

France: CBF will become Tax Agent in the French Market

Clearstream Banking AG, Frankfurt (CBF) would like to inform customers that, as of record date

1 April 2011

CBF will act as a Tax Agent for the French Market. The tax agency service is part of the extension of our service offering for this market. The status is one of the prerequisites along with the introduction Delivery versus Payment (DvP) transactions in EUR for the French Market. The implementation of DvP transactions is planned to be launched on 9 May 2011.

The Tax Agent status enhances the existing service offering for CBF customers. Customers benefit from the CBF Tax Agent status as positions for French equities can be separated in line with the different tax rates defined in the French Market. The separation will be done by using newly established sub-accounts. CBF customers will have the chance to reduce the number of tax reclaims when the tax relief at source functionality is used.

CBF's internal procedure for the admission of French equities eligible in Collective Safe Custody (CSC) will be adopted. Even though there is no direct operational impact caused to CBF customers, the general timeline for admission may be extended due to more complex procedures.

The chapters below describe the new aspects of the CASCADE procedure for tax relief at source processing.

Tax relief at source through separation of positions

With the introduction of this enhanced service offering, CBF will be able to separate taxable positions for French equities for CBF customers, and further for their clients (investors). On request, this separation of positions is possible for dividend payments. It is therefore possible to differentiate between tax rates for investors who are subject to double taxation treaties (DTT) or exempt from tax based on the French legislation. In order to allow the separation of positions, new CASCADE sub-accounts will be established according to applicable tax rates.

CBF customers can instruct for dividend payments based on record date positions in French equities. CBF will transfer the instructed securities into the appropriate CASCADE sub-account related to the tax rate that will be applied to the investor.

The service offering will be included in the following reporting

- MT535 - Statement of Holdings;
- MT536 - Statement of Transactions;
- MT566 - Corporate Action Confirmation; and
- KADI-List reporting.

The existing procedure related to the beneficial owner remains unchanged. Further details regarding the tax processing will be described in a later Customer Announcement.

Prerequisites for participation in tax relief at source processing

To allow CBF to separate positions for French equities into the various CASCADE sub-accounts, customers must provide a "One-Time Certificate of Authorisation for the Simplified Procedure". We ask customers to provide in a timely fashion completed Forms 1 and 2; examples are provided in the ["Appendix"](#) of this Announcement.

- Form 1 is necessary to determine eligibility and calculation of the French dividend payment.
- Form 2 is required for stock dividends within the French market.

Forms must be provided to the following address:

Clearstream Banking
Attn: OTL - Tax Services - French Tax
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

New CASCADE sub-accounts for the separation of equity positions according to tax rate

A particular tax rate will apply to each specific sub-account. CBF will automatically open these sub-accounts on receipt of Form 1.

The table below provides an overview of the new CASCADE sub-accounts and the applicable French tax rate that applies to each sub-account:

Tax rate		Account description
0%	xxxx 828	Exempt French Residents
0%	xxxx 829	DTT 0%
0%	xxxx 831	n/a ¹
0%	xxxx 833	n/a ¹
0%	xxxx 834	n/a ¹
0%	xxxx 835	n/a ¹
10%	xxxx 822	DTT 10%
12%	xxxx 832	DTT 12%
15%	xxxx 830	DTT 15%
20%	xxxx 824	DTT 20%

1. These sub-accounts will be used for special eligibility criteria.

French equity positions can be separated into various sub-accounts based on customer instructions. Separation requests must be sent via mail to Clearstream Banking's Tax Unit.

If non-French taxable securities have been booked on one of these CASCADE sub-accounts, these holdings will not be considered for tax relief at source.

Instructions for equity positions related to tax relief at source and tax reclaims

CBF will provide tax-related pre-notification reporting - via the existing KD179 KADI-List reporting - for eligible dividend events two weeks prior to the record date, and a further reminder report one week prior to record date. An example of the KD179 reporting can be found in Appendix 3 of this document.

Customers who want to utilise the tax offerings for French equities as described above must instruct via SWIFT MT599 (Free-Format Message) / MT568 (Corporate Action Narrative) with the following details

by the latest at 09:00 CET on record date

Instructions must be sent to SWIFT address CEDELULLAXXX.

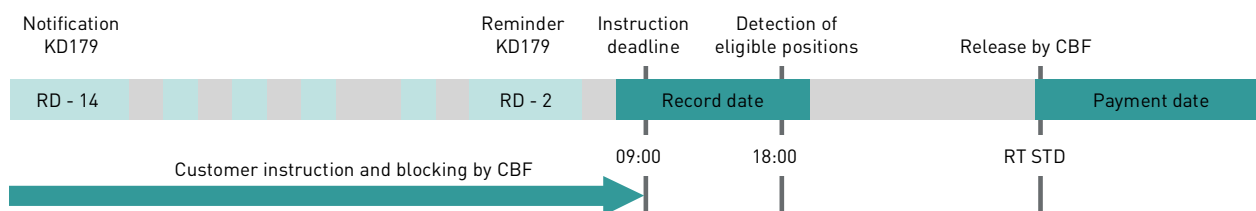
The instructions must contain the following details in field :79: (MT599) or :70a: (MT568):

Free Text Narrative Information	Content
ATTENTION:	OTL-TAX / FRANCE TEAM
ISIN:	xxxxxxxxxxxx
RECORD DATE:	DD.MM. YYYY
PAYMENT DATE:	DD.MM.YYYY
CBF ACCT:	XXXX YY
TOTAL HOLDING:	number of units
REDUCED TAX 0% SUB ACCT:	XXXX YY
TRANSFER:	number of units
CONTACT DETAILS:	nnnn

Please note the following important information related to instructions:

- We can only accept instructions that correspond to settled / booked positions.
- Customer instructions received after the deadline of 09:00 CET on record date cannot be considered for processing. In this case, the tax reclaim procedure via Form 5000/5001 remains possible.
- French equity positions transferred to CASCADE sub-accounts on the basis of customer instructions are blocked.
- In the case of cancellation & re-run processing, or any other correction processing, the original instruction will remain valid.
- On payment date, in RT STD settlement processing, positions that have been transferred to CASCADE sub-accounts on the basis of customer instructions will all be automatically transferred to the respective CASCADE main account.
- Any separation of positions and the related transfers to the CASCADE sub-accounts, including the transfers to the CASCADE main account, will be included in the existing MT535 and MT536 reporting.

The following graphic depicts the timeline of the CBF tax relief at source process for French equities:



Launch of the service offering

This enhanced service offering for French equities is only available for dividend payments with a record date on or **after 1 April 2011**.

Cash dividend payments with a record date **prior to 1 April 2011** will be processed as today.

The processing of stock or choice dividends for French equities will also remain unchanged after 1 April 2011 and will be supported by Clearstream Banking Luxembourg.

Further information regarding the relevant tax procedures will be announced by mid-February 2011.

Appendix

The following information is appended to this customer announcement:

Appendix 1: [One-Time Certificate of Authorisation for the Simplified Procedure \(Cash Dividends\)](#) on page 5;

Appendix 2: [One-Time Certificate of Authorisation for the Simplified Procedure \(Stock Dividends\)](#) on page 7;

Appendix 3: [KADI List: KD179](#) on page 9.

Further information

For further information, please contact the Tax Help Desk in Frankfurt:

Tax Help Desk	
Email:	tax@clearstream.com
Telephone:	+49-(0) 69-2 11-1 38 21
Fax:	+49-(0) 69-2 11-61 38 21

Appendix 1: One-Time Certificate of Authorisation for the Simplified Procedure (Cash Dividends)

Clearstream Banking AG
Attn: OTL - Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Clearstream Banking account(s): _____ (the "Account")

Dear Sirs,

As a customer of Clearstream Banking AG ("CBF"), we may from time to time hold French equities in the Account.

For the purpose of French tax matters in relation to relief at source of withholding tax on income payments ("dividends") from these equities, we hereby warrant and represent that these securities are held on behalf of beneficial owners that are entitled to a reduced rate of withholding tax pursuant to the Double Taxation Treaty (DTT) between their country of tax residence and France or according to French domestic legislation.

We will ensure that such relevant holdings will be separated into their respective sub-accounts on record date in accordance with their specific tax requirements. We are aware that any holding at our main account will be considered as not being eligible for tax relief and the maximum tax rate will be applied by CBF at source on such holdings.

We hereby acknowledge that, pursuant to the DTT of the country of tax residence and France and under the Administrative Instruction (Bulletins Officiels des Impôts 4 J-1-05 N° 38, published on 25 February 2005, and 4 J-1-08 N° 14 published on 8 February 2008), CBF will need to provide the French Tax Authorities with certain beneficial owner information, including but not limited to its tax residence, name and holdings.

We accept to provide CBF, within the prescribed deadlines, with an annual certification of residence, a list of beneficial owners for each record date and any other documentation required by CBF for applying reduced tax rates. Furthermore, we will provide CBF upon request with all necessary information required from time to time by the French Tax Authorities.

We authorise CBF to open, by default, all the sub-accounts indicated below¹ to enable the separation of holdings according to the tax relief status of beneficial owners, as follows:

Sub-account number	Tax relief status	Deduction	Sub-account number	Tax relief status	Deduction
-828	French residents	0%	-822	DTT rate	10%
-829	DTT rate	0%	-832	DTT rate	12%
-831	First tax-exempt entity	0%	-830	DTT rate	15%
-833	Second tax-exempt entity	0%	-824	DTT rate	20%
-834	Third tax-exempt entity	0%			
-835	Fourth tax-exempt entity	0%	All other sub-accounts and main account		25%

We acknowledge and agree that CBF will transfer back, exclusively to our main account, all holdings from the above-mentioned sub-accounts after payment date.

We commit ourselves:

- to submit to CBF, via SWIFT or other agreed authenticated means of communication, in addition to this One-Time Certificate and no later than the deadlines prescribed by CBF, the name of each tax-exempt entity for which a sub-account -831, -833, -834 or -835 is opened under our main Account; and

(continued on next page)

1. The indicated sub-accounts and respective tax deduction rates currently apply but may change from time to time in accordance with the applicable tax provisions. Additional sub-accounts may be opened, at the discretion of CBF, to enable separation according to additional tax relief matters.

One-Time Certificate of Authorisation for the Simplified Procedure (Cash Dividends)

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- to notify CBF immediately, but in any case before the applicable payment date, if there is a change in the eligibility of the holdings in French equities in our Account with regard to ownership of such equities or to our settled position of those securities that are eligible for relief at source according to the DTT between the beneficial owner's country of residence and France or according to French domestic legislation; and
- to notify CBF promptly should any certificate, form or information referred to herein and delivered to CBF become invalid due to incorrect, outdated or incomplete information.

We acknowledge that CBF will report all undisclosed holdings of French equities in the Account as being proprietary holdings of our company and will therefore disclose to the French Tax Authorities the required information regarding our company as the beneficial owner. The same provisions will apply accordingly as set out for disclosed customer holdings in this certificate.

We will not hold CBF liable for any claims of additional taxes, interest or penalties assessed by the French Tax Authorities with respect to any certification that is incomplete, inaccurate or invalid.

We hereby appoint CBF to collect this certificate for the balance of French equities on record in our Account, the annual certification of residence, the additional documentation provided, if applicable, as well as the list of beneficial owners, including but not limited to the names and tax residences of third-party beneficial owners (the "Information"), and then to forward the Information to the appropriate French authorities in connection with any tax, judicial or administrative proceeding related to the simplified procedure.

We irrevocably authorise CBF to debit the Account with any amount (including but not limited to, if applicable, any additional taxes, interest or penalties imposed) that the French Tax Authorities request to be repaid as long as CBF can be held liable for such payments by the French Tax Authorities.

We accept full liability in the event of any claim of unwarranted benefit, including but not limited to claims for additional taxes, interest thereof or penalties imposed by tax authorities, subsequent to or resulting from the present certification and agree to undertake to pay the French Tax Authorities any monies that are deemed to be unwarranted benefit.

This liability will remain with us irrespective whether we are further a customer of CBF. The General Terms and Conditions of CBF will apply to this tax service as far as the specific terms which govern this service and as well this application to not state deviating provisions

For and on behalf of:

Name of Clearstream Banking AG customer: _____

Address: _____

Signed by (authorised signature/s):

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Appendix 2: One-Time Certificate of Authorisation for the Simplified Procedure (Stock Dividends)

Clearstream Banking
Attn: OTL - Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Clearstream Banking account(s): _____ (the "Account")

Dear Sirs,

As a Clearstream Banking customer, we may from time to time hold French equities in the Account.

For the purpose of French tax matters in relation to relief at source of withholding tax on income payments ("dividends") from these equities, we hereby warrant and represent that these securities are held on behalf of beneficial owners that are entitled to a reduced rate of withholding tax pursuant to the Double Taxation Treaty (DTT) between their country of tax residence and France.

We hereby acknowledge that, pursuant to the DTT of the country of tax residence and France and under the Administrative Instruction (Bulletin Officiel des Impôts 4 J-1-05 N° 38 published on 25 February 2005), Clearstream Banking will need to provide the Withholding Agent and the French Tax Authorities with certain beneficial owner information, including but not limited to its tax residence, as detailed below.

We accept to provide to Clearstream Banking, within the deadlines stated by Clearstream Banking, an annual certification of residence and list of beneficial owners for each record date and any additional information required by the French Tax Authorities.

We commit ourselves:

- to notify Clearstream Banking immediately, but in any case prior to the applicable payment date, if there is a change in the eligibility of the holdings in French equities in our Account with regard to ownership of such equities or to our settled position of those securities that are eligible for the simplified procedure for relief at source of 15%, 10% or 0% (according to the DTT between the beneficial owner's country of residence and France); and
- to notify Clearstream Banking promptly should any certificate, form or information referred to herein and delivered to Clearstream Banking become invalid due to incorrect, outdated or incomplete information.

We shall not hold Clearstream Banking liable for any claims of additional taxes, interest or penalties assessed by the French Tax Authorities with respect to any certification that is incomplete, inaccurate or invalid.

We hereby appoint Clearstream Banking's Withholding Agent for the French equities as our attorneys-in-fact to collect from Clearstream Banking this certificate, the balance of French equities on record in our Account, the annual certification of residence, the additional documentation provided, if applicable, as well as the list of beneficial owners, including but not limited to the names and tax residences of third-party beneficial owners (the "Information"), and then to forward the Information to the appropriate French authorities in connection with any tax, judicial or administrative proceeding related to the simplified procedure.

We irrevocably authorise Clearstream Banking to debit the account number _____ opened on the books of Clearstream Banking with any amount (including, if applicable, any additional taxes, interest or penalties imposed) that the French Tax Authorities request to be repaid.

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One-Time Certificate of Authorisation for the Simplified Procedure (Stock Dividends)

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We accept full liability in the event of any claim of unwarranted benefit, including but not limited to claims for additional taxes, interest thereof or penalties imposed by tax authorities, subsequent to or resulting from the present certification and agree to undertake to pay the French Tax Authorities any monies that are deemed to be unwarranted benefit.

For and on behalf of:

Name of Clearstream Banking Customer: _____

Address: _____

Signed by (authorised signature/s):

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Appendix 3: KADI List: KD179

KADI List KD179

CLEARSTREAM BANKING AG
NEUE BOERSENSTRASSE 1
60487 FRANKFURT AM MAIN

SPECIMEN BANK

P. O. BOX 05 05
X 99999 SOMEWHERE CITY

FRANKFURT, 18.07.2005
PHONE +49-69-211-11177
FAX +49-69-211-13701
PROGRAMMNAME: KD179

ACCOUNT NUMBER: 3333

INFORMATION ABOUT PARTIAL TAX RELIEF AT SOURCE FOR FRENCH DIVIDEND

DEAR SIR OR MADAM,

THE FOLLOWING DIVIDEND PAYMENTS WILL BE EXECUTED AT THE DATE STATED BELOW. A PARTIAL TAX RELIEF AT SOURCE FOR FRENCH DIVIDENDS IS POSSIBLE, IF SPECIFIC CRITERIA OF SIMPLIFIED PROCEDURE ARE FULFILLED. BASIC INFORMATION IS CONTAINED IN CBF CUSTOMER ANNOUNCEMENT A024 DATED 04/03/2005.

INSTRUCTIONS FOR ENTITLED HOLDINGS HAVE TO BE MADE BEFORE 09.00 A.M. CET ON xx.xx.xxxx

THE FINAL BENEFICIARIES HAVE TO BE INDICATED LATEST ON xx.xx.xxxx

THE REQUIRED DOCUMENTATION HAS TO BE RECEIVED BY CLEARSTREAM BANKING BEFORE EX-DATE.

FURTHERMORE THE RF 1A PROCEDURE FOR CLAIMING REFUNDS REMAINS UNCHANGED. IF YOU HAVE ANY QUESTIONS PLEASE CONTACT OUR TAX HELPDESK.

SECURITY

CODE	SECURITY DESCRIPTION	EX-DATE
FR0000120354	VALLOUREC INH. EO 20	08.07.2005
	PAYMENT DATE 08.07.2005	
ACCOUNT-NR 2222/000	1.000,000 ST/Whr.	

CLEARSTREAM BANKING AG

THIS REPORT IS PRODUCED ELECTRONICALLY AND IS NOT SIGNED

Reminder

CLEARSTREAM BANKING AG
NEUE BOERSENSTRASSE 1
60487 FRANKFURT AM MAIN

SPECIMEN BANK

P. O. BOX 05 05
X 99999 SOMEWHERE CITY

FRANKFURT, 18.07.2005
PHONE +49-69-211-11177
FAX +49-69-211-13701
PROGRAMMNAME: KD179

ACCOUNT NUMBER: 3333

R E M I N D E R

INFORMATION ABOUT PARTIAL TAX RELIEF AT SOURCE FOR FRENCH DIVIDEND

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THE FINAL BENEFICIARIES HAVE TO BE INDICATED LATEST ON xx.xx.xxxx

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FURTHERMORE THE RF 1A PROCEDURE FOR CLAIMING REFUNDS REMAINS UNCHANGED. IF YOU HAVE ANY QUESTIONS PLEASE CONTACT OUR TAX HELPDESK.

SECURITY

CODE	SECURITY DESCRIPTION	EX-DATE
FR0000120354	VALLOUREC INH. EO 20	08.07.2005
	PAYMENT DATE 08.07.2005	
ACCOUNT-NR 2222/000	1.000,000 ST/Whr.	

CLEARSTREAM BANKING AG

THIS REPORT IS PRODUCED ELECTRONICALLY AND IS NOT SIGNED