



## QUESTIONS AND ANSWERS

### FINAL 2019 DIVIDEND OPTION FOR PAYMENT IN TOTAL SHARES

#### 1. WHAT IS THE PAYMENT OF THE DIVIDEND IN SHARES?

The dividend can be paid whether in cash or in shares.

When an issuer offers these two options, the choice is the responsibility of the shareholder. If a shareholder opts for the payment of the dividend in shares, they will receive a whole number of shares and will receive or pay, according to their election (see question 7), the balance in cash.

In the absence of share payment option, the shareholder will automatically receive their dividend in cash.

#### 2. IS THE PAYMENT OF THE DIVIDEND IN SHARES ONLY AN OPTION FOR THE FINAL 2019 DIVIDEND?

Yes, as decided by the Shareholders' Meeting of May 29, 2020, as proposed by the Board of directors.

The 2020 interim dividends will therefore be paid in cash exclusively (see question 14).

This document only addresses the final 2019 dividend.

#### 3. WHAT ARE THE AMOUNTS, EX-DATES AND PAYMENT DATES FOR THE FINAL 2019 DIVIDEND?

The amount of the final dividend has been set at €0.68/share. The ex-date will be June 29, 2020 and the dividend will be paid on July 16, 2020.

#### 4. WHAT IS THE ISSUE PRICE FOR THESE SHARES AND HOW HAS IT BEEN DETERMINED?

The share price of new shares to be issued as payment of the final dividend is set at €28.80, including the maximum allowed discount of 10%. It's a way of rewarding our loyal shareholders. This share price is equal to 90% of the average opening prices of the shares for the twenty trading days preceding the Shareholders' Meeting, reduced by the amount of the final dividend and rounded up to the nearest cent.

The shares issued will carry immediate dividend rights, will be admitted for trading on Euronext (Paris and Brussels) and will be fully assimilated with existing TOTAL shares.



## **5. ARE THERE ANY CONDITIONS THAT MUST BE MET TO OPT FOR PAYMENT OF THE DIVIDEND IN SHARES?**

The option to receive payment of the final 2019 dividend in shares is open to any shareholder holding at least one share at the close of trading on June 26, 2020.

The option to receive the final 2019 dividend in shares is not open to shareholders residing in any country where such an option would require registration with or authorisation from the local stock exchange authorities. **Shareholders residing outside France must find out about any local restrictions and comply with them.**

Shareholders are required to find out for themselves about the conditions and consequences of such option that would be likely to apply under local law, and they are advised to consult their tax advisers. **In deciding to opt to receive the final 2019 dividend in shares, shareholders should consider the risks associated with investing in shares of the Company.**

## **6. HOW CAN SHAREHOLDERS EXPRESS THEIR CHOICE?**

The shareholder's financial intermediary will automatically provide them a filling form (by email or by post) so they can, if necessary, express their choice.

The shareholder must opt for the option by returning the provided form, duly completed and signed.

Any shareholder who has not received their form should consult their financial intermediary, sole competent to provide it.

## **7. HOW IS THE SHAREHOLDER INFORMED OF THE NUMBER OF SHARES FOR WHICH THEY MAY SUBSCRIBE, AND HOW IS THIS NUMBER CALCULATED?**

The form provided by the financial intermediary to the shareholder specifies the number of shares for which they are entitled to subscribe.

For administered registered shareholders and bearer shareholders, this number is calculated based on the **gross** final dividend (i.e. €0.68/share).

For direct registered shareholders, it is calculated based on:

- the net final dividend, i.e. less French social security contributions and tax charges (see question 16), or
- the gross final dividend, according to the shareholder's election.



When the dividend payment does not correspond to a whole number of shares, and if the shareholder has opted for payment of the dividend in shares, the shareholder can either choose:

- to round down the number of shares to the nearest whole number and receive the cash balance, or
- to round up the number of shares to the nearest whole number and, on the day of its subscription, pay the cash balance.

*Example for a shareholder holding 500 shares, who is therefore entitled to a (gross) final dividend of  $500 \times 0.68 = \text{€}340$ :*

*If the shareholder is an administered registered shareholder or a bearer shareholder, they will receive a number of shares, rounded down to the nearest whole number, corresponding to  $\text{€}340/\text{€}28.80$ , i.e. 11 shares and  $\text{€}23.2$  in cash ( $\text{€}340 - (11 \times \text{€}28.8)$ ); or if they elect it by paying the balance ( $\text{€}5.6$ ), 12 shares.*

*In addition, their bank will debit the relevant amount for French social security contributions and tax charges from their cash account (see question 17).*

*If the shareholder is a direct registered shareholder and has opted for payment of the final dividend on a gross basis, they will receive the same number of shares as above and will have to pay Société Générale Securities Services the relevant amount for French social security contributions and tax charges (see question 16).*

*If the shareholder is a direct registered shareholder and has opted for payment of the final dividend on a net basis, they will receive, if they are tax resident in France, a number of shares rounded down to the nearest whole number, corresponding to  $\text{€}340 \times (1 - (12.8\% + 17.2\%))/\text{€}28.80$ , i.e. 8 shares (see question 16 and 17); or if they elect it by paying the balance ( $\text{€}21.2$ ), 9 shares.*

#### **8. CAN THE SHAREHOLDER OPT FOR A DIFFERENT NUMBER OF SHARES FROM THE NUMBER OFFERED?**

The financial intermediary offers to the individual shareholder the options described above, which may correspond to different numbers of shares.

The option offered is specifically for payment in full of the final dividend to which the shareholder is entitled. The shareholder can only choose one of the numbers of shares offered by their financial intermediary.



## 9. IN WHAT FORM WILL THE SHARES SUBSCRIBED BE DELIVERED?

If they choose payment in shares, a shareholder with:

- **registered shares** will receive their shares via their registered current account;
- **administered registered shares** will receive their shares in bearer form through their bank, which will register them as administered registered shares only when instructed to do so by the holder.
- **bearer shares** will receive their shares in bearer form through their bank.

## 10. WHEN CAN THE SHAREHOLDER SUBMIT THEIR DECISION?

The shareholder can give their decision once they have received the option form sent to them by their financial intermediary from July 1<sup>st</sup>, 2020, onwards.

Only shareholders who opt to receive payment of the final dividend in shares must indicate their choice. To do so, they simply need to return the option form, duly completed and signed, to their financial intermediary. In the absence of any option election, the dividend will be paid in cash.

Some financial intermediaries also offer the option of replying via their website.

## 11. IS THERE A DEADLINE FOR MAKING A DECISION?

**For bearer shareholders or administered registered shareholders**, the financial intermediary must receive the option form no later than July 10, 2020, via internet or by post (if sending a reply by post, shareholders must take delivery times into account).

Please note that the deadline for receipt of your option form by your financial intermediary may be earlier than July 10th, 2020. Do not hesitate to contact them to know the detailed rules concerning this option.

**For direct registered shareholders**, deadline for receipt will be no later than July 8, 2020 for post replies, and July 9, 2020 at 5.30pm (Paris time) for internet replies.

Option forms, whether sent by internet or by post, will not be processed if they are received after the abovementioned deadlines, whatever the reason. In this case, the shareholder will automatically receive their final dividend in cash.



**12. WHEN DOES THE SHAREHOLDER HAS FULL OWNERSHIP OF THE NEW SHARES RECEIVED IN PAYMENT OF THE FINAL DIVIDEND?**

The new shares will be delivered to the financial institution on July 16, 2020, and the institution will then credit them to the shareholder's account. The shares will be available immediately.

These new shares will have the same characteristics and will entitle the holder to the same rights as those attached to existing shares. They will immediately carry immediate dividend rights.

**13. CAN A BANK CHARGE FEES TO SHAREHOLDERS OPTING TO RECEIVE PAYMENT OF THE DIVIDEND IN SHARES?**

Payment of dividend, whether in cash or in shares, to a shareholder residing in France does not generally result in charges from the financial intermediary. There is no charge associated with reinvesting the final dividend in shares.

However, it may be that the contractual financial terms of the shareholder's financial intermediary provide for charges related to cash payments to their clients (for example, payment of the final dividend in cash, or payment of the balance if the shareholder has opted for payment in shares). It is the responsibility of the individual shareholder to find out about the terms offered by their financial intermediary.

**14. IS THE SHAREHOLDER'S DECISION VALID FOR FUTURE TRANSACTIONS?**

This decision is only valid for the final 2019 dividend paid on July 16, 2020, and not for subsequent dividends.

**15. ARE DIVIDENDS PAID IN SHARES SUBJECT TO SPECIFIC TAXATION?**

For shareholders who are individuals residing in France, the taxation applicable to dividends paid in shares are the same as for dividends paid in cash.

**16. HOW ARE SOCIAL SECURITY CONTRIBUTIONS AND THE COMPULSORY LEVIES DEDUCTED FOR SHAREHOLDERS WHO ARE PRIVATE INDIVIDUALS RESIDING IN FRANCE FOR TAX PURPOSES?**

The arrangements for deductions (for social security contributions or the compulsory levy) are also identical, whether the dividend is paid in shares or in cash, i.e., for shares held as:



- **registered shares**, social security contributions and the compulsory levy are deducted directly by Société Générale Securities Services from the amount of the final dividend, except in the case of the gross dividend option (see question 7); and
- **administered registered and bearer shares**, the shareholder should contact their account-holding financial intermediary directly, as only they are able to provide the shareholder with information on the deductions that affect them.

For shareholders who are private individuals who are resident in France for tax purposes, the overall rate of such deductions from the dividend for shares not held under a French Equity savings plan (Plan d'Épargne en Actions, "PEA") is 30% (i.e. 17.2% for social security contributions and 12.8% for the compulsory levy, which is a payment of income tax on account and a tax credit for the following year).

The applicable rate is reduced to 17.2% (i.e. for social security contributions only) if the shareholder has validly applied, before November 30, 2019 and to their paying agent, for an exemption from the deduction of the 12.8% payment on account.

## 17. EXAMPLE

Example for an individual shareholder resident in France holding 500 bearer shares.

The shareholder is entitled to a gross final dividend of  $500 \times \text{€}0.68 = \text{€}340$ .

They receive 11 shares (see question 7) and a cash balance of:  $340 - (11 \times \text{€}28.80) = \text{€}23.2$ .

If the shareholder has not applied for exemption from the compulsory levy, their financial intermediary deducts  $(340 \times 12.8\%) + (340 \times 17.2\%) = \text{€}102$  from their account.