance with these Conditions, all, but not some only, of the Notes at their Early Redemption Amount together with any outstanding Deferred Interest (which shall only have been funded by way of the ACSM), together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(e)1 **Redemption following an Accounting Event**

If an Accounting Event shall occur, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any outstanding Deferred Interest (which shall only have been funded by way of the ACSM), plus (if appropriate) with interest accrued to (but excluding) the date of redemption.

Before the publication of any notice of redemption pursuant to this Condition 7(e)1, the Issuer shall deliver to the Principal Paying Agent a certificate signed by a Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

For the purposes of this Condition 7(e)1:

Accounting Event means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Principal Paying Agent, stating that the funds raised through

the issuance of the Notes must not or must no longer be recorded as “equity” pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

(f) N/A

(g) N/A

(h) N/A

(i) **Purchases**

The Issuer or any subsidiary of the Issuer may at any time purchase Notes (provided that all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise in accordance with any applicable laws and regulations and subject to the Issuer having given prior written notice to, and receiving no objections from, the Relevant Supervisory Authority (if such notice is required at such time). If purchases are made by tender, tenders must be available to all Noteholders alike.

(j) **Cancellation**

All Notes which are redeemed or purchased by the Issuer will forthwith be forwarded to the Principal Paying Agent to be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption) and cannot be reissued or resold.

8. TAXATION

(a) **Tax Exemption**

The Notes being issued outside France, interest and other revenues in respect of the Notes, Receipts and Coupons benefit from the exemption provided for in Article 131 *quater* of the French *Code général des impôts* (the General tax code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

(b) **Additional Amounts**

If French law should require that any payments in respect of the Notes, Receipts or Coupons be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges whatsoever imposed or levied by or on behalf of France or any political subdivision of, or any authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such deduction or withholding shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) presented for payment by or on behalf of, a holder who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder (including a beneficial owner (*ayant droit*)) who is liable for such taxes, duties, assessments or other governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with France other than the mere holding of (or beneficial ownership with respect to) such Note, Receipt or Coupon; or

- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder, as the case may be, who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (v) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f)).

As used herein, the Relevant Date in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. ENFORCEMENT EVENTS

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, then the Notes shall become immediately due and payable in accordance with Condition 3(b).

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent;

- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any such publication in a newspaper will be made in the Financial Times in London or the *d'Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for publication as described in the first paragraph of this Condition, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules and regulations of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules and regulations or as otherwise permitted by those rules and regulations. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in the aggregate not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

In the event that the Issuer is regulated and supervised on a consolidated basis in France, any modifications of any of the Conditions shall be subject to the approval of the Relevant Supervisory Authority.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. FURTHER ISSUES

- (a) The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes (*assimilables*) or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

- (b) The Issuer may also from time to time, without the consent of the Noteholders, on giving not less than 30 days' prior notice to the Noteholders, consolidate Notes denominated or redenominated in euro with one or more issues of other notes (Other Notes) issued by it and denominated in the currency of any of the member States of the European Union provided that such Other Notes are denominated in, or have been redenominated into euro and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

In the event of any such consolidation, the Issuer may, without the consent of the Noteholders, provide for additional, and/or substitute denominations of such Notes.

Notice of any such consolidation and/or provision of additional or substitute denominations will be given to the Noteholders in accordance with Condition 14.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing law and submission to jurisdiction

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law, other than the provisions of Condition 3(b) which are governed by, and shall be construed in accordance with, French law.

The Issuer irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objections to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together, referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

(b) Appointment of Process Agent

The Issuer appoints AXA UK plc at its principal office at 107 Cheapside, London EC2V 6DU as its agent for service of process, and undertakes that, in the event of AXA UK plc ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(c) Other documents

The Issuer has in the Agency Agreement, and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.