

Passing on shares and taxation

What solutions are available to pass on my shares?

The elements of taxation in this factsheet apply to French residents for tax purposes.

Passing on your shares in advance allows you to benefit from an advantageous tax framework, encourages your loved ones to save and educates them about the stock market. You thereby also share your commitment to the Air Liquide Group.

4 ways of passing on shares

1 Simple gifts

Principle

Anticipated allocation of your shares to the beneficiary of your choice

Overview

- Tax advantages
- Notarial deed and declaration of the gift carried out by a notary
- May be added to the grantor's estate
- Purchase price valued at the average share price on the day of the gift or at the closing price of the previous trading day. **Do not forget to send a copy of the notarial deed to your account manager**
- Loyalty bonus maintained if the gift is made to a spouse or relative entitled to inherit

2 Shared gifts

Principle

Anticipated total or partial allocation of your shares to your children

Overview

- Donation only to children
- Tax advantages
- Lower inheritance taxes
- Notarial deed and declaration of the gift carried out by the notary
- Not added to the grantor's estate
- Purchase price valued at the average share price on the day of the gift or at the closing price of the previous trading day
- Loyalty bonus maintained

3 Hand-to-hand gifts

Principle

Facilitated passing on of your shares to your loved ones

Overview

- Tax advantages
- Written agreement from both parties. In order to value the shares passed on, the grantee's local tax authority **must be notified** of the gift within one month, **using French tax form 2735**
- Hand-to-hand gifts have to be added to the grantor's estate and included in the allocation of the grantor's assets
- Purchase price valued at the average share price on the day of the tax declaration or, if this is higher, at the average price on the day of the gift. **Do not forget to send a copy of declaration 2735 to your account manager**
- Loyalty bonus maintained if the gift is made to a spouse or relative entitled to inherit

4 Customary gifts

Principle

A present given on a special occasion (wedding, birthday, Christmas, etc.)

Overview

- Must represent a relatively small share of the grantor's assets
- Does not need to be declared to the fiscal authorities
- Not added to the grantor's estate
- Purchase price of zero: when these shares are sold, the capital gain realized will be equal to the total net sale amount
- Loyalty bonus maintained if the gift is made to a spouse or relative entitled to inherit

Inheritance: the choice is yours!

You can decide how your assets, including your share portfolio, will be distributed among your heirs. Upon your death, a declaration signed by your notary stating your marital status, the names of all beneficiaries and the number of shares attributed to each beneficiary is sufficient to distribute a portfolio.

Air Liquide Shareholder Services for direct registered shareholders, or your financial institution for intermediary registered shareholders and bearer shareholders, will execute all instructions given by your notary or the person managing your estate.

Seek advice

Your notary can advise you on personalized solutions for passing on marketable shares as part of a gift or inheritance and will write the deeds.

Some examples:

Inter-vivos distribution donations allow you to pass on your shares while continuing to receive the dividends, *i.e.* retain the usufruct. The usufruct can be full or partial. Donation rights are reduced as they are based on the bare ownership value of the donation. On the death of the grantor, the bare owners recover the usufruct and therefore full ownership of the shares. Dividends from free shares attributed after the donation are also paid to the beneficial owner.

The ban on giving up your shares prevents the sale of the shares or their donation for a set period.

The right of return allows the grantor to take possession of the shares again if the grantee dies first.



FIGURES

TAX EXEMPTION FOR DONATIONS

Every 15 years you are able to make a tax exempt donation for up to:

€100,000 for each child and from each parent

€80,724 for a spouse or civil partner

€31,865 for each grandchild

€15,932 for each brother and sister

€7,967 for each nephew or niece

€5,310 for each great-grandchild



PLUS

A LASTING GIFT

Parents, grandparents, give shares to your children and grandchildren! Shareholder Services sends a gift envelope directly to your loved ones as part of your gift of shares when you make a donation.



GOOD TO KNOW

LOYALTY BONUS

In the case of passing on shares or gifts to a spouse or a relative entitled to inherit, any loyalty bonus attached to Air Liquide shares is retained.

DIRECT REGISTERED SHAREHOLDERS

You can download "Hand-to-hand gifts" and "Customary gifts" forms on the airliquide.com website, in Shareholders / Media Library / Forms. For gifts completed before a notary, do not forget to send the notarized documents to Air Liquide's Shareholder Services.