Together 2021, share offering reserved for employees of Orange group companies

Local supplement for Italy

You have been invited to invest in the shares of Orange in a share offering Together 2021 (the "Offering") reserved for the employees of Orange group companies. You will find below local Offering information and principal tax consequences for your country.

This document is provided to you in addition to the Offering documents (in particular, the Brochure, the Reservation/ Subscription form and the Revocation form). For more details, please refer to the Rules of the Orange International Savings Plan (the "Plan") available upon request to Orange. You are also invited to consult the Universal Registration Document of Orange that contains important information relating to Orange's business, its strategy and goals, the risks inherent to its business, its financial results and certain risks associated with investment in its shares.

Local Offering Information

The Offering described in this document and in the other communication materials relating to it is presented to you because you are an employee of the Orange group. Participation in this Offering is not obligatory and your decision to participate or not will not impact your employment with the Orange group. The decision whether or not to participate is yours to make.

The information contained in this document is being provided to you solely as information. Neither Orange nor your employer can give you investment advice or guarantees regarding the future price of the Orange shares.

Securities laws information

Applying the EU Prospectus Regulation, directly applicable in Italy, the Offering is eligible to benefit from an exemption to the publication of a prospectus.

Payment method

The full amount of your subscription **shall be paid by wire transfer to the following accounts, and must be received no later than 25 November 2021.**

Bank details to be used by Orange Business Italy spa subscribers
Beneficiary: Orange Business Italy spa
Bank: UNICREDIT
BIC/Swift code: UNCRITMM0RR
IBAN: IT51H0200805364000002790646
Please indicate as reference for the transfer "Together 2021" and your employee identification number (Employee ID).

Bank details to be used by GlobeCast Italia srl subscribers
Beneficiary: Globecast Italia srl
Bank: Banca Nazionale del Lavoro
BIC/Swift code: BNLITRR
IBAN: IT02R0100503231000000001016
Please indicate as reference for the transfer "Together 2021" and your employee identification number (Employee ID).

Bank details to be used by Elettra subscribers
Beneficiary: Elettra Tlc S.p.A
Bank: Banca Nazionale del Lavoro
BIC/Swift code: BNLIITRR
IBAN: IT72 H010 0503 2240 0000 0000 065
Please indicate as reference for the transfer "Together 2021" and your employee identification number (Employee ID).

Lock-up period of 5 years and early release events

In consideration of the benefits granted under the Offering, your investment is subject to a 5-year lock-up period (up to and including June 1, 2026), during which you will not be able to redeem your investment.

However, in the event of the occurrence of any of the following, you can request that your investment be released in advance:

- Marriage. (*)
- Birth or adoption of a third (or subsequent) child provided that your household is already financially responsible for at least two children. (*)
- Divorce or separation when it is accompanied by a court decision specifying that your home is to be the sole or shared ordinary place of residence of at least one child. (*)
- Termination of employment contract.
- Use of invested amounts for the purpose of creation of certain type of business by you, your spouse or child. (*)
- Use of invested amounts for the purpose of acquisition or enlargement of a principal residence which includes the creation of new living space. (*)
- Your disability or disability of your spouse or child.
- Your death or death of your spouse.
- Overindebtedness acknowledged by a commission of overindebtedness or a judge
- Violence committed against the employee by his/her spouse, partner, civil partner, or his/her former spouse, partner or civil partner

Please note that for events marked (*), the request for early release must be submitted within 6 months following the event.

Redemption shall take place in the form of a single payment that, at your choice, shall relate to all or some of your assets that may be redeemed.

These early release events are defined by French law and must be interpreted and applied in a manner consistent with French law. You should not conclude that an early release event is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon providing the required supporting documentation.

Labor law disclaimer

Please note that this Offering is made to you by the French company Orange, not by your local employer. The decision to include a beneficiary in this or any future offering is taken by Orange in its sole discretion.

The Offering does not form part of your employment agreement and does not amend or supplement such agreement.

The launch of this Offering results from a decision taken at the discretion of Orange. It does not constitute a right granted and participation in this Offering in no way confers any right to participate in similar transactions. There is no obligation of Orange to launch new offerings in subsequent years.

Gains or benefits that you may receive or be eligible for under the Offering will not be taken into consideration in determining the amount of any future benefits, payments or other entitlements that may be due to you (including in cases of termination of employment).

Tax Information for employees

This summary sets forth general principles that are expected to apply to employees who participate in the Together 2021 Offering.

This summary applies to employees who (i) are and will remain during their investment resident in Italy for the purposes of the tax laws of Italy and the Convention between Italy and the French Republic dated October 5, 1989 for the avoidance of double taxation (the "Treaty") and (ii) are entitled to the benefits of the Treaty.

The tax treatment applicable to you may be different subject to your personal situation and in particular if you are internationally mobile or subject to special tax regimes in Italy.

This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive. For definitive advice, employees should consult their own tax advisors regarding the tax consequences of participating in this Offering.

The tax consequences listed below are described in accordance with tax law and tax practices of France and Italy, as well as the Treaty, all of which as are applicable at the time of the Offering. These laws, practices and the Treaty may change over time.

Taxation in France

You will not be subject to tax or social charges in France either at the time of subscription or at the time of sale of your Orange shares. In case of distribution of dividends by Orange, such dividends may be subject to taxation in France. Please refer to the dividends taxation section below.

Taxation in Italy

Question: If I decide to participate in the Offering, will I be required to pay any tax or social security charges when I subscribe for Orange shares?

With respect to the discount:

Answer: The positive difference (the "Difference") between (a) the arithmetic average of market prices of the shares registered in the latest month (i.e., in the period between the date of the subscription of the shares – which is when the shares enter into the legal disposal of the employee – and the same date of the preceding month) and (b) the price you have paid for the acquisition of the shares constitutes in principle income from employment subject to tax and to social security contributions in Italy at the rates indicated below. Please note that the Difference may be different than the discount applied for the determination of the subscription price.

However, an exemption up to €2,065.83 in each calendar year is applicable for the purposes of both income taxes and social charges, subject to the following conditions: (1) the shares are offered to all the employees; (2) the shares are not repurchased by Orange or by your employer, and (3) in any event employees do not sell the shares for at least three years from the date of subscription of the shares. If the Difference exceeds €2,065.83 in a calendar year, the excess constitutes income from employment and is subject to income taxes and social security contributions according to the ordinary rules in the year of subscription at the rates indicated below.

If conditions under (2) and/or (3) above are not met (e.g. in cases of early exit), the exempted portion of the Difference will be subject to income taxes and social security contributions as income from employment according to ordinary rules at the time you sell the shares. In these cases, you are required to inform your employer that you have sold the shares.

Any income taxes and social security contributions due are withheld at source by your employer from your salary relating to the pay period during which the taxable event takes place or, if your salary is not sufficient, you may be required to provide your employer with the funds necessary to pay taxes and social security contributions due.

Personal income tax applies at progressive rates. The progressive rates are currently as follows:
- up to Euro 15,000: 23%;
- from Euro 15,000 to Euro 28,000: 27%;
- from Euro 28,000 to Euro 55,000: 38%;
- from Euro 55,000 to Euro 75,000: 41%;
- above Euro 75,000: 43%.

An additional 10% rate shall apply to any variable compensations (including bonuses, free shares, stock options) to the extent they exceed the fixed portion of the remuneration, granted to executives and managers of a financial sector company. This would only apply if you are an executive or a manager of a company operating in the financial sector (please note that, based on the position of the tax authorities, such sector is also deemed to include holding companies). However, the Supreme Court in the decision No. 22692 of 19 October 2020 ruled in favor of taxpayers by excluding the application of the 10% surcharge with reference to directors working for industrial holding companies.

Personal income taxes must be increased by regional and municipal surtaxes applicable at different rates depending on your region and municipality of residence.

Social security contributions may amount up to approximately 36% to 46% to be entirely applied by your employer, approximately 9-10% of which shall be borne by yourself.

With respect to bonus shares:

Answer: Taxation in Italy occurs upon delivery of free shares. In particular, the fair market value of the free shares at the date the shares enter into the legal disposal of the employee (equal to the arithmetic average of market prices registered in the latest month - i.e. in the period between the date the shares enter into the legal disposal of the employee and the same date of the preceding month) constitutes in principle income from employment subject to personal income taxes and social security contribution in the same manner as described above for the subscription price discount (including the exemption regime up to €2,065.83 for each calendar year applicable under the conditions indicated above).

Question: If dividends are distributed on the Orange shares subscribed or offered within the context of this offering, will I be required to pay any tax or social security charges on such dividends?

Answer: Yes, dividends will be subject to a withholding tax in France and will be taxable in Italy.

Under French domestic law, dividends paid by a French company to non-residents of France are generally subject to the withholding tax in France at the time of their payment. The rate of the French withholding tax is 12,8%. Its amount is increased to 75% if the dividends are paid to a bank account opened in a Non-Cooperative State or Territory (NCST).[1]

Dividends you receive on the shares are subject in Italy to a 26% final "entrance" withholding tax if collected through an Italian financial intermediary, acting as withholding agent. The 26% final "entrance" withholding tax or substitute tax is to be applied on the amount received by the employee (the amount of the dividends) net of any withholding tax at source applied in France. In this case, you shall not be required to declare these dividends in your income tax return.

However, if the dividends are not collected through an Italian financial intermediary and no "entrance" withholding tax is applied in Italy, you will be required to declare the dividends in your income tax return and to pay substitute tax at a rate of 26% thereon. The dividends shall be declared in your annual tax return file in Italy of the year of receipt of dividends and the related tax shall be paid accordingly. In this case, substitute tax at the rate of 26% should be applied on the gross amount of the dividends.

No social security contributions apply on the dividends.

Question: Will I be required to pay any wealth tax with respect to the Orange shares?

Answer: Italian resident individuals are subject to a stamp duty on communications regarding financial products and assets held through an Italian-based intermediary. According to Italian tax law, it is assumed that the communication is sent at least once a year.

The stamp duty is imposed at a rate of 0.2%. The taxable base is the fair value of the assets (or, in the lack thereof, the nominal or the reimbursement value) at end of the reference period of each communication (in case of ownership for a fraction of the year, a pro rata calculation is made).

If the shares are held abroad by Italian-resident individuals a wealth tax is imposed at a rate of 0.2%. The taxable base is the fair value of the assets (or, in the lack thereof, the nominal or the reimbursement value) at end of every fiscal year, or, if the assets are no more held at the end of the year, at the end of the holding period. The potential double taxation is avoided by allowing Italian residents to credit net worth foreign taxes (if any) paid abroad against, and up to the amount of, the Italian wealth tax.

Question: Will I be required to pay any tax or social security charges when I sell my Orange shares?

Answer: There is no automatic taxation in Italy on the gains accrued at the end of the lock-up period in case you choose not to sell the shares. If you do not sell your shares at the end of the lock-up period, the tax regime described below will not apply until such time as you actually sell your shares.

In case of disposal of the shares, the capital gain you realize will be subject to substitute tax at the rate of 26%.

The taxable capital gain will be equal to the difference between the sale price and the subscription price. The subscription price is equal to the price paid by the employee to buy the shares, increased by any amount subject to tax as income from employment upon the acquisition/awarding of the shares, the delivery of the free shares received as matching contribution or upon disposal of the shares in breach of conditions under (2) or (3) above.

You will have to indicate the capital gains realized in your annual tax return and pay the 26% substitute tax.

However, if the shares have been deposited with a qualified Italian intermediary and you have opted for the so called administered savings regime ("risparmio amministrato") or portfolio management regime ("risparmio gestito") the substitute tax will be directly applied by such intermediary and you are not required to report the capital gains in your yearly tax return.

No social security contributions apply on such capital gains.

Question: What are my reporting obligations in Italy with respect to holding of Orange shares, receipt of dividends and at the time of sale of my shares?

Answer: For tax monitoring purposes, you should report on section RW of your annual income tax return to be filed in Italy (or in a specific form if you are exempted from the obligation of filing the income tax return), the amount of foreign investments, from which you may derive an income subject to tax in Italy, held during the relevant tax year. The shares qualify as foreign investments for Italian reporting purposes. Such reporting obligations do not apply to you if the shares are deposited with an Italian-based intermediary in charge of the collection of income deriving therefrom to the extent the income is subject to Italian withholding or substitute tax by the same intermediary.

[1] The list of NCSTs can be modified each year. The states and territories qualifying as NCSTs are currently the following: Anguilla, British Virgin Islands, Panama, Seychelles and Vanuatu.