

# RALLYE

(A French *société anonyme*)

## Euro 4,000,000,000

### Euro Medium Term Note Programme

### Due from one month from the date of original issue

Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Rallye (the “**Issuer**” or “**Rallye**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 4,000,000,000 (or the equivalent in other currencies).

This Base Prospectus supersedes and replaces the Base Prospectus dated 18 December 2017.

Application has been made to the *Commission de surveillance du secteur financier* in Luxembourg for approval of this Base Prospectus in its capacity as competent authority under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005, as amended, relating to prospectus for securities, for the approval of this Base Prospectus as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

Application has been made (i) to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the on the regulated market of the Luxembourg Stock Exchange and/or (ii) to the competent authority of any other Member State of the European Economic Area (“**EEA**”) for Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. The Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended (a “**Regulated Market**”). However, unlisted Notes may also be issued pursuant to the Programme. The relevant final terms (the “**Final Terms**”) (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant Regulated Market in the EEA. References in this Base Prospectus to the “**Prospectus Directive**” are to the Directive 2003/71/EC of 4 November 2003 as amended or superseded from time to time on the prospectus to be published when securities are offered to the public or admitted to trading, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area. In accordance with article 7(7) of the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005, as amended, by approving this Base Prospectus, the *Commission de surveillance du secteur financier* does not give any undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”) as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders (as defined in “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination”) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, S.A. (“**Clearstream**”) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40<sup>th</sup> day after the issue date of the Notes (subject to postponement as described in “Temporary Global Certificates issued in respect of Materialised Bearer Notes”) upon certification as to non U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below).

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus.

#### Arranger

**BNP PARIBAS**

#### Dealers

**BNP PARIBAS**  
**DEUTSCHE BANK**  
**NATIXIS**

**CRÉDIT AGRICOLE CIB**  
**HSBC**  
**NATWEST MARKETS**

**SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

**This Base Prospectus (together with any supplements to this Base Prospectus published from time to time (each a “Supplement” and together the “Supplements”)) comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in respect of, and for the purpose of giving information with regard to Rallye (“Rallye” or the “Issuer”), the Issuer and its consolidated subsidiaries taken as a whole (the “Group” or the “Rallye Group”) and the Notes, which according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer accepts responsibility for the information contained in this Base Prospectus.**

**No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in “General Description of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).**

**The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.**

**The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold or, in the case of Materialised Notes delivered within the United States or to, or for the account or benefit of U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”. The Notes are being offered and sold only outside the United States of America to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S under the Securities Act (“Regulation S”).**

**The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.**

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor" as defined in Directive 2014/65/EU (as amended, “MiFID II”)) should take into consideration the target**

market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID II Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer as defined in MiFID II in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under MiFID II Product Governance Rules.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPS Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

**SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Base Prospectus does not constitute an offer of, an offer to sell, or an invitation by or on behalf of the Issuer or the Dealers or the Arranger to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus, for any information incorporated by reference or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

**In connection with the issue of any Tranche (as defined in “General Description of the Programme”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) named in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.**

**In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” and “U.S. Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan, references to “PLN” or “Polish zloty” are to the lawful currency of the Republic of Poland, references to “Swiss francs” or “CHF” are to the lawful currency of the Helvetic Confederation and references to “Renminbi” or “RMB” are to the lawful currency of the People's Republic of China excluding for these purposes, Hong Kong, Macau et Taiwan (“PRC”).**

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a restated Base Prospectus, which in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange or on a Regulated Market of a Member State of the European Economic Area, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

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## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any document incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Words and expressions defined in the section “Terms and Conditions of the Notes” shall have the same meaning in this section.*

### **I Factors that may affect the Issuer’s ability to fulfil its obligations under or in connection with Notes issued under the Programme**

Please refer to pages 32 to 40 of the 2017 AR (as defined in the section “Documents incorporated by reference”).

### **II Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### **I. General Risks Relating to the Notes**

##### **1.1 Independent Review and Advice**

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

##### **1.2 Modification, waivers and substitution**

The Terms and Conditions of the Notes contain provisions for calling General Meetings of Noteholders or consulting them by way of a resolution in writing to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting or who did not vote through the relevant written consultation and Noteholders who voted in a manner contrary to the majority.

##### **1.3 No active Secondary/Trading Market for the Notes**

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering

price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and/or any other Regulated Market in the European Economic Area, the Final Terms of the Notes will be filed with the *Commission de surveillance du secteur financier* in Luxembourg and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be listed and admitted to trading, there is no assurance that such filings will be accepted, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### **1.4 Potential Conflicts of Interest**

All or some of the Dealers and, as the case may be, the calculation agent and their respective affiliates (including their parent companies) have and/or may in the future engage, in lending, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer and the Dealer(s) may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Any Calculation Agent appointed under the Programme or in respect of an issuance of Notes (whether the Principal Paying Agent, any Paying Agent, any Dealer or otherwise) is the agent of the Issuer and not the agent of the Noteholders. When a Dealer is appointed as Calculation Agent by the Issuer in respect of an issuance of Notes, such Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities. Potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche of Notes and the Noteholders (including where a Dealer acts as a Calculation Agent), including with respect to certain discretionary determinations and judgements that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes. In particular, whilst a calculation agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.



## 1.5 Exchange Rates

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

## 1.6 Legality of Purchase

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

## 1.7 Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Potential investors are advised not to rely upon the tax section contained in this Base Prospectus but to ask for their own tax advisor's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

## 1.8 Financial Transaction Tax

On 14 February 2013, the European Commission has published a proposal (the "**Commission Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). Estonia has since then officially announced its withdraw from the negotiations.

The Commission Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

Under the Commission Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States (excluding Estonia), and its scope remains uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. If the Commission's Proposal or any similar proposal were adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **1.9 Market Value of the Notes**

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the volatility of market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### **1.10 Change of Law**

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

### **1.11 French Insolvency Law**

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if an accelerated financial preservation (*procédure de sauvegarde financière accélérée*), accelerated preservation (*procédure de sauvegarde accélérée*), preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the proposed accelerated financial preservation plan (*projet de plan de sauvegarde financière accélérée*), proposed accelerated preservation plan (*projet de plan de sauvegarde accélérée*), proposed preservation plan (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders casting a vote at such Assembly). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

## **II. Risks related to the structure of a particular issue of Notes**

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

### **2.1 Notes subject to optional redemption by the Issuer**

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions of the Notes.

The Issuer has also the option, if so provided in the relevant Final Terms, to redeem the Notes under a call option as provided in Condition 6(b)(i), a make-whole call option as provided in Condition 6(b)(ii), a residual maturity call option as provided in Condition 6(b)(iii) or a clean-up call option as provided in Condition 6(b)(v). In particular, in case of a clean-up call option there is no obligation for the Issuer to inform investors if and when the percentage of 80 per cent. has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

### **2.2 Fixed Rate Notes**

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

### **2.3 Floating Rate Notes**

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

### **2.4 Fixed/Floating Rate Notes**

Fixed to floating rate Notes may bear interest at a rate (i) that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate on the date set out in the Final Terms or (ii) that will automatically change from a fixed rate to a floating rate, or from a floating rate to a fixed rate on the date set out in the Final Terms. The conversion (whether it be automatic or optional) of the interest rate may affect the secondary market and the market value of the Notes since the Issuer may be

expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed to floating Rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

## **2.5 Notes issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

## **2.6 Zero Coupon Notes**

The prices at which Zero Coupon Notes, as well as other Notes issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities.

## **2.7 Exercise of Change of Control Put Option in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised**

Depending on the number of Notes of the same Series in respect of which the Change of Control Put Option provided in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid. In addition, investors may only be able to reinvest the moneys they receive upon such early redemption in securities with a lower yield than the redeemed Notes.

## **2.8 Risks relating to Renminbi-denominated Notes**

Notes denominated in RMB (“**RMB Notes**”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

*Renminbi is not freely convertible. There are significant restrictions on remittance of Renminbi into and outside the People’s Republic of China (“**PRC**”) which may adversely affect the liquidity of RMB Notes.*

Renminbi is not freely convertible at present. The government of the PRC (the “**PRC Government**”) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

In respect of Renminbi foreign direct investments (“**FDI**”), the People’s Bank of China (“**PBoC**”) promulgated the Administrative Measures on Renminbi Settlement of Foreign Direct Investment (the “**PBoC FDI Measures**”) on 13 October 2011 as part of PBoC’s detailed Renminbi FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, PBoC issued a

circular setting out the operational guidelines for FDI. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC (“**MOFCOM**”) promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

As the trend to further liberalise FDI continues, the PBoC FDI Measures and the MOFCOM Circular remain subject to interpretation and application by the relevant authorities in the PRC.

Despite a movement towards liberalisation of cross-border RMB remittances, notably in the current account activity, and the permission for certain participating banks in Hong Kong, Singapore, Taiwan, South Korea, London and Frankfurt to engage in the settlement of current account trade transactions in RMB under certain pilot schemes, there is no assurance that the PRC Government will continue to liberalise control over the cross-border RMB remittance in the future or that new PRC regulations.

Although RMB will be added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to RMB to settle cross-border transactions in foreign currencies were implemented by the PBoC in 2018, there is no assurance that the PRC Government will continue to gradually liberalise its control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the Issuer’s ability to source Renminbi to finance its obligations under Notes denominated in Renminbi.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of RMB for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in RMB, the Issuer will need to source RMB offshore to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of RMB outside the PRC.

Holders of beneficial interests in the Notes denominated in RMB may be required to provide certifications and other information (including RMB account information) in order to allow such holder to receive payments in RMB in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes and the Issuer’s ability to source Renminbi outside the PRC to service the RMB Notes.*

As a result of the restrictions by the PRC Government on cross-border RMB fund flows, the availability of RMB outside of the PRC is limited. While the PBoC has entered into agreements on the clearing of RMB business with financial institutions in a number of financial centres and cities (the “**RMB**

**Clearing Banks**”), including but not limited to Hong Kong, Singapore and Taiwan, and are in the process of establishing RMB clearing and settlement mechanisms in several other jurisdictions (“**Settlement Arrangements**”) in various other markets, the current size of RMB-denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

*Payments in respect of the RMB Notes will only be made to investors in the manner specified in such RMB Notes*

All payments to investors in respect of RMB Notes to an investor will be made solely by transfer to a RMB bank account maintained in Hong Kong in accordance with the prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

*Investment in the RMB Notes is subject to exchange rate risks*

The value of the Renminbi against the Euro, the U.S. Dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the RMB Notes in Renminbi. As a result, the value of these Renminbi payments in Euro, U.S. Dollar or other foreign currencies may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against Euro, the U.S. Dollar or other foreign currencies, the value of investment in Euro, U.S. Dollar or other applicable foreign currencies will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

*Investment in RMB Notes is subject to interest rate risks*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Notes may carry a fixed interest rate, the trading price of RMB Notes will consequently vary with the fluctuations in the RMB interest rates. If holders of RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

*The Issuer may make payments of interest and principal in US dollar in certain circumstances*

Although the primary obligation of the Issuer is to make all payments of interest and principal with respect to the RMB Notes in Renminbi, in the event that the access to Renminbi deliverable in Hong Kong becomes restricted by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined in the Terms and Conditions of the Notes), the terms of such RMB Notes allow the Issuer to make such payment in US dollar at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes.

## **2.9 Reform and regulation of “benchmarks”**

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmark Regulation**”) was published in the European official journal on 29 June 2016.

The Benchmark Regulation applies to “contributors”, “administrators” and “users” of “benchmarks” in the EU, and, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of “benchmarks” (or, if non EU based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised/registered (or, if non EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmark Regulation is wide and, in addition to so-called “critical benchmark” indices, applies to many interest rate and foreign exchange rate indices, equity indices and other indices (including “proprietary” indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a systematic internaliser, financial contracts and investment funds.

The Benchmark Regulation could have a material impact on any Notes traded on a trading venue or via a “systematic internaliser” linked to a “benchmark” index, including in any of the following circumstances:

- an index which is a “benchmark” could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Either of the above could potentially lead to the Notes being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular “benchmark” and the applicable terms of the Notes or have other adverse effects or unforeseen consequences.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks”. For example, on 27 July 2017, the UK Financial Conduct Authority (the “**FCA**”) announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, Andrew Bailey, Chief Executive Officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the

manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the “**IBORs**”) suffer from similar weaknesses to LIBOR and as a result (although no deadline has been set for their discontinuation), they may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of floating rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the floating rate Notes.

If a Benchmark Event (as defined in Condition 5(c)(iii)(C)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary to



ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders and Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of floating rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may

lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the floating rate Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents all of which are incorporated by reference in the Base Prospectus and which the Issuer has filed with the *Commission de surveillance du secteur financier*:

- (1) the terms and conditions of the Notes contained in the base prospectus of Rallye dated 14 December 2011 (the “**EMTN 2011 Conditions**”), in the base prospectus of Rallye dated 17 December 2012 (the “**EMTN 2012 Conditions**”), in the base prospectus of Rallye dated 18 December 2013 (the “**EMTN 2013 Conditions**”), in the base prospectus of Rallye dated 12 December 2014 (the “**EMTN 2014 Conditions**”), in the base prospectus of Rallye dated 18 December 2015 (the “**EMTN 2015 Conditions**”), in the base prospectus of Rallye dated 16 December 2016 (the “**EMTN 2016 Conditions**”) and in the base prospectus of Rallye dated 18 December 2017 (the “**EMTN 2017 Conditions**”) ;
- (2) the annual report of the Issuer for the year ended 31 December 2016 in English language (the “**2016 AR**”) except for declaration included on page 251 entitled “declaration by the person responsible for the registration document and the annual financial report”;
- (3) the annual report of the Issuer for the year ended 31 December 2017 in English language (the “**2017 AR**”) except for the declaration included on page 242 entitled “statement by the person responsible for the registration document and the annual financial report”;
- (4) the interim financial report as of 30 June 2018 in English language (the “**Interim 2018 IR**”) except for declaration included on page 2 entitled “statement by the person in charge of the interim financial report”;
- (5) the French language version of the notice of the Issuer entitled *Indicateurs non-GAAP* for the year ended 31 December 2017 (the “**The Non-GAAP Indicators for the year ended 31 December 2017**”) related to the Alternative Performance Measures in the meaning of the ESMA Guidelines dated 5 October 2015; and
- (6) the French language version of the notice of the Issuer entitled *Indicateurs non-GAAP* for the semester ended 30 June 2018 (“**The Non-GAAP Indicators for the semester ended on 30 June 2018**”) related to the Alternative Performance Measures in the meaning of the ESMA Guidelines dated 5 October 2015.

The declarations mentioned in (2), (3) and (4) above and excluded from the documents incorporated by reference are not relevant for investors.

Such documents shall be deemed to be incorporated by reference in, and form part of this Base Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

This Base Prospectus and copies of documents incorporated by reference in this Base Prospectus will be published on, and may be obtained from (i) the website of the Issuer ([www.rallye.fr](http://www.rallye.fr)), and (ii) the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

For the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference of this Base Prospectus in accordance with the following cross-reference tables:

<b>Annex IX Item No.</b>	<b>Wholesale Debt</b>	
<b>3</b>	<b>Risk Factors</b>	
	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 32 to 40 of the 2017 AR
<b>4</b>	<b>Information about the Issuer</b>	
<b>4.1</b>	<b>History and development of the Issuer</b>	
<b>4.1.1</b>	the legal and commercial name of the issuer;	Page 234 of the 2017 AR
<b>4.1.2</b>	the place of registration of the issuer and its registration number;	Page 234 of the 2017 AR
<b>4.1.3</b>	the date of incorporation and the length of life of the issuer, except where indefinite;	Page 234 of the 2017 AR
<b>4.1.4</b>	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	Cover Page & Page 234 of the 2017 AR
<b>5</b>	<b>Business Overview</b>	
<b>5.1</b>	<b>Principal activities:</b>	
<b>5.1.1</b>	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	Page 11 of the 2017 AR
<b>5.1.2</b>	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Page 11 to 13 of the 2017 AR
<b>6</b>	<b>Organisational Structure</b>	
<b>6.1</b>	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	Pages 4, 28 of the 2017 AR
<b>9</b>	<b>Administrative, Management and Supervisory Bodies</b>	
<b>9.1</b>	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  (a) members of the administrative, management or supervisory bodies;	Pages 2, 60 to 74 of the 2017 AR
<b>9.2</b>	<b>Administrative, Management, and Supervisory bodies conflicts of interests</b>  Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect.	Pages 79 of the 2017 AR

<b>Annex IX Item No.</b>	<b>Wholesale Debt</b>	
<b>10</b>	<b>Major Shareholders</b>	
<b>10.1</b>	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 23, 28, 29 & 30 of the 2017 AR
<b>11</b>	<b>Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses</b>	
<b>11.1</b>	<b>Historical Financial Information</b> <b>Audited historical financial information covering the latest 2 financial years</b>	
<b>11.1</b>	- <b>Consolidated financial statements of the Issuer for the financial year ended 31 December 2016:</b>	
	(i) Consolidated balance sheet	Pages 94 & 95 of the 2016 AR
	(ii) Consolidated income statement	Page 92 of the 2016 AR
	(iii) Consolidated statement of comprehensive income; Consolidated statement of cash flow and Statement of change in consolidated shareholders' equity	Pages 93, 96 to 97 of the 2016 AR
	(iv) Accounting policies and explanatory notes	Pages 98 to 181 of the 2016 AR
<b>11.3</b>	(v) Audit report	Pages 182 & 183 of the 2016 AR
<b>11.1</b>	- <b>Consolidated financial statements of the Issuer for the financial year ended 31 December 2017:</b>	
	(i) Consolidated balance sheet	Pages 98 & 99 of the 2017 AR
	(ii) Consolidated income statement	Page 96 of the 2017 AR
	(iii) Consolidated statement of comprehensive income; Consolidated statement of cash flow and Statement of change in consolidated shareholders' equity	Pages 97, 100 & 101 of the 2017 AR
	(iv) Accounting policies and explanatory notes	Pages 102 to 185 of the 2017 AR
<b>11.3</b>	(v) Audit report	Pages 90 to 95 of the 2017 AR
<b>11.5</b>	<b>Legal and arbitration proceedings</b> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Pages 39, 40, 175 to 177 of the 2017 AR

<b>Annex IX Item No.</b>	<b>Wholesale Debt</b>	
<b>12</b>	<b>Material Contracts</b>	
	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	Page 30 of the 2017 AR

<b>Information incorporated by reference</b>	<b>2018 Interim IR</b>
Interim Management Report	Pages 3 to 13
Half-Year Consolidated Financial Statements	Pages 14 to 47
– Consolidated income statements:	Page 14
– Consolidated statement of comprehensive income:	Page 15
– Consolidated statement of financial position:	Page 16
– Consolidated statement of cash flow:	Page 17
– Statement of change in consolidated shareholders' equity:	Page 18
– Notes to the Interim Consolidated Financial Statements:	Pages 19 to 47
Statutory Auditors' Review Report on the Interim Financial Information for the First Half of 2018:	Page 48

<b>Information incorporated by reference</b>	<b>Non-GAAP Indicators for the year ended on 31 December 2017</b>
	All pages

<b>Information incorporated by reference</b>	<b>Non-GAAP Indicators for the semester ended on 30 June 2018</b>
	All pages

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation no. 809/2004, as amended or superseded.

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the relevant EMTN Previous Conditions.

<b>EMTN Previous Conditions</b>	
EMTN 2011 Conditions	Pages 23 to 59 of the base prospectus of Rallye dated

	14 December 2011
EMTN 2012 Conditions	Pages 22 to 56 of the base prospectus of Rallye dated 17 December 2012
EMTN 2013 Conditions	Pages 23 to 57 of the base prospectus of Rallye dated 18 December 2013
EMTN 2014 Conditions	Pages 24 to 58 of the base prospectus of Rallye dated 14 December 2014
EMTN 2015 Conditions	Pages 25 to 60 of the base prospectus of Rallye dated 18 December 2015
EMTN 2016 Conditions	Pages 24 to 59 of the base prospectus of Rallye dated 16 December 2016
EMTN 2017 Conditions	Pages 26 to 61 of the base prospectus of Rallye dated 18 December 2017

The non-incorporated parts (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) shall not form a part of this Base Prospectus and are not relevant for the investors.

## **PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS**

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme is in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility accordingly.

RALLYE  
83, rue du Faubourg Saint-Honoré  
75008 Paris  
France

Duly represented by:

Franck Hattab  
General Manager



## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description is qualified in its entirety by the remainder of this Base Prospectus.*

<b>Issuer:</b>	Rallye
<b>Description:</b>	Euro Medium Term Note Programme for the continuous offer of Notes (the “ <b>Programme</b> ”)
<b>Arranger:</b>	BNP Paribas
<b>Dealers:</b>	BNP Paribas Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, London Branch HSBC Bank plc Natixis NatWest Markets Plc Société Générale

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “**Permanent Dealers**” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union (“**EU**”) and which are authorised by the relevant authority of such home member state to lead-manage bond issues in such member state may, in the case of Notes to be listed on the Luxembourg Stock Exchange, act (a) as Dealers with respect to non-syndicated issues of Notes denominated in euro and (b) as lead manager of issues of Notes denominated in euro issued on a syndicated basis.

<b>Programme Limit:</b>	Euro 4,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Fiscal Agent and Paying Agent:</b>	BNP Paribas Securities Services (affiliated with Euroclear France under number 29106)
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche will be set out in final terms to this Base Prospectus (the “ <b>Final Terms</b> ”).
<b>Maturities:</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue.
<b>Currencies:</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. Dollars, Japanese yen, Swiss francs, Polish zloty, Sterling, Renminbi and in any other currency agreed between the Issuer and the

relevant Dealers.

**Denomination(s):**

Notes will be in such denominations as may be specified in the relevant Final Terms.

The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note listed and admitted to trading on a regulated market in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Dematerialised Notes will be issued in one denomination only.

**Status of the Notes:**

The Notes will constitute direct, unconditional, (subject to the provisions of Condition 4) unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness and monetary obligations of the Issuer.

**Negative Pledge:**

There will be a negative pledge in respect of the Notes as set out in Condition 4 - see "Terms and Conditions of the Notes - Negative Pledge".

**Events of Default  
(including cross default):**

There will be events of default and a cross-default in respect of the Notes as set out in Condition 9 - see "Terms and Conditions of the Notes - Events of Default".

**Redemption Amount:**

Unless previously redeemed, purchased and cancelled, each Note shall be finally redeemed on the Maturity Date at its nominal amount. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from their date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Optional Redemption:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.

If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control or a Change of Control of the Issuer, the Noteholders will be entitled to request the Issuer to redeem or, at the Issuer's option, procure the purchase of their Notes, as more fully set out in "Terms and Conditions of the Notes - Redemption, Purchase and Options".

If a Make-Whole Redemption is specified in the relevant Final Terms, the

Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date, at the Make-Whole Redemption Amount. See Condition 6(b)(ii) “Terms and Conditions of the Notes - Redemption, Purchase and Options - Redemption at the Option of the relevant Issuer and Partial Redemption – Make-Whole Redemption”.

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer will have the option to redeem the Notes, in whole or in part, at any time as from the Call Option Date, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than ten years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than ten years, until the Maturity Date. See Condition 6(b)(iii) “Terms and Conditions of the Notes – Redemption, Purchase and Options – Redemption at the Option of the Issuer and Partial Redemption – Residual Maturity Call Option”.

If a Clean-Up Call Option is specified in the relevant Final Terms and if at least 80 per cent. of the initial aggregate nominal amount of the Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may on giving not less than 15 nor more than 30 calendar days’ notice to the Noteholders redeem the Notes, in whole but not in part, at their Clean-Up Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms). See Condition 6(b)(v) “Terms and Conditions of the Notes - Redemption, Purchase and Options - Redemption at the Option of the relevant Issuer and Partial Redemption – Clean-Up Call Option”.

**Early Redemption:**

Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.

**Interest Periods and Interest Rates:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Fixed Rate Notes:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR, EURIBOR, EUR CMS or TEC 10 (or such other benchmark as may be specified in the relevant Final Terms),  
in each case as adjusted for any applicable margin.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest periods will be specified in the relevant Final Terms.

In the event where the benchmark used to calculate the interest payable is discontinued, the Conditions of the Notes provide a methodology to determine the successor or alternative rates.

<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Redenomination:</b>	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination” below.
<b>Consolidation:</b>	Notes of one Series may be consolidated with Notes of another Series as more fully provided in “Terms and Conditions of the Notes - Further Issues and Consolidation”.
<b>Form of Notes:</b>	<p>Notes may be issued in either dematerialised form (“<b>Dematerialised Notes</b>”) or in materialised form (“<b>Materialised Notes</b>”).</p> <p>Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised Notes. See “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination”.</p> <p>Materialised Notes will be in bearer materialised form only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.</p>
<b>Governing Law:</b>	French law.
<b>Central Depository:</b>	Euroclear France as central depository in relation to Dematerialised Notes.
<b>Clearing Systems:</b>	Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.
<b>Initial Delivery of Dematerialised Notes:</b>	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.
<b>Initial Delivery of Materialised Notes:</b>	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Issue Price of the Notes will be specified in the relevant Final Terms.
<b>Taxation:</b>	All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by

or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

See section “Taxation”.

**Listing and admission to trading:** Listing on the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market of the Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may or may not be admitted to trading.

**Method of Publication of the Final Terms:** The Final Terms related to Notes listed and admitted to trading on any Regulated Market will be published, if relevant, on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

**Selling Restrictions:** There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”.

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor regulation issued under the U.S. internal revenue code of 1986, as amended (the “**U.S. Internal Revenue Code**”) section 4701(b) containing rules identical to those applying under U.S. Internal Revenue Code section 163(f)(2)(B)) (the “**D Rules**”) unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor regulation issued under the U.S. Internal Revenue Code section 4701(b) containing rules identical to those applying under U.S. Internal Revenue Code section 163(f)(2)(B)) (the “**C Rules**”) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Dematerialised Notes do not require compliance with the TEFRA rules.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Part A of the Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Part A of the Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

An agency agreement dated 13 December 2018 has been agreed between Rallye (the “**Issuer**” or “**Rallye**”), BNP Paribas Securities Services as fiscal agent and the other agents named in it (the “**Agency Agreement**”). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Directive 2014/65/EU on Markets in Financial Instruments (as amended, “**MiFID II**”). References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

### 1 Form, Denomination(s), Title, Redenomination and Method of Issue

(a) **Form:** Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).

(i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the “**Code**”) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France S.A. (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account held by Euroclear France and in the books maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

The Issuer may require the identification of the Noteholders, in accordance with French law, unless such right is expressly excluded in the relevant Final Terms.

For the purpose of these Conditions, “**Account Holder**” means any intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, S.A. (“**Clearstream**”).

- (ii) Materialised Notes are issued in bearer form (“**Materialised Bearer Notes**”). Materialised Bearer Notes are serially numbered and are issued with coupons (the “**Coupons**” and, where appropriate, a talon (the “**Talon**”)) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

*In accordance with Articles L.211-3 and R.211-1 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.*

- (b) **Denomination(s):** Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue (“**Definitive Materialised Bearer Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Notes**”, “**holder of any Note**” or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii)

in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Coupons or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 calendar days' notice in accordance with Condition 14 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC"), as amended from time to time (the "Treaty")), or events have occurred which have substantially the same effects (in either case, "EMU"), redenominate all, but not some only, of the Notes of any Series (as defined below) into Euro and adjust the aggregate principal amount and the Specified Denomination(s) accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
- (ii) The redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 14. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 13, without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to these Conditions or Condition 13 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Coupons and Talons and



shall be notified to Noteholders in accordance with Condition 14 as soon as practicable thereafter.

- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

(e) **Method of Issue**

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

## 2 Conversion and Exchanges of Notes

(a) **Dematerialised Notes**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

## 3 Status

The Notes and, where applicable, any relative Coupons are direct, unconditional, (subject to the provisions of Condition 4) unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, from time to time outstanding.

#### 4 Negative Pledge

So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding (as defined below), the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien (other than a lien arising by operation of law) or other form of encumbrance or security interest (*sûreté réelle*) (“**Security**”), except for any Security securing an amount up to Euro 160 million in respect of the Issuer’s assets other than the ordinary shares issued by Casino Guichard-Perrachon (“**Casino**”) or other securities giving right to receive (through conversion, exchange, subscription or otherwise) equity securities issued by Casino (it being understood that an escrow arrangement (*séquestre*) is not a Security for the purposes hereof), upon the whole or any part of its undertakings, assets or revenues, present or future (including any uncalled capital), to secure any Capital Markets Indebtedness, or any guarantee of or indemnity in respect of any Capital Markets Indebtedness (as defined below) unless, at the same time or prior thereto, its obligations under the Notes and Coupons (A) are secured equally and rateably therewith or (B) have the benefit of such other security or other arrangement as shall be approved by the *Masse* (as defined in Condition 11) pursuant to Condition 11.

For the purposes of this Condition:

- (i) “**Capital Markets Indebtedness**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other securities (including *titres de créances négociables*) which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.
- (ii) “**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in this Agreement and remain available for payment against presentation and surrender of Materialised Bearer Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Bearer Notes that have been surrendered in exchange for replacement Materialised Bearer Notes, (ii) (for the purpose only of determining how many such Materialised Bearer Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Bearer Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Bearer Notes, pursuant to its provisions.

## 5 Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged);
- (iii) the Independent Adviser determines to be appropriate.

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser, determines in accordance with Condition 5(c)(iii)(C)(b) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 5(c)(iii)(C)(d).

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be

prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

- (v) it has become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

**“Business Day”** means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto (the **“TARGET System”**) is operating (a **“TARGET Business Day”**); and/or
- (ii) in relation to any sum payable in Renminbi, a day other than a Saturday, Sunday or public holiday on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any); and/or
- (iii) in the case of a currency other than Euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (iv) in the case of a currency and/or one or more business centre(s) specified in the relevant Final Terms (the **“Business Centre(s)”**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual - ISDA”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).
- (ii) if **“Actual/Actual - ICMA”** is specified in the relevant Final Terms:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified in the relevant Final Terms or, if none is specified, the Interest Payment Date.

(iii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365

(iv) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360

(v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the EC, as amended

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5 (c) (iii) (C) (a)

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period or the interest amount in relation to RMB Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro

“**Interest Payment Date**” means the date(s) specified in the relevant Final Terms

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“**Interest Period Date**” means each Interest Payment Date or such other date(s) specified in the relevant Final Terms

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., as may be supplemented or amended as at the Issue Date

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market or, if otherwise, the principal offices of four major banks in the Relevant Inter-Bank Market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms

**“Reference Rate”** means the rate specified as such in the relevant Final Terms or any Successor Rate or Alternative Rate)

**“Relevant Inter-Bank Market”** means such inter-bank market as may be specified in the relevant Final Terms

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof

**“Relevant Date”** means, in respect of any Note or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service)

**“Relevant Screen Page Time”** means such time as may be specified in the relevant Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service)

**“RMB Note”** means a Note denominated in Renminbi

**“Successor Rate”** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body



“**Specified Currency**” means the currency specified as such in the relevant Final Terms

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms
- (b) the Designated Maturity is a period specified in the relevant Final Terms and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (i) the offered quotation or
- (ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either (i) 11.00 a.m. (London time in the case of LIBOR (London InterBank Offered Rate) or Brussels time in the case of EURIBOR (Euro InterBank Offered Rate)) or (ii) if otherwise, the Relevant Screen Page Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such

quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (b) if the Relevant Screen Page is not available or if subparagraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if subparagraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or (iii) if otherwise, each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used

for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (d) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being the EUR CMS (Constant Maturity Swap), the Rate of Interest for each Interest Period will, subject as provided below, be the offered quotation (expressed as a percentage rate per annum) for EUR CMS relating to the relevant maturity (the relevant maturity year mid swap rate in EUR (annual 30/360)), which appears on the Relevant Screen Page, being Reuters page “ISDAFIX2” under the heading “EURIBOR Basis”, as at 11.00 a.m. Frankfurt time, in the case of the EUR-ISDA-EURIBOR Swap Rate-11:00 on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

Notwithstanding anything to the contrary in this Condition 5, in the event that the Reference Rate does not appear on the Relevant Screen Page, the Calculation Agent shall determine on the relevant

Interest Determination Date the applicable rate based on quotations of five Reference Banks (to be selected by the Calculation Agent and the Issuer) for EUR CMS relating to the relevant maturity (in each case the relevant mid-market annual swap rate commencing two TARGET2 Business Days following the relevant Interest Determination Date). The highest and lowest (or, in the event of equality, one of the highest and/or lowest) quotations so determined shall be disregarded by the Calculation Agent for the purpose of determining the Reference Rate which will be the arithmetic mean (rounded if necessary to five significant figures with halves being rounded up) of such provided quotations.

If, for any reason, the Reference Rate is no longer published or if fewer than three quotations are provided to the Calculation Agent in accordance with the above paragraph, the Reference Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercial and reasonable manner.

- (e) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being the TEC 10 (*Taux de l'Echéance Constante 10 ans*), the Rate of Interest for each Interest Period will, subject as provided below, be the offered quotation (expressed as a percentage rate per annum) for the EUR-TEC10-CNO<sup>1</sup> calculated by the *Comité de Normalisation Obligataire*, which appears on the Relevant Screen Page, being Reuters Screen CNOTE10 Page, as at 10.00 a.m. Paris time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

For information purposes only, the EUR-TEC10-CNO, established in April 1996, is the percentage yield (rounded to the nearest second decimal point, 0.005 per cent. being rounded upwards) of a notional 10 year French Treasury Bond (*Obligation Assimilable du Trésor*, “OAT”) corresponding to the linear interpolation between the yield to maturity of the two actual OATs (the “Reference OATs”) whose periods

<sup>1</sup> All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

to maturity are closest in duration to the notional 10 year OAT, one Reference OAT's duration being of less than 10 years and the other Reference OAT's duration being greater than 10 years.

If, on any Interest Determination Date, such rate does not appear on Reuters Screen CNOTEC10 Page, EUR-TEC 10-CNO shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference OAT, which would have been used by the *Comité de Normalisation Obligataire* for the calculation of EUR-TEC10-CNO, quoted by five *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. Paris time on the Interest Determination Date in question.

The Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price.

EUR-TEC10-CNO will be the redemption yield of the arithmetic mean of such quotations as determined by the Principal Paying Agent after discarding the highest and lowest such quotations. The above mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Comité de Normalisation Obligataire* for the determination of EUR-TEC10-CNO.

### **(C) Benchmark discontinuation**

#### **(a) Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(c)(iii)(C)(b) and, in either case, an Adjustment Spread if any (in accordance with Condition 5 (c)(iii)(C)(c) and any Benchmark Amendments (in accordance with Condition 5 (c)(iii)(C)(d).

An Independent Adviser appointed pursuant to this Condition 5(c)(iii)(C) shall act in good faith and in a commercially reasonable manner as an independent expert and in consultation with the Issuer. The Issuer will not take any discretionary decision on the basis of such consultation. In the absence of bad faith or fraud,

the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agent, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(c)(iii)(C).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(c)(iii)(C)(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 5(c)(iii)(C)(a) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(c)(iii)(C)(a).

(b) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(C)(c) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(c)(iii)(C)(b); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(c) iii)(C)(c) subsequently be used in place of the Original Reference Rate to determine the

Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(c)(iii)(C)(b).

(c) Adjustment Spread

If the Independent Adviser, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(c)(iii)(C)(d) and the Independent Adviser, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(c)(iii)(C)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, and in connection with any such variation in accordance with this Condition 5(c)(iii)(C)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c)(iii)(C) will be notified promptly by the Issuer, after receiving such information from the Independent Adviser, to the Fiscal Agent, to the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.



The Issuer shall deliver to the Fiscal Agent a certificate signed by an authorised signatory of the Issuer and the Independent Adviser:

- (i) Confirming on the basis of the determination of the Independent Adviser (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(c)(iii)(C); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Fiscal Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

- (f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(c)(iii)(C)(a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 5(c)(iii)(B) will continue to apply unless and until a Benchmark Event has occurred.

- (g) New Benchmark Event in respect of the Successor Rate or Alternative Rate

If Benchmark Amendments have been implemented pursuant to this Condition 5(c)(iii)(C) and a new Benchmark Event occurs in respect of the then applicable Successor Rate or Alternative Rate, the provisions of this Condition 5(c)(iii)(C) shall apply as if the Successor Rate or Alternative Rate were the Original Reference Rate.

- (d) **Fixed/Floating Rate Notes:** Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect, upon giving not less than fifteen (15) calendar days prior notice in accordance with Condition 14, to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate (the “**Optional Change of Interest Date**”) or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the “**Automatic Change of Interest Date**”).
- (e) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(d)(i)).
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (g) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (i) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest

Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

- (j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market and the rules applicable to such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (k) **Calculation Agent:** The Issuer shall use its best efforts to procure that there shall at all times one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above in Condition 4). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are listed on any stock exchange and the rules applicable to that exchange so require, notice of any change of Calculation Agent shall be given in accordance with Condition 14.
- (l) **RMB Notes:** Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the

next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an adjustment of the Interest Period if the Interest Payment Date is not a Business Day. If the Notes become due and payable under Condition 9, the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

## 6 Redemption, Purchase and Options

(a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount specified in the relevant Final Terms (which shall be no less than its nominal amount).

(b) **Redemption at the Option of the Issuer and Partial Redemption:**

(i) *Call Option:*

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

(ii) *Make-Whole Redemption:*

If a Make-Whole Redemption is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date, at their Make-Whole Redemption Amount.

If a Residual Call Option is specified in the relevant Final Terms and if the Issuer decides to redeem the Notes pursuant to a Make-Whole Redemption before the Call Option Date (as specified in the relevant Final Terms) pursuant to Condition 6(b)(iii), the Optional Redemption Amount in respect of the Make-Whole Redemption will be calculated taking into account the Call Option Date and not the Maturity Date.

For the purpose hereof:

**"Make-Whole Redemption Amount"** means in respect of any Notes to be redeemed pursuant to this Condition 6(b)(ii), an amount, determined by the Calculation Agent, equal to the greater of (x) 100 per cent. of the principal amount of such Notes and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accrued on the Notes to, but excluding, the date set for redemption) discounted to the relevant redemption date on an annual basis at the Make-Whole Redemption Rate (as specified in the relevant Final Terms) plus a Make-Whole Redemption Margin (as specified in the relevant Final Terms), plus in each case, any interest accrued on the Notes to, but excluding, the date set for redemption.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

**"Make-Whole Redemption Margin"** means the margin specified as such in the relevant Final Terms.

**"Make-Whole Redemption Rate"** means the rate specified as such in the relevant Final Terms.

(iii) *Residual Maturity Call Option:*

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, at any time as from the "**Call Option Date**" specified in the relevant Final Terms, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than ten years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than ten years, until the Maturity Date.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(iv) *Exercise of Issuer's option and partial redemption*

Any redemption or exercise pursuant to paragraphs 6(b)(i) and 6(b)(ii) above shall relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption in respect of Materialised Notes the notice to holders of Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and requirements of the Regulated Market on which the Notes are listed and admitted to trading.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption will be effected by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed, subject to compliance with any applicable laws and requirements of the Regulated Market on which the Notes are listed and admitted to trading.

So long as the Notes are listed and admitted to trading on a Regulated Market and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published on the website of any Regulated Market on which such Notes are listed and admitted to trading, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

(v) *Clean-Up Call Option*

If a Clean-Up Call Option is specified in the relevant Final Terms and if at least 80 per cent. of the initial aggregate nominal amount of the Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may on giving not less than 15 nor more than 30 calendar days' notice to the Noteholders redeem the Notes, in whole but not in part, at their Clean-Up Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms).

- (c) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If a Put Option is specified in the relevant Final Terms the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 calendar days' notice to the Issuer (or such other notice period as may be specified in the relevant Final

Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the “**Exercise Notice**”) in the form obtained during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(d) **Early Redemption:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(e) or Condition 6(h) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(e) or Condition 6(h) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).



Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction as provided in the relevant Final Terms.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(e) or Condition 6(h), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount.

(e) **Redemption for Taxation Reasons:**

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes or Coupons, not be able to make such payment without having to pay additional amounts as specified under Conditions 8(a) and 8(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 calendar days' notice to the Noteholders or, if applicable, to the holders of Coupons (the "Couponholders") (which notice shall be irrevocable), in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes or Coupons be prevented by French law from making payment to the Noteholders or, if applicable, the Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Conditions 8(a) and 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than 7 calendar days' prior notice to the Noteholders or, if applicable, the Couponholders in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders or, if applicable, the Couponholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

- (f) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price and at any condition, whether by a tender offer or otherwise, subject to the applicable laws and regulations. Unless the possibility of holding and reselling is expressly excluded in the Final Terms, all Notes so purchased by the Issuer may be held and resold for the purpose of enhancing the liquidity of the Notes in accordance with applicable French laws and regulations.
- (g) **Cancellation:** All Notes purchased by or on behalf of the Issuer for cancellation will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (h) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.
- (i) **Redemption at the Option of Noteholders following a Change of Control of Casino:** In the event of a Change of Control (as defined below), each Noteholder may request, during the early redemption period set out below, the early redemption of its Notes at 100 per cent. of their principal amount (€100,000 per Note) together with accrued interest up to the effective date of redemption (the "**Early Redemption Price**").

Any Change of Control shall be notified within 5 Business Days of its occurrence, to the Noteholders by the Issuer in accordance with Condition 14 and to the Luxembourg Stock Exchange, irrespective of whether the Change of Control results from a decrease of the Issuer's shareholding in Casino or from the increase of the shareholding in Casino of any other party.

Any such notification will indicate the date of the Change of Control, the period in which the early redemption of the Notes may be requested, the effective date of redemption and the Early Redemption Price. The period when early redemption may be requested will run for at least 20 Business Days following the notification of the Change of Control to the Noteholders by the Issuer in accordance with Condition 14 (the "**Early Redemption Period**"). To request the early redemption of its Notes, the Noteholder must transfer or cause to be transferred by its Account Holder (who holds the Notes on behalf of the Noteholder in its book entries) its Notes to be so redeemed to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer

not later than the last Business Day of the Early Redemption Period together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Paying Agent (a “**Put Option Notice**”) and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 6(i).

A Put Option Notice once given is irrevocable and the Issuer will be required to redeem all the Notes in respect of which such Put Option Notice has been given as set out above no later than the tenth Business Day following the last day of the Early Redemption Period.

For the purposes of this Condition 6(i):

- “**Casino**” means Casino Guichard-Perrachon, *société anonyme* incorporated under the laws of France, registered with the *Registre du commerce et des sociétés* of Saint-Etienne under number 554 501 171;
  - “**Business Day**” means any day, not being a Saturday or a Sunday, on which commercial banks and foreign exchange markets are open for general business in Paris and Luxembourg and on which the TARGET System is operating;
  - “**Change of Control**” means a situation where for whatever reason other than following a merger of Casino:
    - (i) the Issuer, directly or indirectly, acting alone or in concert with others, holds a number of shares representing less than 40 per cent. of the voting rights in the general meetings of Casino, or
    - (ii) (x) the Issuer, directly or indirectly, acting alone or in concert with others, holds a number of shares representing at least 40 per cent. of the voting rights in the general meetings of Casino and (y) any other shareholder of Casino, directly or indirectly, acting alone or in concert with others, holds a number of shares representing a percentage of the voting rights in such general meetings which is higher than the percentage of voting rights attaching to the number of shares held, directly or indirectly, acting alone or in concert with others, by the Issuer.
  - “**acting in concert with others**” has the meaning given to such terms in Article L.233-10 of the French *Code de Commerce*.
- (j) **Redemption at the Option of Noteholders following a Change of Control of the Issuer:** If Foncière Euris ceases directly or indirectly, acting alone or in concert with others, to control the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*, then the Issuer shall promptly:
- (i) publish notice of such loss of control in accordance with Condition 14,
  - (ii) notify the Luxembourg Stock Exchange,
  - (iii) prepare a supplement to the Base Prospectus,
- and each Noteholder shall be permitted, until 30 calendar days following publication of such notice (the “**Issuer’s Early Redemption Period**”), to require from the Issuer the early redemption of all or part of such Noteholder’s Notes, and the Issuer shall be obliged to redeem such Noteholder’s Notes, at their principal amount together with accrued interest up to the effective date of redemption.

To request the early redemption of its Notes, the Noteholder must transfer or cause to be transferred by its Account Holder (who holds the Notes on behalf of the Noteholder in its book entries) its Notes to be so redeemed to the account of the Fiscal Agent specified in the Issuer's Put Option Notice (as defined below) for the account of the Issuer not later than the last Business Day of the Issuer's Early Redemption Period together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Paying Agent (an "**Issuer's Put Option Notice**") and in which the Noteholder may specify a bank account to which payment is to be made under this section.

An Issuer's Put Option Notice once given is irrevocable and the Issuer will be required to redeem all Notes in respect of which such Issuer's Put Option Notice has been given as set out above no later than the tenth Business Day following the last day of the early redemption period set out above.

For the purposes of this Condition 6(j):

- "**Business Day**" means any day, not being a Saturday or a Sunday, on which commercial banks and foreign exchange markets are open for general business in Paris and Luxembourg and on which the TARGET System is operating;
- "**Foncière Euris**" means Foncière Euris, *société anonyme* incorporated under the laws of France, registered with the *Registre du commerce et des sociétés* of Paris under number 702 023 508.

## 7 **Payments and Talons**

(a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

(b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank and (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholders with a Bank.

"**Bank**" means a bank in the principal financial centre for such currency or, in the case of Renminbi in Hong Kong, and, in the case of Euro, in a city in which banks have access to the TARGET System.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if

(i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent having a specified office in at least one major European city (v) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vi) such other agents as may be required by any other Regulated Market on which the Notes may be listed and admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 13, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14.

(f) **Unmatured Coupons and unexchanged Talons:**

(i) Upon the due date for redemption of those Notes, Materialised Bearer Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption

Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).

- (ii) Upon the due date for redemption of any Materialised Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (v) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms and (B) (i) (in the case of a payment in a currency other than Euro and Renminbi), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day, or (iii) in the case of a payment in Renminbi, on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

- (i) **Payment of U.S. Dollar Equivalent:** Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30 calendar days irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in U.S. Dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. Dollar account of the relevant Account Holders for the benefit of the Noteholders. For the avoidance of doubt, no such payment of the U.S. Dollar Equivalent shall by itself constitute a default in payment within the meaning of Condition 9.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(i) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 7:

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

“**Illiquidity**” means that the general Renminbi exchange market in Hong Kong becomes illiquid, other than as a result of an event of Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

“**Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Non-Transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended) to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Renminbi Dealer**” means an independent foreign exchange dealer of international reputation active in the Renminbi exchange market in Hong Kong reasonably selected by the Issuer.

“**RMB Note**” means a Note denominated in Renminbi.

“**RMB Rate Calculation Agent**” means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Final Terms.

“**RMB Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City.

“**RMB Rate Calculation Date**” means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under the Conditions.

“**RMB Spot Rate**” for a RMB Rate Calculation Date means the spot RMB/U.S. Dollar exchange rate for the purchase of U.S. Dollars with RMB in the over-the-counter RMB exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3 or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither such rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11.00 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available RMB/U.S. Dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

“**U.S. Dollar Equivalent**” means the relevant Renminbi amount converted into U.S. Dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

## 8 Taxation

- (a) **Tax exemption for Notes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional Amounts:** If French law should require that payments of principal, interest or other revenues in respect of any Note or Coupon be subject to deduction or withholding in respect of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if



applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with France other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 calendar days after the Relevant Date:** in the case of Materialised Notes, more than 30 calendar days after the Relevant Date except to the extent that the Noteholder or, if applicable, the Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date 7 calendar days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Events of Default

If any of the following events (each an “**Event of Default**”) has occurred or is continuing:

- (i) default by the Issuer in any payment when due of principal or interest in respect of any of the Notes if such default has not been remedied within 15 calendar days thereafter; or
- (ii) default by the Issuer in the performance of, or compliance with, any of its other obligations under the Notes (other than as referred to in Condition 9(i)), if such default has not been remedied within 30 calendar days after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in Condition 11 and requiring the same to be remedied); or
- (iii) the Issuer makes any proposal for a general moratorium in relation to its debts; or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer; or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings; or if the Issuer is wound up or

dissolved, except for the purposes of an amalgamation, reorganisation, consolidation, merger or spin-off which is implemented and the resulting entity of which assumes the obligations of the Issuer under the Notes; or any event which under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events mentioned in this Condition 9(iii); or

- (iv) if the Issuer fails to pay any other present or future indebtedness of the Issuer for moneys borrowed or raised in an aggregate amount exceeding €5,000,000 or its equivalent in any other currency or currencies when it becomes due and repayable prior to its stated maturity by reason of a default in relation thereto or if any such indebtedness is not paid at maturity as extended by any applicable grace period or if any guarantee or indemnity in respect of any such indebtedness of any person given by the Issuer is not honored when due and called upon or within any applicable grace period as originally provided, and any such default has not been remedied within 30 calendar days thereafter, unless the Issuer contests in good faith that such indebtedness is due or the validity of the calling of the guarantee or indemnity, and such dispute has been submitted to a competent court, in which case such event shall not constitute an Event of Default hereunder so long as a definitive judgement has not been rendered;

then the Representative (as defined in Condition 11), may, pursuant to a majority decision of the General Meeting (as defined in Condition 11) or pursuant to an approved Written Resolution (as defined in Condition 11), by notice in writing to the Fiscal Agent given on behalf of any of the Noteholders, before all continuing Events of Default have been remedied, cause the Notes to become immediately due and payable, whereupon the Notes shall become immediately due and payable in cash without further formality on the tenth Business Day (as defined in Condition 6(j)) following the date of such notice at their Early Redemption Amount plus any accrued interest up to the effective date of payment.

Notice of the fact that the Notes have become due and payable pursuant to this Condition 9 shall be given by the Issuer, failing whom the Representative, to the Noteholders in accordance with Condition 14 not later than the second Business Day (as defined in Condition 6(h)) following the date of the Representative's notice to the Fiscal Agent.

## **10 Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **11 Representation of Noteholders**

- (a) *Masse*

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse* which will be subject to the below provisions of this Condition.

All notices, publications or inclusions specified in the French *Code de commerce* and relating to the Masse shall be done in accordance with Condition 14.

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 II, R.228-61, R.228-63 and R.228-69 subject to the following provisions:

(i) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of Noteholders (the “**General Meeting**”).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(ii) **Representative of the Masse**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- the Issuer, the members of its Board of Directors (*Conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and, if any, its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled, if any, to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(iii) **Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(iv) **General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, time, place, agenda and quorum requirements of any General Meeting will be published as provided under Condition 14 not less than 15 calendar days prior to the date of such General Meeting on first convocation and not less than 10 calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, videoconference or any other means of telecommunication allowing the identification of the participating Noteholders as provided *mutatis mutandis* by Article R.225-97 of the French *Code de commerce*. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(v) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and any proposal relating to the issue of notes benefiting from securities over assets (*sûretés réelles*) and which would not be granted to the Noteholders; it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

Decisions of General Meetings and Written Resolutions once approved must be published in accordance with the provisions set forth in Condition 14.

(vi) **Written Resolutions**

Pursuant to Article L.228-46-1 of the French *Code de commerce*, in respect of any Series of Dematerialised Notes only, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a resolution in writing (a “**Written Resolution**”). Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders (“**Electronic Consent**”).

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 14 not less than 15 calendar days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

A Written Resolution will be deemed to have been approved if Noteholders expressing their approval represent not less than 80 per cent. in nominal amount of the Notes outstanding.

(b) Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15 calendar days’ period preceding the holding of each General Meeting and Written Resolution Date, and, in the case of an adjourned General Meeting, 10 calendar days’ period preceding the holding of such adjourned General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolutions, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting or the Written Resolution.

(c) Expenses

The Issuer will pay all reasonable expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and seeking of a Written Resolution and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(d) Single Masse

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first-mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

(e) One Noteholder

If and for so long as the Notes of any Series are held by a single Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all powers, rights and obligations entrusted to the Masse by the provisions of Condition 11. The Issuer shall hold a register of the decisions taken by the sole Noteholder and shall make them available, upon request, to any subsequent holder of any of the Notes of such Series.

(f) Benchmark Discontinuation

By subscribing the Notes and solely in the context of a Benchmark Event which leads to the application of a Benchmark Amendment, each Noteholder shall be deemed to have agreed and approved any Benchmark Amendments or such other necessary changes pursuant to Condition 5(c)(iii)(C).

For the avoidance of doubt, in this Condition 11 “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer in accordance with applicable French laws and regulations that are held by it and not cancelled.

## 12 Replacement of definitive Notes, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and regulations of the Regulated Market on which the Notes are listed and admitted to trading, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 13 Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical

in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to “Notes” shall be construed accordingly.

- (b) **Consolidation:** The Issuer may, with the prior approval of the Redenomination and Consolidation Agents, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 calendar days’ prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 14 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) they are published (a) so long as such Notes are admitted to trading on any Regulated Market and the rules of such Regulated Market so permit, on the website of the Regulated Market where the admission is sought, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or, (b) at the option of the Issuer, in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*). Provided that, so long as such Notes are listed and admitted to trading on any Regulated Market, notices shall be valid if published on the website of the Regulated Market on which such Notes is/are listed and admitted to trading, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (*www.bourse.lu*).
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (a) so long as such Notes are admitted to trading on any Regulated Market and the rules of such Regulated Market so permit, on the website of the Regulated Market where the admission is sought, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or, (b) at the option of the Issuer in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any Regulated Market, on the website of the Regulated Market on which such Notes is/are listed and admitted to trading, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (*www.bourse.lu*).
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.

- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 14 (a), (b) and (c) above; except that (i) so long as such Notes are listed on any stock exchange(s) and the rules applicable to that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed or on the website of such stock exchange and (ii) notices relating to the convocation, decision(s) of the General Meetings or Written Resolution(s) pursuant to Condition 11, or to any decision taken by the Issuer following a General Meeting or a Written Resolution, shall also be published on the website of the Issuer (*www.rallye.fr*).

## 15 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes (and, where applicable, the Coupons and the Talons) and any non-contractual obligation arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Coupons or Talons may be brought before any competent court in Paris.



## **TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED BEARER NOTES**

### **Temporary Global Certificates**

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream (the “**Common Depositary**”), Euroclear or Clearstream will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

### **Exchange**

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “General Description of the Programme - Selling Restrictions”), in whole, but not in part, for the Definitive Materialised Bearer Notes and
- (ii) otherwise, in whole but not in part upon certification if required under U.S. Treasury regulation section 1.163-5(c)(2)(i)(D)(3) (or any successor regulation issued under Code section 4701(b) containing rules identical to those applying under U.S. Internal Revenue Code section 163(f)(2)(B)) as to non-U.S. beneficial ownership in (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Bearer Notes.

While any Materialised Note is represented by a Temporary Global Certificate, any payment payable in respect of such Materialised Note prior to the Exchange Date (as defined below) will be made only to the extent that the certification described in (ii) above has been received by Euroclear and/or Clearstream, and Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certification received) to the relevant Paying Agent. The holder of a Temporary Global Certificate will not be entitled to collect any payment due thereon on or after the Exchange Date unless, upon due certification as described above, exchange of the Temporary Global Certificate for an interest in Definitive Materialised Notes is improperly refused or withheld.

### **Delivery of Definitive Materialised Bearer Notes**

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes. In this Base Prospectus, Definitive Materialised Bearer Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and requirements of the Regulated Market. Forms

of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

**Exchange Date**

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 13(a), the Exchange Date shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## SELECTED FINANCIAL INFORMATION

<b>Consolidated financial data (€m)</b>	<b>As of 31/12/2017<sup>1</sup></b>	<b>As of 31/12/2016<sup>1</sup></b>	<b>As of 30/06/2018</b>	<b>As of 30/06/2017<sup>4</sup></b>
Total Equity	11,263	12,631	10,012	11,627
Net Debt	7,168	6,428	8,514	8,684
Total Assets	39,862	43,666	38,317	39,446

<b>Consolidated financial data (€m)</b>	<b>Year 2017<sup>1</sup></b>	<b>Year 2016<sup>1</sup></b>	<b>First half 2018</b>	<b>First half 2017<sup>2</sup></b>
Net sales	38,634	36,784	18,224	18,816
EBITDA <sup>2</sup>	1,941	1,710	766	795
Recurring operating income	1,237	1,033	425	441
Net income from continuing operations, Attributable to owners of the parent	(89)	(150)	(130)	(132)
Net income, Attributable to owners of the parent	(92)	1,203	(128)	(136)

<sup>1</sup> As published in the 2017 AR

<sup>2</sup> As published in the 2018 Interim Financial Report and described in Note 1.3 of 2018 Interim consolidated financial statement, First Half 2017 figures have been restated to reflect the retrospective application of IFRS 15 – Revenue from Contracts, moreover, certain changes have been made to the presentation of the consolidated income statement in connection with the application of IFRS 15

<sup>3</sup> Earnings before interest, tax, depreciation and amortization

<sup>4</sup> As published in the 2017 Interim Financial report

## DESCRIPTION OF THE ISSUER

Please note that further information in respect of the Issuer are incorporated by reference in the section “Documents Incorporated by Reference” on pages 18 to 22 of this Base Prospectus.

### Introduction

**Rallye**, a French *société anonyme*, is registered with the *Registre du Commerce et des Sociétés* of Paris under number 054 500 574. Its registered office is located at 83, rue du Faubourg Saint-Honoré, 75008 Paris, France. The phone number of Rallye’s switchboard is +33 1 44 71 13 73.

### Business overview

Rallye is present in the food and specialised retail sectors through its majority interests in Casino Guichard-Perrachon and Groupe Go Sport. Rallye also manages an investment portfolio with financial and real estate assets.

The Rallye Group’s current structure results from restructuring operations undertaken in 1992 and 1993, which included:

- the contribution of all the hypermarket, supermarket and cafeteria business lines to the Casino Group;
- the consolidation of the parent companies Rallye SA and Coficam and of SMPO and Record Carburants via mergers. After these transactions, the acquiring company, Genty-Cathiard, changed its name to Rallye;
- a transfer of property assets by Foncière Euris.
- This structure was completed by the public exchange offer for Casino shares, initiated in September 1997 and by the merger-absorption of GO Sport by Courir, now known as Groupe GO Sport, on December 27, 2000.

Rallye provides no management services to its operating subsidiaries. However, it receives technical and strategic support from Euris, the Group’s parent company.

Rallye is listed on Euronext Paris and has a market capitalization of €0.539bn as at 30 June 2018.

## RECENT DEVELOPMENTS

### 1- *Recent developments at Rallye and Groupe Go Sport level*

Paris, August 22, 2018

RALLYE - INVESTOR PUT ON THE €375M EXCHANGEABLE BONDS (ISIN CODE FR0011567908)

Further to the Early Redemption at the Option of the Bondholders a nominal amount of €370m will be redeemed in cash on October 2nd, 2018. Rallye benefits from a strong liquidity position, with more than €1.7bn of confirmed and undrawn credit lines. The average maturity of these lines is 3.6 years.

Rallye contact: Franck HATTAB + 33 (0)1 44 71 13 73

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Paris, September 16, 2018

RALLYE STRENGTHENS ITS LIQUIDITY THROUGH THE SIGNING OF A €500M CREDIT FACILITY DUE JUNE 30TH, 2020

Rallye has signed today a confirmed credit facility maturing June 30th, 2020 for an amount of €500m with five of its core banks: BNP Paribas, Crédit Agricole CIB, Crédit Industriel et Commercial, HSBC and Natixis, demonstrating their willingness to support Rallye on the long term.

This additional confirmed credit facility does not benefit from any pledge on Casino shares and comes on top of Rallye's current liquidity.

Rallye confirms its confidence in the Group's fundamentals and prospects.

Rallye contact: Franck HATTAB + 33 (0)1 44 71 13 73

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Paris, October 18, 2018

RALLYE STRONGLY REFUTES SOPHIE VERMEILLE'S ALLEGATIONS ON THE VALIDITY OF ITS ACCOUNTS

Rallye strongly refutes the allegations made by Sophie Vermeille, advisor to hedge funds, relayed by Challenges Magazine questioning the validity of its accounts.

Rallye reminds that its statutory accounts have been prepared in accordance with French GAAP and have been audited and certified by its statutory auditors without any reserve.

These allegations, published during trading hours, are yet another example of the dissemination of misleading information and the attempt to destabilize the company systematically orchestrated over the past few months by short-sellers and hedge funds.

Rallye therefore referred the matter to the Autorité des marchés financiers (AMF) and instructed its lawyers to initiate appropriate proceedings.

Rallye contact: Franck HATTAB + 33 (0)1 44 71 13 73

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Paris, October 22, 2018

## GROUPE GO SPORT, WHOLLY-OWNED SUBSIDIARY OF RALLYE, RECEIVED A BINDING OFFER FROM EQUISTONE PARTNERS EUROPE FOR THE ACQUISITION OF COURIR

Rallye announces that its 100%-owned subsidiary, Groupe Go Sport, received today a binding offer from Equistone Partners Europe for the acquisition of the whole business of Courir, for an equity value of €283m. In this context, Groupe Go Sport has entered today into exclusive negotiation with Equistone Partners Europe.

The completion of this project remains subject to the consultation of employees' representative bodies and clearance from the relevant antitrust authorities.

The completion of this transaction could occur in the course of H1 2019.

Groupe Go Sport (data as of June 2018)

Subsidiary of Rallye, Groupe Go Sport is the shareholder of Go Sport France and Courir France.

### About Go Sport

GO Sport is a sporting multi-specialist who supports athletes to reach their goals, by offering the good equipment, the good advice and the good service. Founded in the heart of the Alps following the Winter Olympic Games in the late 1970s, GO Sport operates 220 stores in France (of which 125 affiliates) and 78 abroad (of which 34 in Poland). For more information on GO Sport: [www.go-sport.fr](http://www.go-sport.fr)

### About Courir

With 248 stores in France (of which 58 affiliates) and 30 abroad (of which 2 in Spain), Courir imposed itself as the frontrunner of the sneaker fashion in France, especially among women and 15-25 years old. For more information on Courir: [www.courir.com](http://www.courir.com)

### About Equistone Partners Europe

Equistone is an independent investment firm wholly-owned and managed by its executives. The company is one of Europe's leading investors in mid-market buyouts with a strong, consistent track record spanning over 30 years, with more than 400 transactions completed in this period. Equistone has a strong focus on change of ownership deals and aims to invest between €30m and €150m of equity in businesses with enterprise values of between €50m and €500m. The company has a team of over 35 investment professionals operating across France, Germany, Switzerland and the UK, investing as a strategic partner alongside management teams. Equistone is currently investing its sixth buyout fund, which held a final closing at its €2.8bn hard cap in March 2018. Equistone is authorised and regulated by the Financial Conduct Authority. Further information can be found at [www.equistonepe.com](http://www.equistonepe.com)

Rallye contact: Franck HATTAB + 33 (0)1 44 71 13 73

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Paris, October 25, 2018

## PRESS RELEASE RALLYE AND CASINO

For several months now, Rallye and Casino have been the subject of violent attacks and misinformation campaigns orchestrated notably by hedge funds in order to artificially reduce the value of their shares and destabilize the companies, their employees and shareholders.

As a result, Rallye and Casino announce that they have filed a criminal complaint versus X with the financial Public Prosecutor for price manipulation, dissemination of false or misleading information, and insider trading.

Rallye contact: Franck HATTAB + 33 (0)1 44 71 13 73

## 2- *Recent developments at Casino level*

8 August 2018

### CASINO GROUP: CASINO REJECTS THE BERNSTEIN ESTIMATES RELATED TO OPERATIONS WITH ITS FRANCHISEES

Paris, 8th August 2018 – Bernstein (Sanford C. Bernstein Limited) has today (8th August 2018) released a report focusing on Casino's relations with its French franchisees. Casino refutes the report's presentation of the cash impact of those operations. As acknowledged by the analyst in the report, the results of the franchise partnerships are fully disclosed and appropriately accounted for. Casino has a number of franchisees in its convenience formats (Franprix Leader Price, Casino....) of which master franchises. As a result, stores move from franchise to integrated and vice versa. Casino has majority or minority stakes in those companies which results into different accounting treatments. In summary:

- Casino has no obligation to buy back the stores transferred to franchisees
- In a very unlikely scenario where all the stores transferred would have to be simultaneously closed, the one-off cost for the Group would be limited to around 50M€.

Casino strongly believes in its franchised business model. Partnerships with franchisees have been historically at the core of the Group strategy, especially for the Franprix and Leader Price banners.

In particular, Casino would like to underline the following wrong assertions in the report:

- As already mentioned by the Group in its financial communication and financial statements, loss-making stores were transferred to franchisees with a purpose to improving their profitability (thanks to costs cutting initiatives, improvement in the offering, reduction of shrinkage, ...). These corporate master-franchisees (among which Mr Zouari and Mr Hadjez) have been long run, major and well-known partners of the Group, with strong financial capacities. Some of them have even actively contributed to iconic new concepts (Leader Price drive-thru, Next, ...).
- Casino has no obligation to buy back these stores, unlike what was mentioned in the Bernstein's report. Moreover, the stores that were transferred in the past (2015 and 2016) have been showing encouraging recovery; considering this success, other underperforming stores have been sold to franchisees at the beginning of 2018. Other stores have been closed.
- As a pre-requisite to the transfers, Casino usually recapitalizes the store by an amount corresponding to the past losses. It is a one-time only process. The minority JV which are presently loss making generate a cash loss which will be reduced over time and non performing stores will be closed. Write down of intercompany loans should not be doubled counted, hence:
  - o the 157M€ of losses mentioned by the report and serving as a base to the 6€ reduction in the broker's target price is a false number as it is mixing P&L and cash flow elements
  - o the -42M€ losses estimated by the analyst as a run rate figure (for the stores with a 49% ownership) correspond to a figure which is set to decline over time. It is worth mentioning that is not an EBITDA loss but rather a net income one (including amortization)



- o dividends paid to minorities are already taken into account in the FCF of the Group
- o « fees for perimeter transactions » of 33M€ in H1 2018 have nothing to do with transfers to franchisees; they are related to exceptional fees related to the current M&A projects
- o « impairment of loans » for 28M€ are not a recurring cost; it is the depreciation of loans granted in the past, hence it cannot be added to current losses
- o « pre-funding » at 51% is materially false: there is no equity payable, and Casino cannot be compelled to offset losses beyond 49% for its share of equity.

As a conclusion, Casino confirms its commitment to reduce its net financial debt in France by at least 1Bn€ in 2018, which includes all elements related to the transactions with franchisees.

## CASINO GROUP

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30 August 2018

## SPANISH GROUP DIA JOINS THE NEW GENERATION HORIZON INTERNATIONAL SERVICE PLATFORM

**The new generation Horizon International service platform, formed in June this year by Auchan Retail, Casino Group and METRO, has a new member from 30 August: international group DIA. This addition underpins Horizon International's outward-looking ambitions, reinforces its international dimension and makes it a top tier international alliance.**

### **A platform with a clear international dimension**

Horizon International brings together players that share a new vision of international cooperation with suppliers, by offering, for instance, international services for major international suppliers, drawing on their complementary geographic locations, or by assisting SMEs in their international development. The multi-level trade alliance is comprising activities of different retail formats as well as wholesale activities including delivery operations.

### **A platform with an outward-looking ambition**

DIA's arrival will give Horizon International added clout, diversity and international presence. DIA will also bring its hard discount expertise, its strong market positions, particularly in Spain, Portugal and South America, and its purchasing capacity for 7.400 sales outlets. Leading Horizon International to be one of the top tier international alliances with the largest geographical footprint: suppliers and customers in more than 40 countries across Europe, Asia and South America will benefit from the extended cooperation.

The choice of DIA to join the new generation alliance underpins Horizon International's original approach: with DIA, the partners are adding more complementary geographic locations to the global network and displaying their ambition to develop collaborative, balanced and innovative negotiations that take the interest of all players into account, whether they are consumers or manufacturers.

Going to market is subject to approvals of relevant competition authorities.

### ***About Auchan Retail***

Among the 5 most internationalized food banners in the world and located in 17 countries, Auchan Retail (with net sales of €52bn in 2017) combines all the food retail formats with 3 778 outlets under banners (hypermarkets, supermarkets and ultra-proximity), extended by the e-commerce and drive in certain countries. To build a conquering and modern business, Auchan Retail focuses on clients by offering them discount prices, variety and diversity of offering, quality of service, adaptation to local markets, consideration of their multi-channel purchasing behaviors. 35th employer in the world, the firm has 351 107 employees. [www.auchan-retail.com](http://www.auchan-retail.com)

### ***About Casino Group***

Casino Group is a well-established and key player in the French retail industry as well as a leader in the global food retail market, with more than 12,000 stores worldwide – in France, Latin America and in the Indian Ocean region. The Group has built up a portfolio of strong, dynamic and complementary banners, thanks to its workforce of over 220,000 people driven by a passion for retail and customer service, generating consolidated net sales of €38bn in 2017. In France, the Group successfully implemented its multi-format, multi-brand and multi-channel model by leveraging its large network of hypermarkets (Géant), supermarkets (Casino), urban supermarkets (Monoprix, Franprix, Leader Price), convenience stores (Casino Shop, Vival, Spar, Leader Price Express) and the French e-commerce leader Cdiscount. The Group is notably present in Latin America: N°1 in Brazil with GPA and Via Varejo and in Colombia with Grupo Exito. In all of its host countries, the Casino Group focuses its development on the formats with the highest potential and ability to adapt in order to meet customer needs, both today and in the future. [www.groupe-casino.fr](http://www.groupe-casino.fr)

### ***About METRO***

METRO is a leading international specialist in wholesale and food retail. The company operates in 35 countries and employs more than 150,000 people worldwide. In financial year 2016/17, METRO generated sales of approximately €37 billion. The company provides custom solutions to meet the regional and international needs of its wholesale and retail customers. With its sales brands METRO/MAKRO Cash & Carry and Real as well as delivery services and digitisation initiatives, METRO sets the standards for tomorrow: for customer focus, digital solutions and sustainable business models. More information is available at [metroag.de](http://metroag.de).

### ***About DIA***

DIA (Distribuidora Internacional de Alimentación) is an international food retailer that also distributes fast-moving and HPC goods. DIA is traded on the Madrid Stock Exchange and is part of the Ibex 35, the main reference index of the Spanish stock market. In 2017, gross sales under banner reached EUR10.33bn and the company had 7,388 stores in the countries in which it operates: Spain, Portugal, Brazil and Argentina

#### **AUCHAN RETAIL - PRESS CONTACTS:**

Auchan Retail – Direction of Communication

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Agence Presse & Cie

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## CASINO GROUP

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## METRO GROUP

### METRO France:

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### METRO International:

Rüdiger Stahlschmidt - presse@metro.de, 0049 (0) 211 – 6886 4252

## DIA GROUP

### DIA Group – Corporate Communications

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3 September 2018

## CASINO CONFIRMS ITS GOOD OPERATIONAL PERFORMANCE, ITS FINANCIAL STRENGTH AND REAFFIRMS ITS 2018 PROFITABILITY AND DELEVERAGING OBJECTIVES

Paris, 3 September 2018 – The Casino Group takes note of Standard & Poor's (S&P) decision to downgrade its financial rating by one notch at BB, negative perspective.

Casino notes that the rating agency's assessment does not take into account the ongoing €1.5bn disposal plan.

This rating change has no impact on the cost of Casino's bond debt, and does not affect its liquidity. At 30 June 2018, Casino in France<sup>1</sup> had €5.5bn liquidity, of which €2.2bn cash and €3.3bn confirmed and undrawn credit lines (unaffected by its rating), of which €3.1bn have a maturity between 2020 and 2022.

As for its bond debt, Casino has already bought back €128m of bonds since the beginning of July, reducing its gross debt by the same amount. As of today, its bond debt amounts to €5.7bn and will be reduced by the end of the year by paying back the €355m November 2018 maturity bond and further buybacks to come.

The Group confirms its objective of €1bn net debt reduction in France by end 2018, to €2.7bn (vs €3.7bn at end 2017)<sup>2</sup> taking into account the proceeds of the ongoing disposal plan and its operational cash-flow.

<sup>1</sup> Scope France: the Casino, Guichard-Perrachon parent company, French businesses and wholly-owned holding companies

Given the good sales momentum in France and Latam since the beginning of the year and particularly in July and August, the Group confirms all of its annual objectives for year 2018, which were already announced when H1 2018 results were published.

The Casino board, which met on 31 August 2018, notes that the Casino stock price is the object of speculative repeated attacks.

It has reviewed the analysis provided by financial advisers of the company and observes that the Group has operational resilience, financial strength and immediately accessible resources, which are not reflected in the current stock price.

#### CASINO GROUP

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23 September 2018

#### PRESS RELEASE OF CASINO GROUP

Casino has been contacted by Carrefour over the last few days with a view to a possible combination.

A meeting of Casino's board of directors was accordingly held today, September 23, 2018.

The board unanimously reiterated its entire confidence in Casino's strategy for value creation based on its unique market positioning.

Casino thus intends to take all necessary action to defend the group's corporate interest, and its structural integrity, a key factor for the success of its strategy.

The board of directors also acknowledged the barriers, in France and in Brazil, to a combination with Carrefour, especially in terms of competition and employment. The board unanimously decided to reject Carrefour's approach.

It also observed that Carrefour's approach occurs at a time when the market for Casino's securities has been subjected to coordinated downward speculative manipulations of an unprecedented scale over the course of the past several months.

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<sup>2</sup> As a reminder, at 30 June 2018, the consolidated gross debt at Group level including international subsidiaries amounted to €10.1bn corresponding to a net debt of €5.4bn

## CASINO GROUP

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01 October 2018

## SIGNING OF A SYNALLAGMATIC AGREEMENT FOR THE DISPOSAL OF A PORTFOLIO OF REAL ESTATE ASSETS FOR A NET AMOUNT OF €565M

On September 28, 2018, Casino Group has signed a synallagmatic agreement with a major institutional investor for the disposal of 55 Monoprix real estate assets, with a geographical mix representative of the overall Monoprix footprint with 19 assets in Paris region. After deducting registration fees, the net amount of the transaction is €565M for an annual rent of €27M. The proceeds from the disposal will be received no later than 27 December 2018.

Including the disposal of 15% of Mercialys via a TRS, the operations realized within the deleveraging plan amount to €778M to date. Moreover, Casino Group has already received additional indicative offers on other assets that are included in the disposal plan, which could materialize before the end of the year.

Casino Group confirms all of its 2018 objectives. Continued good operational performance and the progressive roll-out of new profitability levers (New Horizon purchasing alliance, further data monetization, accelerated external development of GreenYellow) will enable Casino Group to improve its retail trading profit in France in 2019 at a similar pace to 2018, including the effects of additional rents.

## CASINO GROUP

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12 October 2018

## CASINO GROUP TO ASSOCIATE TIKEHAU CAPITAL AND BPIFRANCE TO THE DEVELOPMENT OF ITS SUBSIDIARY GREENYELLOW

Casino Group, Tikehau Capital and Bpifrance announce today the signing of an agreement under which Tikehau Capital and Bpifrance will enter the capital of GreenYellow, Casino's subsidiary dedicated to solar energy and energy efficiency solutions, via a capital increase of €150 million, representing a 24% stake.

This capital increase will allow GreenYellow to accelerate its development in all of its markets in France and abroad and to benefit from the expertise of Tikehau Capital and Bpifrance in the fast growing renewable energies and energy efficiency sectors.

The closing of the operation is expected by December 2018, subject to the fulfilment of the usual related conditions.

**Otmane Hajji, CEO of GreenYellow**, commented: “We are proud to welcome Tikehau Capital and Bpifrance in our capital, alongside our historical shareholder and client Casino Group. Born out of an intrapreneurial and pioneer initiative within Casino Group, GreenYellow has become, in only 10 years, a leading player in the solar photovoltaic and energy efficiency solutions in France and globally. The support and the trust of our two new shareholders will enable us to pursue and accelerate our development, and to accompany more clients in their energy transition.”

### **About GreenYellow**

Founded in 2007 within the Casino Group, GreenYellow offers unique solutions in the emerging field of energy transition. Engaged in the development of B2B solutions helping its customers to reduce their energy costs, GreenYellow has developed more than 150 decentralized photovoltaic projects generating c.190 MWp, and operates more than 1,500 energy efficiency contracts with Casino Group as well as with third-party customers. GreenYellow is a leader in its main markets, including France, Brazil and Colombia, and is expanding rapidly in Asia and Africa. Today, GreenYellow has more than 260 employees and has a presence in France, Latin America, Africa and Asia.

### **About Casino Group**

Casino Group is a well-established and key player in the French retail industry as well as a leader in the global food retail market, with more than 12,000 stores worldwide – in France, Latin America and in the Indian Ocean region. The Group has built up a portfolio of strong, dynamic and complementary banners, thanks to its workforce of over 220,000 people driven by a passion for retail and customer service, generating consolidated net sales of €38bn in 2017. In France, the Group successfully implemented its multi-format, multi-brand and multi-channel model by leveraging its large network of hypermarkets (Géant), supermarkets (Casino), urban supermarkets (Monoprix, Franprix, Leader Price), convenience stores (Casino Shop, Vival, Spar, Leader Price Express) and the French e-commerce leader Cdiscount. The Group is notably present in Latin America: N°1 in Brazil with GPA and Via Varejo and in Colombia with Grupo Exito. In all of its host countries, the Casino Group focuses its development on the formats with the highest potential and ability to adapt in order to meet customer needs, both today and in the future. [www.groupe-casino.fr](http://www.groupe-casino.fr)

### **About Tikehau Capital**

Tikehau Capital is an asset management and investment Group which manages €14.8bn of assets (as of June 2018) with shareholders' equity of €2.3bn (as of June 2018). The Group invests in various asset classes (private debt, real-estate, private equity and liquid strategies), including through its asset management subsidiary Tikehau IM, on behalf of institutional and private investors. Controlled by its managers, alongside leading institutional partners, Tikehau Capital employs c.230 staff (as of June 2018) in its Paris, London, Brussels, Madrid, Milan, New York,

Seoul and Singapore offices. Tikehau Capital is listed on Euronext Paris, compartment A (ISIN code: FR0013230612; Ticker: TKO.FP).

### **About Bpifrance**

Bpifrance is the French national investment bank: it finances businesses – at every stage of their development – through loans, guarantees, equity investments and export insurances. Bpifrance also provides extrafinancial services (training, consultancy.) to help entrepreneurs meet their challenges (innovation, export...). For more information, please visit: [www.bpifrance.fr](http://www.bpifrance.fr) and [presse.bpifrance.fr](http://presse.bpifrance.fr) - Follow us on Twitter: @Bpifrance - @BpifrancePresse

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October 15, 2018

### **TWELVE SUPERMARKETS AND HYPERMARKETS OPERATED BY THE QUATTRUCCI FAMILY JOIN THE CASINO GROUP**

The Casino Group announces the signing, on 12 October 2018, of a partnership with the Quattrucci family where twelve stores which specialize in fresh products and are currently operated by Claude, Bruno Quattrucci and their children, will join the Casino Group.

As of 1 January 2019, these stores will be supplied by the Casino Group. Seven of them will be operated under the "marché frais Géant" banner and the other five will operate under the "marché frais Leader Price" banner.

These stores, located in the Ile-de-France region and the Oise department, generated more than 300 million euros sales in 2017.

This partnership, while operating under these two Casino Group banners, will preserve the concept developed by the Quattrucci family and which has ensured its success: interior design in the spirit of covered markets, a strong focus on fresh products available in self-service, a well-designed assortment of consumer products, making it possible to offer a complete and high quality range of products at low prices.

This partnership further demonstrates Casino's development strategy, which is focused on buoyant formats and the implementation of partnerships with experienced food retail operators.

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October 18, 2018

**SIGNING OF A SYNALLAGMATIC AGREEMENT FOR THE DISPOSAL OF A PORTFOLIO OF REAL ESTATE ASSETS FOR A NET AMOUNT OF €180M.**

On October 17, 2018, Casino Group has signed a synallagmatic agreement with AG2R LA MONDIALE for the disposal of 14 Monoprix real estate assets, with a geographical mix representative of the overall Monoprix footprint. After deducting registration fees, the net amount of the transaction is €180M for an annual rent of €8.6M. The proceeds from the disposal will be received no later than January 2019.

**CASINO GROUP**

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**NET SALES – Q3 2018**

**Increase in net sales of +5.4% on an organic basis and +3.3% on a same-store basis**

**Accelerated growth in France and Latin America**

**Success of the Cdiscount marketplace**

- **In France**, sales rose +2.0% on an organic basis and +1.9% on a same-store basis:
  - **Monoprix**: growth of +1.8% on an organic basis and +1.4% on a same-store basis; strong growth in traffic and food; excellent performance by Parisian stores.
  - **Franprix**: organic growth of +4.1% and same-store growth of +2.7%; very robust traffic during the quarter reflecting the banner's positioning.



- **Casino Supermarkets**<sup>1</sup>: growth of +2.0% on an organic basis and +1.5% on a same-store basis; development of the franchise network.
- **Géant hypermarkets**<sup>1</sup>: organic growth of +3.2% and same-store growth of +2.8%; excellent momentum in food and continued market share gains<sup>2</sup>; success of Cdiscount corners.
- **Convenience**: organic growth of +4.3% and same-store growth of +3.2%; ongoing strong momentum among franchisees and sharp recovery at integrated stores.
- **Leader Price**: stable organic performance and same-store growth of +1.9%; sequential improvement in traffic and increase in the average basket.
- **Cdiscount**: gross merchandise volume (GMV) up +9.3%<sup>1</sup> on an organic basis; accelerated growth in the marketplace, representing 36.0%<sup>3</sup> of GMV; increase in data monetisation revenues.
- **In Latin America**, sales were up +10.4% organically and +5.5% on a same-store basis:
  - **GPA Food**: organic growth of +12.6% led by Multivarejo's ongoing recovery and Assaí's very good performance.
  - **Éxito Group (excluding GPA Food)**: sequential improvement in organic and same-store sales.

**Based on the performance observed to date and the progress of the disposal plan, the Group confirms all its annual objectives.**

### CHANGE IN NET SALES

BY SEGMENT (in € millions)	Q2 2018 / Q2 2017 change				Q3 2018 / Q3 2017 change			
	Q2 2018	Total growth	Organic growth <sup>2</sup>	Same-store growth <sup>7</sup>	Q3 2018	Total growth	Organic growth <sup>7</sup>	Same-store growth <sup>7</sup>
France Retail	4,759	+0.8%	+1.3%	+1.8%	4,832	+2.0%	+2.0%	+1.9%
Cdiscount	403	+5.4%	+5.3%	+5.1%	452	-3.1%	-3.1%	-3.1%
Total France	5,162	+1.1%	+1.6%	+2.1%	5,284	+1.5%	+1.5%	+1.4%
Latam Retail	3,754	-8.1%	+9.7%	+4.4%	3,638	-7.5%	+10.4%	+5.5%
<b>TOTAL GROUP</b>	<b>8,916</b>	<b>-3.0%</b>	<b>+5.2%</b>	<b>+3.2%</b>	<b>8,922</b>	<b>-2.4%</b>	<b>+5.4%</b>	<b>+3.3%</b>

*2017 and 2018 financial statements prepared in accordance with IFRS 15 and not restated for the application of IAS 29 (see appendices). Pursuant to the 2016 decision to dispose of Via Varejo and in accordance with IFRS 5, Via Varejo (including Cnova Brazil) is still recognised as a discontinued operation.*

In Q3 2018, net sales totalled €8.9bn, down -2.4% overall compared with Q3 2017, impacted by an unfavourable currency effect of -7.6%.

Sales increased +5.4% in organic terms and +3.3% on a same-store basis, year on year (yoy). The scope effect was +0.3%, the fuel effect came to +0.3%, and the calendar effect was -0.8%.

<sup>1</sup> Excluding Codim stores in Corsica: eight supermarkets and four hypermarkets

<sup>2</sup> Kantar market share, in value, measured over the P09 2018 period, on a cumulative basis to date

<sup>3</sup> GMV figures published by Cnova NV and unaudited. The organic changes include sales at Cdiscount corners but exclude sales of technical products and household equipment generated with hypermarket and supermarket customers.

<sup>7</sup> Excluding fuel and calendar effects.

■ **France Retail**

BY BANNER	Q2 2018 / Q2 2017 change				Q3 2018 / Q3 2017 change			
	Q2 2018	Total growth	Organic growth <sup>1</sup>	Same-store growth <sup>4</sup>	Q3 2018	Total growth	Organic growth <sup>4</sup>	Same-store growth <sup>4</sup>
<b>Monoprix</b>	<b>1,129</b>	+2.9%	+2.1%	+1.4%	<b>1,049</b>	+3.3%	+1.8%	+1.4%
<b>Franprix</b>	<b>416</b>	+0.0%	+1.0%	+1.3%	<b>380</b>	+2.7%	+4.1%	+2.7%
<b>Supermarkets</b>	<b>805</b>	+1.0%	+1.6%	+1.5%	<b>878</b>	+2.1%	+1.9%	+1.7%
<i>o/w Casino Supermarkets<sup>2</sup></i>	<i>762</i>	<i>+1.0%</i>	<i>+1.4%</i>	<i>+1.4%</i>	<i>818</i>	<i>+2.4%</i>	<i>+2.0%</i>	<i>+1.5%</i>
<b>Hypermarkets</b>	<b>1,174</b>	+3.0%	+2.8%	+2.5%	<b>1,256</b>	+2.2%	+2.2%	+1.8%
<i>o/w Géant<sup>5</sup></i>	<i>1,117</i>	<i>+3.5%</i>	<i>+3.2%</i>	<i>+2.8%</i>	<i>1,191</i>	<i>+3.2%</i>	<i>+3.2%</i>	<i>+2.8%</i>
<i>o/w food</i>	<i>772</i>	<i>+2.0%</i>	<i>+4.0%</i>	<i>+4.3%</i>	<i>821</i>	<i>+2.9%</i>	<i>+4.4%</i>	<i>+4.5%</i>
<i>o/w non-food</i>	<i>122</i>	<i>-7.4%</i>	<i>-5.4%</i>	<i>-5.2%</i>	<i>147</i>	<i>-5.9%</i>	<i>-4.4%</i>	<i>-4.3%</i>
<b>Convenience &amp; Other<sup>3</sup></b>	<b>593</b>	-2.5%	-1.0%	+0.7%	<b>667</b>	+1.5%	+2.5%	+3.5%
<i>o/w Convenience<sup>4</sup></i>	<i>319</i>	<i>+1.2%</i>	<i>+3.0%</i>	<i>+0.2%</i>	<i>390</i>	<i>+4.4%</i>	<i>+4.3%</i>	<i>+3.2%</i>
<b>Leader Price</b>	<b>642</b>	-3.2%	-0.7%	+2.2%	<b>602</b>	-1.2%	+0.0%	+1.9%
<b>FRANCE RETAIL</b>	<b>4,759</b>	<b>+0.8%</b>	<b>+1.3%</b>	<b>+1.8%</b>	<b>4,832</b>	<b>+2.0%</b>	<b>+2.0%</b>	<b>+1.9%</b>

Total sales in France came to €4,832m in Q3 2018, up +2.0% on an organic basis and +1.9% on a same-store basis.

- **Monoprix** maintained the solid momentum of previous quarters, with same-store growth of +1.4%. Organic growth, representing +1.8%, benefited from the opening of 10 stores during the quarter, including 9 Naturalia outlets. Sales were particularly strong in Paris thanks to a +6.2% increase in customer traffic in Q3, on a steady climb since Q1. Since 12 September 2018, the banner has been offering its products to Amazon Prime Now customers through a partnership with Amazon. The number of orders placed through this new service has exceeded business plan projections.
- **Franprix** continued to expand both organically and on a same-store basis, with growth of +4.1% and +2.7%, respectively, over the quarter. Traffic, up +5.3%, was lifted by dynamic tourist activity in Paris in the summer months and the banner's latest innovations, particularly in snacks and restaurant services. Franprix introduced a new concept, "le drugstore Parisien" (beauty, health and well-being), with the first two stores enjoying very robust traffic. In addition, nearly 40 stores are now equipped with technology allowing them to stay open 24/7.
- **Casino Supermarkets** reported organic growth of +2.0% (with growth of +14.0% among franchisees), and same-store growth of +1.5%. Network expansion and new independent retailers joining the network underscored the banner's appeal. In addition, a new concept store, "Le 4 Casino", was inaugurated in early October near the Champs-Élysées in Paris. An innovation laboratory for the Group, "Le 4 Casino" is

<sup>1</sup> Excluding fuel and calendar effects.

<sup>2</sup> Excluding Codim stores in Corsica: eight supermarkets and four hypermarkets.

<sup>3</sup> Other: mainly Vindémia and Cafeterias.

<sup>4</sup> Convenience banners excluding Leader Price Express. Net sales on a same-store basis include the same-store performance of franchised stores.

inventing the retail experience of the future, serving as a place to eat, relax and shop where digital services enhance the customer experience.

- **Géant hypermarkets** continued the very positive trend observed over the past several quarters, with growth of +3.2% in organic terms and +2.8% on a same-store basis. This good momentum translated into a 0.1 pt<sup>1</sup> market share gain. Performance was led by food retail, organic products, home equipment and by the attractiveness of Cdiscount corners, which generated additional traffic in stores, leading to a 1 pt outperformance in their net sales. Drive-throughs continued to report double-digit growth thanks to an improved customer experience.
- In **Convenience**<sup>2</sup>, sales advanced +4.3% organically and +3.2% on a same-store basis, reflecting the benefits of a robust tourist season. Franchised stores continued to deliver strong growth, representing +3.0% yoy, while growth at integrated stores made a sharp recovery to +3.7% with the influx of new customers, driven by the renovated promotional policy and offering, featuring more organic products. The Casino Max loyalty and promotions mobile app has now been rolled out to all integrated stores.
- **Leader Price** maintained its good momentum. Same-store sales grew by +1.9% over the quarter, lifted by the very strong performance of renovated stores, the fresh market category and the offer being redesigned (packaging, the soa line). Organic sales, stable over the period after several quarters of decline, were impacted by the Leader Price Express store closures that occurred in 2017. The banner continued to roll out the “Next” concept, with 100 stores converted to date.
- **Cdiscount**<sup>3</sup>

Cdiscount's gross merchandise volume (GMV) totalled €872m, representing growth of +6.1%, of which +9.3%<sup>4</sup> was organic over the quarter. Cdiscount benefited from very strong growth in the marketplace, whose contribution to total GMV rose by +5.3 pts to 36.0%, and in data monetisation revenues, both key profitability drivers for the banner. The transfer of a portion of direct sales to marketplace sales (remunerated by commission) had a very favourable impact on profitability. It had the effect of reducing net sales (by -2.9%), as marketplace sales are recognised in net sales to the extent of the commissions received.

Strategic marketplace expansion led to the achievement of a record performance in Q3. Marketplace GMV rose by +19.5% over the quarter, driven by the Telephony, Home and Computer categories. B2B services such as transport, marketing, financial services and “Fulfillment by Cdiscount”, whose contribution to GMV increased by +4.0 pts, developed rapidly. The corresponding revenues more than doubled over the quarter and had a positive impact on profitability. Data monetisation revenues totalled €15m, up +17%, thanks to the proceeds from 3W and RelevanC advertising sales and from B2B2C (Energy, Mobile, etc.) and financial services.

Traffic totalled a very high 216m visits in the quarter, driven mainly by mobile traffic, up +11.3%, which now represents 64.1% of total traffic. Cdiscount consolidated its no. 2 status in terms of unique monthly visitors and is closing in on the no.1 spot, according to Médiamétrie<sup>5</sup>. Cdiscount is continuing to develop its CDAV loyalty programme by adding new services and expanding the assortment of products eligible

<sup>1</sup> Kantar market share, in value, measured over the P08 2018 period.

<sup>2</sup> Convenience excluding Leader Price Express. Net sales on a same-store basis include the same-store performance of franchised stores.

<sup>3</sup> Data presented in this section correspond to those published by Cnova NV on 12 October 2018 (unaudited)

<sup>4</sup> The organic changes include sales at Cdiscount corners but exclude sales of technical products and household equipment generated with hypermarket and supermarket customers.

<sup>5</sup> June and July 2018 Médiamétrie studies.

for express delivery. In addition, Cdiscount is further broadening its value proposition for customers with the launch of new B2C services such as Cdiscount Billetterie (ticketing).

As part of the Group's multi-channel strategy, 14 new Cdiscount corners were rolled out in Géant hypermarkets during the quarter, bringing the total to 35. They now contribute 2.1 pts to total GMV growth.

Cdiscount is continuing to improve its delivery service, extending delivery to additional countries in Europe. Small product delivery is now available in Italy, Germany, Spain and Belgium, and partnerships have been set up to sell Cdiscount products in seven other marketplaces in Eastern Europe.

Key figures <sup>(1)</sup>	Q3 2017	Q3 2018	Reported growth <sup>(1;2)</sup>	Organic growth <sup>(3)</sup>
<b>GMV<sup>(4;5)</sup> total including tax</b>	<b>822</b>	<b>872</b>	<b>+6.1%</b>	<b>+9.3%</b>
o/w direct sales	522	493	-5.5%	
o/w marketplace sales	232	277	+19.5%	
<i>Marketplace contribution to e-commerce GMV (%)</i>	<i>30.7%</i>	<i>36.0%</i>		<i>+527 bp</i>
<b>Net sales<sup>(5)</sup> (in €m)</b>	<b>518</b>	<b>503</b>	<b>-2.9%</b>	<b>+0.5%</b>
Traffic (millions of visits)	203	216		+6.6%
Mobile traffic contribution (%)	61.4%	64.1%		+271 bp
Active customers <sup>(6)</sup> (millions)	8.6	8.8		+2.5%

(1) Unaudited data published by Cnova NV.

(2) The data published by the subsidiary include all sales generated by Cdiscount, including its sales of technical products to hypermarket and supermarket customers, further to the multi-channel agreement in effect since 19 June 2017.

(3) The organic changes exclude the sales generated with hypermarket and supermarket customers, except for sales generated by the corners (total impact of exclusion of +3.2 pts and +3.4 pts respectively in GMV growth and net sales).

(4) Gross merchandise volume (GMV) includes sales of merchandise, other revenues and the marketplace's sales volume based on confirmed and shipped orders, including tax, and the sales volume of services that contributed to GMV growth, for +2.0 pts in Q3 2018 and +0.01 pt in Q3 2017.

(5) After entry into effect of the new accounting standard IFRS 15 – Revenue from Contracts with Customers, 2017 GMV and net sales were restated by -€24m and -€20m, respectively, in order to present comparable data.

(6) Active customers at 30 September 2018 who made at least one purchase on the Cdiscount websites or app during the previous 12 months.

*Cnova provided a detailed report on its Q3 net sales on 12 October 2018.*

## ■ Latam Retail

Sales at the Group's businesses in Latin America (Éxito Group and GPA Food) continued to accelerate in Q3, up +10.4% on an organic basis and +5.5% on a same-store basis. Consolidated net sales were impacted by an unfavourable currency effect of -17.6%.

- **GPA Food** posted organic growth in sales of +12.6% and same-store growth of +7.0%<sup>1</sup>, even as inflation bounced back to +2.7%<sup>2</sup> in the food categories during the quarter (following -2.8% deflation in Q2 2018).

- Sales at **Assaí** grew by +25.8% on an organic basis and +8.2%<sup>3</sup> on a same-store basis, lifted by a sharp increase in volumes, customer traffic and market share (+1.9 pts<sup>4</sup>). Assaí now represents 48% of sales, an increase of +4.9 pts compared with 2017. The 19 stores converted to the banner in the last 12 months have significantly contributed to its growth. The other stores posted very robust same-store growth of +7.4%<sup>1</sup> for the quarter. Currently, 10 new stores are under construction and 1 is being renovated. The loyal customer base is continuing to expand and nearly half a million customers now hold the Passaí card.
- **Multivarejo** has been enjoying a sharp recovery since March and its same-store growth, representing +6.0%<sup>1</sup> for the quarter, has accelerated further. The banner's market share, up +1.7 pts<sup>2</sup> over the period, was higher in all formats. The current strategy focused on promotions and commercial events has paid off, leading to faster growth in volumes and customer traffic.

Among the Multivarejo banners, **Extra hypermarkets** grew by +7.4%<sup>5</sup> on a same-store basis over the period, reflecting an upturn in food sales and double-digit growth in non food sales. **Extra supermarkets** returned to growth in sales and traffic. The optimization of the store network continues: since the beginning of the year, 10 stores have been transformed to the new concept Mercado Extra and report a double-digit growth, while 13 conversions to the new Compre Bem format are under way. **Pão de Açúcar** continued to benefit from its unique urban positioning, based on the quality of service and of the assortment, as well as store renovations. Lastly, **convenience** stores reported a very rapid acceleration in same-store growth, representing +13.1%<sup>3</sup>, following a sharp rebound in Q2, thanks to a renewed assortment, revised prices and the implementation of promotional programmes.

Food e-commerce enjoyed double-digit growth, driven by the expansion of express and in-store pick-up services. The “Meu Desconto” digital loyalty app, downloaded 6.5 million times, rapidly expanded its customer base. Loyal app users, representing 40% of the customer base, have a basket twice the size of other customers.

- During the quarter, 4 Assaí stores were opened of which 1 Extra hypermarket converted into Cash & Carry. At Multivarejo, the main changes in the network were on Extra supermarkets: 2 stores were closed, 6 stores were converted into Mercado Extra and 13 stores are being converted into the Compre Bem format.
- Sales at **Éxito Group** (excluding GPA Food) were up on both an organic and same-store basis, with a sequential same-store improvement in Colombia.

*GPA provided a detailed report on its Q3 net sales on 15 October 2018.*

*Éxito Group will provide a detailed report on its Q3 net sales on 14 November 2018.*

<sup>1</sup> Data reported by the subsidiary.

<sup>2</sup> IPCA Food at Home index.

<sup>3</sup> Data reported by the subsidiary.

<sup>4</sup> Nielsen market share data in August 2018.

<sup>5</sup> Growth in gross sales, reported by the subsidiary.

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## APPENDICES

### Main changes in consolidation scope

- Integration of Sarenza as of 30 April 2018 (Monoprix)

### Exchange rate

AVERAGE EXCHANGE RATES	Q3 2017	Q3 2018	Currency effect
Brazil (EUR/BRL)	3.7150	4.5974	-19.2%
Colombia (EUR/COP) (x 1000)	3.4932	3.4409	+1.5%
Uruguay (EUR/UYP)	33.7317	36.9326	-8.7%
Argentina (EUR/ARS)	20.3057	37.1183	-45.3%

### Implementation of IFRS 15

In the first nine months of 2018, the Casino Group applied IFRS 15 – *Revenue from Contracts with Customers* retrospectively to 2017.

The application of IFRS 15 has led to reclassifications between net sales, other revenues, cost of goods sold and selling expenses.

The following table describes the standard's impact on 2017 net sales.

Net sales (in € millions)	Q1 2017 reported	Q1 2017 restated	Q2 2017 reported	Q2 2017 restated	Q3 2017 reported	Q3 2017 restated
France Retail	4,504	4,485	4,757	4,723	4,764	4,739
E-commerce	469	453	402	382	487	467
Latam Retail	4,348	4,310	4,118	4,087	3,965	3,932
<b>TOTAL</b>	<b>9,321</b>	<b>9,248</b>	<b>9,277</b>	<b>9,192</b>	<b>9,216</b>	<b>9,138</b>

### Implementation of IAS 29

The contribution of Argentina to Q3 2018 sales (Latam Retail segment) has not been restated under IAS 29 on hyperinflation, given the non-materiality of the impact and the late determination of application procedures.

### Gross sales under banner

TOTAL ESTIMATED GROSS FOOD SALES	Q3	Change (excl. calendar effects)
UNDER BANNER (in €m, excluding fuel)	2018	Q3 2018
<b>Monoprix</b>	<b>1,081</b>	+5.0%
<b>Franprix</b>	<b>431</b>	+3.1%
<b>Supermarkets</b>	<b>831</b>	+2.8%
<b>Hypermarkets</b>	<b>895</b>	+3.9%
<b>Convenience &amp; Other</b>	<b>778</b>	+2.9%
<i>of which Convenience</i>	<i>477</i>	+5.5%
<b>Leader Price</b>	<b>720</b>	+1.6%
<b>FRANCE RETAIL</b>	<b>4,737</b>	+3.5%

<b>TOTAL ESTIMATED GROSS NON-FOOD SALES</b>	<b>Q3</b>	<b>Change (excl. calendar effects)</b>
<b>UNDER BANNER (in €m, excluding fuel)</b>	<b>2018</b>	<b>Q3 2018</b>
<b>Hypermarkets</b>	<b>160</b>	<b>-4.9%</b>
<b>Cdiscount</b>	<b>652</b>	<b>+7.2%</b>
<b>FRANCE RETAIL</b>	<b>812</b>	<b>+4.5%</b>

### Store network at period-end

<b>FRANCE</b>	<b>31 Dec. 2017</b>	<b>31 March 2018</b>	<b>30 June 2018</b>	<b>30 Sep. 2018</b>
<b>Géant Casino hypermarkets</b>	<b>122</b>	<b>123</b>	<b>124</b>	<b>123</b>
<i>o/w French franchised affiliates</i>	7	8	8	7
<i>International affiliates</i>	5	5	6	6
<b>Casino Supermarkets</b>	<b>433</b>	<b>435</b>	<b>436</b>	<b>439</b>
<i>o/w French franchised affiliates</i>	106	108	111	101
<i>International franchised affiliates</i>	17	17	17	17
<b>Monoprix</b>	<b>789</b>	<b>790</b>	<b>794</b>	<b>797</b>
<i>o/w franchised affiliates</i>	211	214	213	210
<i>Naturalia</i>	161	162	166	171
<i>Naturalia franchises</i>	7	7	7	11
<b>Franprix</b>	<b>893</b>	<b>901</b>	<b>902</b>	<b>902</b>
<i>o/w franchises</i>	399	413	420	422
<b>Leader Price</b>	<b>777</b>	<b>773</b>	<b>776</b>	<b>768</b>
<i>o/w franchises</i>	377	449	454	414
<b>Convenience</b>	<b>5,392</b>	<b>5,362</b>	<b>5,260</b>	<b>5,235</b>
<b>Other activities (Restaurants, Drive, etc.)</b>	<b>606</b>	<b>609</b>	<b>610</b>	<b>598</b>
<b>Indian Ocean</b>	<b>209</b>	<b>214</b>	<b>223</b>	<b>231</b>
<b>TOTAL France</b>	<b>9,221</b>	<b>9,207</b>	<b>9,125</b>	<b>9,093</b>

<b>INTERNATIONAL</b>	<b>31 Dec. 2017</b>	<b>31 March 2018</b>	<b>30 June 2018</b>	<b>30 Sep. 2018</b>
<b>ARGENTINA</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>28</b>
Libertad hypermarkets	15	15	15	15
Mini Libertad and Petit Libertad mini-supermarkets	14	14	14	13
<b>URUGUAY</b>	<b>88</b>	<b>86</b>	<b>87</b>	<b>88</b>
Géant hypermarkets	2	2	2	2
Disco supermarkets	29	29	29	29
Devoto supermarkets	24	24	24	24
Devoto Express mini-supermarkets	33	31	32	33
<b>BRAZIL</b>	<b>1,081</b>	<b>1,072</b>	<b>1,074</b>	<b>1,063</b>
Extra hypermarkets	117	113	113	112
Pão de Açúcar supermarkets	186	186	186	186
Extra supermarkets	188	187	187	173
Assaí (cash & carry)	126	127	130	134
Mini Mercado Extra & Minuto Pão de Açúcar	265	265	265	265
Drugstores	127	123	123	123
+ Service stations	72	71	70	70
<b>COLOMBIA</b>	<b>1,852</b>	<b>1,847</b>	<b>1,912</b>	<b>1,897</b>
Éxito hypermarkets	90	90	90	90
Éxito and Carulla supermarkets	162	163	160	160
Super Inter supermarkets	71	71	73	73
Surtimax (discount)	1,409	1,410	1,477	1,461
<i>o/w "Aliados"</i>	<i>1,278</i>	<i>1,286</i>	<i>1,353</i>	<i>1,348</i>

B2B	9	9	13	15
Éxito Express and Carulla Express mini-supermarkets	111	104	99	98
<b>CAMEROON</b>			<b>1</b>	<b>1</b>
Cash & carry			1	1
<b>TOTAL International</b>	<b>3,050</b>	<b>3,034</b>	<b>3,103</b>	<b>3,077</b>

## CASINO GROUP

### ANALYST AND INVESTOR CONTACTS:

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Agence IMAGE 7

+33(0)1 53 70 74 84 - Karine ALLOUIS - kallouis@image7.fr - Grégoire LUCAS - gregoire.lucas@image7.fr

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November 13, 2018

## 2018 INTERIM DIVIDEND

In view of all the elements presented during its meeting on 12 November 2018, the Board of Directors of Casino Group unanimously declared a 2018 interim dividend of €1.56 per share.

The ex-dividend date for the 2018 interim dividend is set for Monday 3 December 2018 and will be paid on Wednesday 5 December 2018.

The balance of the 2018 dividend will be submitted for approval at the Annual General Meeting that will take place on Tuesday 7 May 2019.

## CASINO GROUP

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## TAXATION

### LUXEMBOURG - TAXATION

*The following is an overview limited to certain withholding tax considerations in Luxembourg relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.*

#### **Withholding tax**

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal.

#### **Individuals**

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to individual beneficial owners resident in Luxembourg are currently subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Interest income from current and sight accounts (*comptes courants et à vue*) provided that the remuneration on these accounts is not higher than 0.75 per cent. (annual rate) are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed Euro 250 per person and per paying agent is exempt from the withholding tax.

Pursuant to the Luxembourg law of 23 December 2005, as amended, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in a Member State of the EU other than Luxembourg or a Member State of the European Economic Area other than an EU Member State.

The 20 per cent. withholding tax or the 20 per cent. self-declared tax represents the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the course of their private wealth.

#### **Corporations**

There is no Luxembourg withholding tax for Luxembourg resident and non-resident corporations holders of the Notes on payments of interest (including accrued but unpaid interest).

### FRANCE – TAXATION

*The following is an overview, based on the laws in force in France and their interpretation by the French tax authorities as of the date of this Programme (and therefore subject to any changes in law, possibly with a retroactive effect). The following is a general description of certain withholding tax considerations in France relating to the Notes that may be issued under the Programme to any Noteholder or Couponholder who does not concurrently hold shares of the Issuer. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.*

#### **Withholding tax**

Payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code Général des Impôts* (a “**Non-Cooperative State**”). If such payments under

the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code Général des Impôts*. The list of Non-Cooperative States is published by a ministerial executive order, which is updated at any time and at least once a year. The law n°2018-898 dated 23 October 2018 to strengthen the fight against tax, social and customs fraud expands (i) the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include States and jurisdictions on the blacklist published by the Council of the European Union, and (ii) the scope of the 75 per cent. withholding tax provided by Article 125 A III of the French *Code général des impôts* only to payments made in certain States and jurisdictions included in such blacklist on the ground that they facilitate offshore structures and arrangements aimed at attracting profits without real economic substance.

Furthermore, according to Article 238 A of the French *Code Général des Impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution established in such a Non-Cooperative State. The abovementioned law n°2018-898 dated 23 October 2018 to strengthen the fight against tax, social and customs fraud expands this regime to all the States and jurisdictions included in the blacklist published by the Council of the European Union. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq* of the French *Code Général des Impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code Général des Impôts*, at a rate of (i) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) or 75 per cent. for payments benefiting legal persons which are not French tax residents or (ii) 12.8 per cent or 75 per cent for payments benefiting individuals who are not French tax residents, subject to more favourable provisions of any applicable tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax provided by Article 125 A III of the French *Code Général des Impôts* nor the non-deductibility of the interest and other revenues set out under Article 238 A of the French *Code général des impôts*, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, and therefore the withholding tax set out under Article 119 *bis*, 2 of the French *Code Général des Impôts* which may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletins officiels des Finances Publiques-Impôts*, BOI – RPPM – RCM – 30-10-20-40-20140211, no. 70 and 80 and BOI – INT – DG – 20-50-20140211, no. 550 and 990, and BOI-IR-DOMIC-10-20-20-60-20150320 no. 10, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depository or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

### **Payments made to French tax resident individuals**

Pursuant to Article 125A of the French *Code Général des Impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain limited exceptions, interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 17.2 per cent. on such interest and other similar revenues paid to individuals who are fiscally domiciled in France.

## SUBSCRIPTION AND SALE

### Description of the Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 13 December 2018 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme. The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect to any Notes specify the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (b) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (ii) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

This EEA selling restriction is in addition to any other selling restrictions set out below.

#### France

Each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de*

tiers), and/or (b) qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## United States

The Notes have not been and will not be registered under the Securities Act, or other securities laws of any U.S. state and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

Materialised Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code, as amended and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Notes, deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of any identifiable Tranche of which such Notes are a part (the “**Distribution Compliance Period**”), as determined and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

## United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose investments (as principal or agent) for the purposes of their business where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section

21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21 (1) of the FSMA does not apply to the Issuer; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has severally represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, ministerial guidelines, and regulations of Japan.

### **Hong Kong**

This Base Prospectus and the applicable Final Terms have not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### **People Republic of China (PRC)**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, the offer of the Notes is not an offer of securities within the meaning of the securities laws of the PRC or other pertinent laws and regulations of the PRC and the Notes have not been offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

## Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a Supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.



## FORM OF FINAL TERMS

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*<sup>1</sup>] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]<sup>2</sup>

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.<sup>3</sup>

**[SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]<sup>4</sup>

**Final Terms dated [•]**

**[Logo, if document is printed]**

- <sup>1</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."
- <sup>2</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bands to all professionals" target market approach.
- <sup>3</sup> Delete legend if the offer of the Notes does not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph 8(v) of Part B below. Include legend if the offer of the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 8(v) of Part B below
- <sup>4</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

## RALLYE

Legal Entity Identifier (LEI): 969500AI7V5V0J9TOU58

Euro 4,000,000,000  
Euro Medium Term Note Programme  
for the issue of Notes  
Due from one month from the date of original issue

**SERIES NO: [•]**  
**TRANCHE NO: [•]**  
**[Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the “**Conditions**”) set forth in the Base Prospectus dated 13 December 2018 [and the supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a prospectus for the purposes of the Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing at the office of the Paying Agent and on the website[s] of [(a) the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) [and (b) the Issuer ([www.rallye.fr](http://www.rallye.fr))] and copies may be obtained from Rallye, 83, rue du Faubourg Saint-Honoré, 75008 Paris, France. [In addition<sup>2</sup>, the Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing [at/on] [•]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the “**Conditions**”) which are the EMTN [2011][2012][2013][2014][2015][2016][2017] Conditions set out in the Base Prospectus dated [14 December 2011/17 December 2012/18 December 2013/12 December 2014/18 December 2015/16 December 2016/18 December 2017] and incorporated by reference in the Base Prospectus dated 13 December 2018. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 13 December 2018 [and the supplement[s] to the Base Prospectus dated [•]], which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are the EMTN [2011][2012][2013][2014][2015][2016][2017] Conditions. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the EMTN [2011][2012][2013][2014][2015][2016][2017] Conditions and the Base Prospectus dated 13 December 2018 [and the supplement[s] to the Base Prospectus dated [•]]. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website[s] of [(a) the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) [and (b) the Issuer ([www.rallye.fr](http://www.rallye.fr))] and

<sup>2</sup> *If the Notes are admitted to trading on a regulated market other than the Luxembourg Stock Exchange.*

copies may be obtained from Rallye, 83, rue du Faubourg Saint-Honoré, 75008 Paris, France. [In addition<sup>2</sup>, the Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing [at/on] [•]].

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

1. (i) Series Number: [•]  
 (ii) Tranche Number: [•]  
 [(iii) Date on which the Notes become fungible: [Not Applicable/ The Notes will be assimilated (*assimilées*) and form a single series with the existing [*insert amount, rate, maturity date and issue date of the Series*] issued by the Issuer on [*insert date*] (the “**Existing Notes**”) [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “**Assimilation Date**”) of this Tranche]/[as from the Issue Date of this Tranche].]  
*(This item applies to fungible issues only)*
2. Specified Currency: [•]
3. Aggregate Nominal Amount of Notes:  
 (i) Series: [•]  
 (ii) Tranche: [•]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
5. Specified Denomination(s): [•]
6. (i) Issue Date: [•]  
 (ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
7. Maturity Date: [•]  
*[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
8. Interest Basis: [• per cent. Fixed Rate]  
 [[*specify particular reference rate*] +/- [•] per cent. Floating Rate]  
 [Fixed/Floating Rate]  
 [Zero Coupon]
9. Change of Interest Basis: [Applicable/Not Applicable]  
 [Optional Change of Interest Date / Automatic Change of Interest Date: [•]]  
*(Specify the date when any fixed to floating rate change occurs or refer to paragraphs 11 and 12 below and identify there)*
10. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [Make-Whole Redemption by the Issuer]  
 [Residual Maturity Call Option by the Issuer]  
 [Clean-Up Call Option]  
 [Change of Control Put (Condition[s] 6(i)/[and] 6(j))]  
 [(further particulars specified below)]
11. Dates of the corporate authorisations for issuance of Notes obtained: [Decision of the *Conseil d’administration* of the Issuer dated [•] [and [•] [*function*] dated [•]]/[decision of [•] [*function*] dated [•]]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

### 12. Fixed Rate Note Provisions

[Applicable/Not Applicable] [In respect of Fixed/Floating Rate Notes: From (and including) [●] to (but excluding) [●]:]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate[(s)] of Interest: [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other (*specify*)] [in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [the Business Day Convention specified below in item (vii)<sup>3</sup>]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]<sup>4</sup>: [●] per [●] Specified Denomination
- (iv) Broken Amount(s): [●] payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual - ISDA / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- (vi) Determination Dates: [●] in each year  
*(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ICMA)*
- (vii) [Business Day Convention<sup>5</sup> [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other]]
- (viii)[Party responsible for calculating Interest Amounts (if not the Calculation Agent)<sup>6</sup> [●] / [Not Applicable]]

### 13. Floating Rate Note Provisions

[Applicable/Not Applicable] [In respect of Fixed/Floating Rate Notes: From (and including) [●] to (but excluding) [●]:]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(In the event where the benchmark used to calculate the interest payable is discontinued, Condition 5(c)(iii)(C) provides for a methodology to determine the successor or alternative rates)*

- (i) Interest Period(s) [●]
- (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●]  
*(not applicable unless different from Interest Payment Date)*
- (v) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate]

<sup>3</sup> [Needs to be specified for RMB Notes]

<sup>4</sup> [Not applicable for RMB Notes]

<sup>5</sup> [Needs to be specified for RMB Notes]

<sup>6</sup> [Needs to be specified for RMB Notes]

- Determination ISDA  
Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (ix) Screen Rate Determination:
- Reference Rate: [•]
  - Relevant Inter-Bank Market: [•]
  - Relevant Screen Page Time: [•]
  - Interest Determination Date: [•]
- (x) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual / Actual/Actual - ISDA / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

#### 14. Zero Coupon Note Provisions

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Amortisation Yield: [•] per cent. per annum
- (ii) Day Count Fraction: [Actual/Actual / Actual/Actual - ISDA / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

#### PROVISIONS RELATING TO REDEMPTION

#### 15. Call Option

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] per Note of [•] Specified Denomination
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount to be redeemed: [•]
  - (b) Maximum Redemption Amount to be redeemed: [•]
- (iv) Notice period: [[As per Condition 6(b)(i)]/[•]]

#### 16. Make-Whole Redemption

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Notice period: [•]

(ii) Parties to be notified (if other than set out in Condition 6(b)(ii)):	[[•]/Not Applicable]
(iii) Make Whole Redemption Margin:	[•]
(iv) Make Whole Redemption Rate:	[•]
(v) If redeemable in part:	
(a) Minimum Redemption Amount to be redeemed:	[•]
(b) Maximum Redemption Amount to be redeemed:	[•]
<b>17. Residual Maturity Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Call Option Date:	[•]
(ii) Notice Period:	[As per Condition 6(b)(iii)] / [•]
<b>18. Clean-Up Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Clean-Up Redemption Amount:	[•] per Note of [•] Specified Denomination
<b>19. Put Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) of each Note:	[•] per Note of [•] Specified Denomination
(iii) Notice period:	[[As per Condition 6(c)]/[•]]
<b>20. Change of Control Put Option (Condition[s] 6(i)/[and] 6(j))</b>	[Applicable/Not Applicable]
<b>21. Final Redemption Amount of each Note</b>	[•] per Note of [•] Specified Denomination
<b>22. Early Redemption Amount</b>	
(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(e)), for illegality (Condition 6(h)) or on event of default (Condition 9) or other early redemption:	[[•] per Note of [•] Specified Denomination]
(ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates	[Yes/No]
(iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only)	[Yes/No/Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: [Bearer Dematerialised Notes/Registered Dematerialised Notes/Materialised Notes] (*Delete as appropriate*)
- (i) Registration Agent: [Not Applicable/*if Applicable give name and address*]  
(*Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only*)
- (ii) Temporary Global Certificate: [Not Applicable/*if Applicable: Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “Exchange Date”)*]
- (iii) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable].  
(*Only applicable to Materialised Notes*)
24. Exclusion of the possibility to request identification of a Noteholder as provided by Condition 1(a): [Applicable/Not Applicable]
25. Financial Centre(s): [Not Applicable/*specify Financial Centre(s). Note that this item relates to the date of payment, and not to the end dates of interest period for the purposes of calculating the amount of interest to which items 12 (ii) and 13 (iv) relates*]
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes. [As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made] /No/Not Applicable. ]  
(*Only applicable to the Materialised Notes*).
27. Redenomination, renominalisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
28. Purchase in accordance with applicable French laws and regulations: [Not Applicable/Applicable]
29. Consolidation provisions: [Not Applicable/The provisions [in Condition 14(b)] apply]
30. Masse: Name and address of the Representative: [●]  
[Name and address of the alternate Representative: [●]]  
[The Representation will receive no remuneration/The Representative will receive a remuneration of [●]]

Signed on behalf of Rallye:

Duly represented by: .....

## PART B – OTHER INFORMATION

### 1 ADMISSION TO TRADING

Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange] [*specify relevant regulated market*] with effect from [•].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange] [*specify relevant regulated market*]] with effect from [•].]  
[Not Applicable.]

### 2 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Not Applicable] / [*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*]

["Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]/[•]

[*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*]

### 3 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

[Not Applicable] / [*Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

*In addition, the Issuer shall identify the source(s) of the information.)*

### 4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer:

[•]

*(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*



[(ii)] Estimated net proceeds: [•]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses relating to the admission to trading: [•] *(Include breakdown of expenses.)*

## 5 Fixed Rate Notes only – YIELD

Indication of yield: [•]/[Not Applicable]

## 6 Floating Rate Notes only - HISTORIC INTEREST RATES

[Not Applicable]/[Details of historic [LIBOR/EURIBOR/EUR CMS/TEC 10] rates can be obtained from [Reuters].]

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR/[•]] which is provided by [•]. [As at [•], [•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

## 7 OPERATIONAL INFORMATION

ISIN: [•]

Common Code: [•]

[CFI: [Not Applicable/[•]]  
*(If the CFI is not required, requested or available it should be specified to be “Not Applicable”)*

[FSIN: [Not Applicable/[•]]  
*(If the FSIN is not required, requested or available it should be specified to be “Not Applicable”)*

Depositories:

(i) Euroclear France to act as Central Depositary [Yes/No]

(ii) Common Depositary for Euroclear and Clearstream [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•] producing a sum of: [•]

## 8 DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
- (A) Names of Managers: [Not Applicable/give names]
- (B) Stabilising Manager(s) if any: [Not Applicable/give name]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/give name]
- (iv) US Selling Restrictions (Categories of potential investors to which the Notes are offered): Reg. S Compliance Category 2 applies to the Notes; [TEFRA C]/[TEFRA D]/[TEFRA not applicable] (See paragraph 11 of General Information in the Base Prospectus)
- (v) Prohibition of Sales to EEA Retail Investors: [Not Applicable/Applicable]
- (If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified and the legend entitled “Prohibition of Sales to EEA Retail Investors” on the cover page of the Final Terms should be included. For the purpose of the above, a “packaged” product shall designate a “packaged retail investment product” which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.)*

## GENERAL INFORMATION

- (1) Application has been made to list the Notes on the Official List and admit such Notes to trading on the Regulated Market of the Luxembourg Stock Exchange and/or on any other Regulated Market in a Member State of the EEA.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in connection with the update of the Programme. Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of the *Conseil d'administration* of the Issuer. For this purpose, the *Conseil d'administration* of the Issuer, on 7 March 2018, (i) has authorised the *direction générale* to issue *obligations* up to a maximum aggregate amount of €1,000,000,000 per year and up to a maximum amount of €500,000,000 per month for a period of one year commencing on 10 May 2018 and ending on 9 May 2019 and (ii) has required the express agreement of the *Directeur Général* of the Issuer and of a *Directeur* of the Issuer when any operation exceeds the amount of €25,000,000. Any issue of Notes, to the extent that such Notes do not constitute *obligations*, will fall within the general powers of the *Directeur Général* of the Issuer.
- (3) There has been no significant change in the financial or trading position or general affairs of the Issuer or the Group since 30 June 2018 and there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2017.
- (4) There has been no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.
- (5) Each Definitive Bearer Materialised Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream systems, which are entities in charge of keeping the records. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.
- (7) Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.
- (8) For so long as Notes issued under the Programme are outstanding, the following documents will be available during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Paying Agent or at the registered office of the Issuer:
  - (i) the *statuts* of the Issuer

- (ii) the published annual report, audited non-consolidated and consolidated accounts of the Issuer for the two financial years ended 31 December 2016 and 2017 and consolidated accounts of the Issuer for the six-month period ended 30 June 2018
  - (iii) the Final Terms for Notes that are listed on the Official List or any other Regulated Market in the EEA
  - (iv) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus and any document incorporated by reference
  - (v) all reports, letters and other documents, historical financial statements, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.
- (9) For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and in respect of (ii) below on the website of the Issuer (*www.rallye.fr*):
- (i) the Final Terms for Notes that are listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange or any other Regulated Market in the EEA
  - (ii) this Base Prospectus, together with any supplement to this Base Prospectus or further Base Prospectus.
- (10) Copies of the latest annual report and non-consolidated and consolidated accounts of the Issuer (including any published semi-annual interim consolidated accounts) (in English and French) (in each case as soon as they are published) may be obtained, and copies of the Agency Agreement will be available for inspection, at the specified office of the Paying Agent during normal business hours, so long as any of the Notes is outstanding.
- (11) The Notes to be issued by the Issuer qualify under Category 2 for the purposes of Regulation S. Materialised Notes will be issued in compliance with the D Rules unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with the C Rules, or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under TEFRA, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
- The TEFRA rules do not apply to any Dematerialised Notes
- (12) Ernst & Young et Autres at 1/2, place des Saisons, Tour First, 92400 Courbevoie - Paris La Défense 1, France, and KMPG Audit, at 2, avenue Gambetta, Tour Eqho, 92066 Paris-La Défense, France, are the statutory auditors of the Issuer and have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer as at, and for the two years ended 31 December 2016 and 31 December 2017.
- Ernst & Young et Autres and KMPG Audit are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.
- (13) Amounts payable under the Floating Rate Notes may be calculated by reference to EURIBOR which is provided by the European Money Markets Institute ("EMMI"), LIBOR and EUR CMS which are provided by ICE Benchmark Administration Limited ("ICE") and TEC 10 which are provided by the

*Comité de Normalisation Obligatoire* or other Reference Rates as indicated in the relevant Final Terms. As at the date hereof, (i) the ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”) and (ii) the EMMI and the *Comité de Normalisation Obligatoire* do not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI and the *Comité de Normalisation Obligatoire* are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the European Securities and Markets Authority register referred to above.

- (14) The LEI of the Issuer is 969500AI7V5V0J9TOU58.

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**To the Issuer**

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