

4.1.1 TAX RULES/TREATMENT*

The following summary describes the tax treatment applicable to SCRs and to investors in SCRs pursuant to the laws in force as of 1 January 2019. The summary is based on the tax advice that Altamir received from DLA Piper. Laws and their interpretations may change in the future.

This summary is provided for information purposes only and should be used in conjunction with personally sought advice so that you, with the input of your advisers, may determine the tax treatment that may apply to you as a shareholder of Altamir SCR. Under no circumstances should you regard it as an exhaustive review of the tax rules applying to investors in Altamir SCR or as comprehensive advice delivered to you by Altamir or by the DLA Piper law firm.

This document will deal solely with the tax treatments that may apply to individual or legal entity shareholders, whether resident in France or not, relating to the capital gain generated from the sale of shares in the SCR and capital gains distributions by the SCR. Currently, all dividends distributed by Altamir derive from the proceeds from the sale of investments⁽¹⁾; the treatment of this case only will therefore be covered in the rest of this document. The treatment applicable to distributions deriving from the proceeds from the sale of other securities will not be covered in this document.

The case of non-cooperative countries and territories⁽²⁾ will not be covered in this document.

Likewise, holdings of more than 25% in the SCR by non-residents will not be covered, since the Company does not currently face this situation.

Any shareholder or person who is considering a shareholding in Altamir SCR must consult his or her own advisors, if deemed appropriate, before making any investment in Altamir SCR, receiving any distribution from Altamir SCR or selling any shares held in Altamir SCR, in order to determine the applicable tax treatment for amounts distributed by Altamir SCR or for gains or losses that may be realised on sales of Altamir SCR shares.

TAX RULES APPLICABLE TO THE SCR

In principle, Altamir benefits from full corporate tax exemption on the income it receives and the capital gains it realises.

* Section prepared by DLA Piper law firm.

- (1) Equity investments are shares of portfolio companies in which the SCR held 5% of the issuing company's capital for at least two years. To calculate compliance with the 5% limit, securities held by other FPCs or SCRs acting in concert with the SCR under the terms of an agreement to acquire these securities are also taken into account.
- (2) The list of countries NCCTs has been updated by Ministerial decree on 8 January 2020. Until 7 January 2020 the countries on the list of NCCTs were Botswana, Brunei, Guatemala, the Marshall Islands, Nauru, Niue and Panama.
Following the decree published on 6 January 2020:
- Six countries have been removed as of the date of release of the decree, ie 7 January 2020: Botswana, Brunei, Guatemala, Marshall Islands, Nauru, Niue.
 - As a consequence, Panama is the only remaining country on the list NCCTs as of 7 January 2020 and until 1 April 2020.
 - As of 1 April 2020, the following countries will be added:
 - Anguilla, the Bahamas, British Virgin Islands, the Seychelles; and
 - Countries which are on the European Union's blacklist (updated on 8 November 2019): American Samoa, Fiji, Guam, Oman, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu.
 - As a consequence, as of 1 April 2020, the countries on the list of NCCTs will be: Anguilla, the Bahamas, British Virgin Islands, the Seychelles, Panama, American Samoa, Fiji, Guam, Oman, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu.

TAX RULES APPLICABLE TO SHAREHOLDERS

A/RESIDENTS IN FRANCE	
1) Individuals	
<p>// Upon acquiring the shares, the shareholder committed to a five-year holding period. This five-year commitment was fulfilled and all requirements met to reinvest distributions by the SCR, either through the purchase of shares in the SCR or <i>via</i> a shareholder loan to the SCR⁽⁴⁾</p>	<p>Gains on the sale of SCR shares and distribution of dividends by the SCR⁽³⁾</p> <p>// Exempted from tax on capital gains and distributions⁽⁵⁾</p> <p>// Social levies (withheld at source):</p> <ul style="list-style-type: none"> • Gains on the sale of SCR shares: <ul style="list-style-type: none"> - In principle: 17.2% of net gains on the sale of SCR shares - As an exception: 15.5% of net gains acquired or recognised before 1 January 2018 or during the first five years after the acquisition of or subscription to SCR shares, provided these shares were acquired or subscribed to between 1 January 2013 and 31 December 2017⁽⁶⁾ • On the distribution of capital gains deriving from the sale of equity investments by the SCR: 17.2%
<p>// Shares of the SCR (i) to which no five-year holding commitment was applied, or (ii) which were sold before the end of the five-year period despite the commitment, or (iii) which were sold without meeting the reinvestment requirement⁽⁷⁾</p>	<p>Gains on the sale of SCR shares and distribution of dividends by the SCR⁽³⁾</p> <p>// Single, flat-rate withholding tax of 30% beginning on 1 January 2018 (income tax of 12.8% plus social levies of 17.2%)^{(5) (8)}</p> <p>or</p> <p>// Express and irrevocable option for taxation of all investment income at the standard progressive income tax rates; shares acquired before 1 January 2018 qualify for a 50% exclusion if they have been held for at least two years or 65% if they have been held for at least eight years^{(5) (8)}. Social levies apply at the rate of 17.2% of the amount before exclusion⁽⁹⁾</p>
2) Legal entities subject to corporation tax	
Gains on the sale of SCR shares	Tax treatment
<p>// Sale of shares held for at least five years⁽¹⁰⁾:</p> <ol style="list-style-type: none"> 1) up to the amount represented by equity investments held by the SCR^{(11)*} 2) up to the amount not represented by equity investments held by the SCR 	<p>0%</p> <p>15%⁽¹¹⁾</p>
<p>// Sale of shares held for less than five years</p>	<p>28%^{(11) (12)}</p>
Distributions of dividends by the SCR ⁽³⁾	Tax treatment
<p>// The dividends distributed by Altamir currently derive exclusively from capital gains realised on the sale of investments⁽¹³⁾</p>	<p>// Fully exempt</p>

*This ratio was 8.7% as of 31 December 2019.

Notes

- (3) Provisions also theoretically applicable to gains realised by the SCR via an FPCI or a foreign venture-capital investment entity whose primary objective is to invest in companies whose securities are not admitted for trading on a regulated or organised market, in France or abroad, established in a OECD member state which is also a member of the European Union or has signed a tax treaty with France containing an administrative assistance clause to combat tax fraud or evasion.
- (4) In addition, the shareholder, together with shareholder's spouse and their ascendants and descendants, may not collectively have rights, directly or indirectly, to more than 25% of the net income of companies whose securities are held in the assets of the SCR or have held this percentage at any time during the five years preceding the subscription to or acquisition of the SCR shares.
- (5) The 3% or 4% tax surcharge on high incomes (Article 223 sexies of the French Tax Code) may be applicable.
- (6) As an exception, historical tax rates will be maintained for the fraction of net gains on the sale of SCR shares recognised (i) before 1 January 2018 or (ii) during the first five years after the date the shares were acquired or subscribed to, provided the shares were acquired or subscribed to between 1 January 2013 and 31 December 2017.
The French tax authority has not yet specified how these exceptions will be applied.
- (7) Except in the event of death, permanent disability, retirement or dismissal.
- (8) Fines and surcharges may be added in the event that a shareholder fails to fulfil the commitments made.
- (9) The CSG tax will be deductible, up to 6.8%, from taxable income of the following year (Article 154 quinquies, II of the General Tax Act).

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B/NON-RESIDENTS	
1) Individuals	
Gains on the sale of SCR shares	Tax treatment
// Rights to 25% or less of the net income of the SCR at the time of the sale or during the previous five years	// Not taxed in France
Distributions of dividends by the SCR ⁽³⁾	
Tax treatment	
// Shareholder (i) who is resident for tax purposes in a country or territory having signed a treaty with France containing an administrative assistance clause to combat tax fraud or evasion, and (ii) who, upon acquiring shares, made and fulfilled the 5-year holding and reinvestment commitments ⁽⁴⁾	// Not taxed in France ⁽⁵⁾
// Shareholder (i) who does not make holding and reinvestment commitments, or (ii) who does not fulfil these commitments, or (iii) who is not resident in a country or territory having signed a treaty with France containing an administrative assistance clause to combat tax fraud or evasion	// Withholding tax of 12.8% unless more favourable treaty provisions apply and on condition of compliance with treaty requirements
2) Legal entities (with no permanent establishment in France)	
Gains on the sale of SCR shares	Tax treatment
// Rights to 25% or less of the net income of the SCR at the time of the sale or during the previous five years	// Not taxed in France
Distributions of dividends by the SCR ⁽³⁾	
Tax treatment	
// The beneficiary is a UCITS or AIF that fulfils the European directive requirements ⁽¹⁴⁾	0%
// The effective beneficiary of the distribution is a legal entity having its registered office in a State that has signed a treaty with France containing an administrative assistance clause to combat tax fraud or evasion and the distribution is included in the profits declared in that State but benefits from a local exemption	0%
// In all other cases	// Withholding tax of 28% ⁽¹⁵⁾ unless more favourable treaty provisions apply (generally 15%) and on condition of compliance with treaty requirements

(10) The capital gains from the sale of SCR shares are subject to the long-term regime once the shares have been held for a minimum of five years (taxed at a rate of 0% or 15%):
- Only the capital gains realised on the equity investments portion of the SCR's total assets may be exempted from tax. To this end, investors should study the SCR's portfolio to determine the proportion of securities held by the SCR that qualify as equity investments.
- As a rule of thumb, the portion of tax exempt capital gains will be proportional to the quantity of equity investments held by the SCR. The remaining portion of capital gains corresponding to securities held by the SCR that do not meet the equity investment criteria, will be taxed at a rate of 15%.

(11) Excluding tax surcharge of 3.3%.

(12) For financial years starting on or after 1 January 2020, the corporate income tax rate will be set at 28% (28.92% including the 3.3% tax surcharge) for companies having a revenue below €250m. For financial years starting on or after 1 January 2021 and 1 January 2022, the corporate income tax rates will be set at 26.5% and 25%, respectively (27.37% and 25.83%, respectively, including the 3.3% tax surcharge). For companies having a revenue equal or higher than €250m, the corporate income tax rate is 28% up to a limit of €500,000 of taxable income and 31% beyond that limit (excluding the 3.3% tax surcharge) as of 1 January 2020. For financial years starting on or after 1 January 2021 and 1 January 2022, the corporate income tax rates will be set at 27.5% and 25%, respectively (excluding the 3.3% tax surcharge).

(13) If the securities are held through a private equity fund or a foreign venture-capital investment entity: on the condition that these structures held at least 5% of the issuing company's capital for at least two years.

(14) This exemption is applicable provided that the terms set forth in Article 119 bis, 2 of the French Tax Code are adhered to. For example, UCITS that meet the criteria set forth in Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, and the AIF relevant to Directive 2011/61/EU of the European Parliament of 8 June 2011 are likely to be exempted from withholding tax. In this regard, the French tax authorities consider that the combination of provisions in the 2009/65/EC directive of 13 July 2009 and the 2011/61/EU directive of 8 June 2011 with administrative assistance mechanisms that link EU Member States, in particular directive 2011/16 of 15 February 2011 relating to the administrative cooperation in the area of tax, enabling it to ensure that the mutual funds having their head office in one of these States meet the rules of activity, operation and monitoring comparable to those set forth in French regulations.

(15) As of 1 January 2020 the withholding tax rate has been aligned with the ordinary corporate income tax rate. The corporate income tax rate will gradually decline from 26.5% on 1 January 2021 to 25% on 1 January 2022 (see footnote 12).

