

Base Prospectus dated 16 December 2016

**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).

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 2004/39/EC (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 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, *société anonyme* (“**Clearstream, Luxembourg**”) 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, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg 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, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (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**

**SOCIETE GENERALE 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.**

**This Base Prospectus does not constitute an offer of, 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 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.*

### **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 35 to 39 of the 2015 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 conditions of the Notes contain provisions for calling General Meetings of Noteholders 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 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 their affiliates 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 that may influence the amount receivable upon redemption of the Notes.

#### **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 adviser'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. The issuance and subscription of the Notes on a primary market should, however 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 Participating Member States (excluding Estonia) indicated following ECOFIN meeting of 17 June 2016 that work and discussions on the remaining open issues would continue during the second half of 2016. On 11 October 2016, Pierre Moscovici, Commissioner for Taxation, announced that the Participating Member States (excluding Estonia) agreed on four important measures that will form the core engines of the FTT and indicated their intention to elaborate a draft legislation before the end of the year.

The FTT proposal remains subject to negotiation between the Participating Member States, 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 proposed directive or any similar tax 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 attending such Assembly or represented thereat). 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.

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 in certain other circumstances 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 to Floating Rate Notes**

Fixed to floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will 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, including the following:

*Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC.*

Renminbi is not freely convertible at present and despite a movement towards liberalisation of cross-border RMB remittances, notably in the current account activity and the permission for participating banks in designated financial centres to engage in the settlement of current account trade transactions in Renminbi under certain pilot schemes, there is no assurance that the PRC government will continue to liberalise control over the cross-border Renminbi remittance in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. 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 Renminbi 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.

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

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

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited.

While the People's Bank of China (the “**PBoC**”) has established Renminbi clearing and settlement mechanisms for participating banks in designated financial centres through settlement agreements on the clearing of Renminbi business (the “**Settlement Agreements**”) with designated settlement banks, the People's Bank of China has provided several restrictions over the business scope of offshore participating banks in respect of cross-border Renminbi settlement (e.g. related to direct transactions with PRC enterprises), which further limits the availability of Renminbi that participating banks can utilise for conversion services for their clients.

On 14 June 2012, the Hong Kong Monetary Authority (the “**HKMA**”) introduced a facility for providing Renminbi liquidity to authorised institutions participating in Renminbi business (“**Participating AIs**”) in Hong Kong. The facility will make use of the currency swap arrangement between the PBoC and the HKMA. Since 15 June 2012, the HKMA has, in response to requests from individual Participating AIs, provided Renminbi term funds to the Participating AIs against eligible collateral acceptable to the HKMA. The facility is intended to address short-term Renminbi liquidity tightness which may arise from time to time, for example due to capital market activities or a sudden need for Renminbi liquidity by the Participating AIs' overseas bank customers.

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 and of requirements by the HKMA. There is no assurance that a change in PRC regulations will not have the effect of restricting availability of Renminbi offshore. 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.

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

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

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

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. Notes denominated in RMB will generally carry a fixed interest rate. Consequently, the trading price of such Notes will vary with fluctuations in Renminbi interest rates. If a Noteholder tries to sell such Notes before their maturity, he may receive an offer that is less than his original investment.

*RMB currency risk*

There can be no assurance that access to RMB for the purposes of making payments under the RMB Notes or generally may remain or will not become restricted. If it becomes impossible to convert RMB from/to another freely convertible currency, or transfer RMB between accounts in Hong Kong, or the general RMB exchange market in Hong Kong becomes illiquid, the Issuer may settle any such payments in U.S. Dollars, in accordance with Condition 7(i), using an exchange rate determined by the Calculation Agent.

*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 access to Renminbi deliverable in Hong Kong becomes restricted by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined 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.

*Risk of change in Government Support and Regulatory Regime*

RMB Notes issuance is subject to laws and regulations of Hong Kong as the principal financial centre for the RMB Notes the relevant Renminbi settlement centre(s). The PRC's government currently views Hong Kong as one of the key offshore Renminbi-denominated debt instrument centres and has established a cooperative relationship with Hong Kong's local government to develop the Renminbi-denominated debt instrument market. There can be no assurance that the PRC's government will continue to encourage issuance of RMB-denominated debt instruments outside of mainland China and any change in the PRC government's policy or the regulatory regime governing the issuance of Renminbi-denominated debt instruments may adversely affect the RMB 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**”) and in the base prospectus of Rallye dated 18 December 2015 (the “**EMTN 2015 Conditions**”);
- (2) the annual report of the Issuer for the year ended 31 December 2014 in English language (the “**2014 AR**”) except for declaration included on page 209 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 2015 in English language (the “**2015 AR**”) except for declaration included on page 220 entitled “declaration by the person responsible for the registration document and the annual financial report”;
- (4) the interim financial report as of 30 June 2016 in English language (the “**Interim 2016 IR**”) except for declaration included on page 2 entitled “statement by the person in charge of the interim financial report”; and
- (5) the Alternative Performance Measures in the meaning of the ESMA Guidelines dated 5 October 2015 of the Issuer for the semester ended on 30 June 2016 in French language (the “**Non-GAAP Indicators**”).

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 35 to 39 of the 2015 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 212 of the 2015 AR
<b>4.1.2</b>	the place of registration of the issuer and its registration number;	Page 212 of the 2015 AR
<b>4.1.3</b>	the date of incorporation and the length of life of the issuer, except where indefinite;	Page 212 of the 2015 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 212 of the 2015 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 10 of the 2015 AR
<b>5.1.2</b>	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Page 24 of the 2015 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, 11 & 30 of the 2015 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 54 to 72 of the 2015 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 72 & 73 of the 2015 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 25, 30, 31 & 32 of the 2015 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 2014:</b>	
	(i) Consolidated balance sheet	Pages 84 & 85 of the 2014 AR
	(ii) Consolidated income statement	Page 82 of the 2014 AR
	(iii) Consolidated statement of comprehensive income; Consolidated statement of cash flow and Statement of change in consolidated shareholders' equity	Pages 83, 86 to 87 of the 2014 AR
	(iv) Accounting policies and explanatory notes	Pages 88 to 163 of the 2014 AR
<b>11.3</b>	(v) Audit report	Pages 164 & 165 of the 2014 AR
<b>11.1</b>	<b>- Consolidated financial statements of the Issuer for the financial year ended 31 December 2015:</b>	
	(i) Consolidated balance sheet	Pages 92 & 93 of the 2015 AR
	(ii) Consolidated income statement	Page 90 of the 2015 AR
	(iii) Consolidated statement of comprehensive income; Consolidated statement of cash flow and Statement of change in consolidated shareholders' equity	Pages 91, 94 to 95 of the 2015 AR
	(iv) Accounting policies and explanatory notes	Pages 96 to 172 of the 2015 AR
<b>11.3</b>	(v) Audit report	Pages 173 & 174 of the 2015 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 38 & 166 of the 2015 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 32 of the 2015 AR

<b>Information incorporated by reference</b>	<b>2016 IR</b>
Interim Management Report	Pages 3 to 11
Half-Year Consolidated Financial Statements	Pages 12 to 35
– Consolidated income statements:	Page 12
– Consolidated statement of comprehensive income:	Page 13
– Consolidated statement of financial position:	Page 14
– Consolidated statement of cash flow:	Page 15
– Statement of change in consolidated shareholders' equity:	Page 16
– Notes to the Interim Consolidated Financial Statements:	Pages 17 to 35
Statutory Auditors' Review Report on the Interim Financial Information for the First Half of 2016:	Page 36

<b>Information incorporated by reference</b>	<b>Non-GAAP Indicators for the semester ended on 30 June 2016</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.

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

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  
Deputy CEO

## 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 Société Générale The Royal Bank of Scotland plc (trading as NatWest Markets)

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.
<b>Denomination(s):</b>	<p>Notes will be in such denominations as may be specified in the relevant Final Terms.</p> <p>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.</p> <p>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.</p> <p>Dematerialised Notes will be issued in one denomination only.</p>
<b>Status of the Notes:</b>	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 <i>pari passu</i> 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.
<b>Negative Pledge:</b>	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”.
<b>Events of Default (including cross default):</b>	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”.
<b>Redemption Amount:</b>	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 three months before the Maturity Date, 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 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.

Interest periods will be specified in the relevant Final Terms.

**Zero Coupon Notes:**

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

**Redenomination:**

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.

**Consolidation:**

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”.

**Form of Notes:**

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

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either *au nominatif pur* or *au nominatif administré* 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”.

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.

**Governing Law:**

French law.

**Central Depositary:**

Euroclear France as central depositary in relation to Dematerialised Notes.

**Clearing Systems:**

Clearstream, Luxembourg 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.

**Initial Delivery of Dematerialised Notes:**

One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depositary.

<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 depositary for Euroclear and Clearstream, Luxembourg 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>	<p>All payments of principal and interest 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.</p> <p>See section “Taxation”.</p>
<b>Listing and admission to trading:</b>	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.
<b>Method of Publication of the Final Terms:</b>	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 ( <a href="http://www.bourse.lu">www.bourse.lu</a> ).
<b>Selling Restrictions:</b>	<p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.</p> <p>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 “<b>U.S. Internal Revenue Code</b>”) section 4701(b) containing rules identical to those applying under U.S. Internal Revenue Code section 163(f)(2)(B)) (the “<b>D Rules</b>”) 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 “<b>C Rules</b>”) 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 (“<b>TEFRA</b>”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.</p> <p>Dematerialised Notes do not require compliance with the TEFRA rules.</p>



## 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 16 December 2016 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 2004/39/EC on Markets in Financial Instruments dated 21 April 2004 as amended from time to time.

The provisions of Article 1195 of the French *Code civil* shall not apply to these Terms and Conditions.

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, société anonyme (“**Clearstream, Luxembourg**”).

- (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 days’ notice in accordance with Condition 15 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 15. 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 14, without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (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 15 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 will be supplemented, where necessary, with supplemental terms and conditions and, 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:

“**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

“**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

“**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

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

“**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

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

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated

- (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 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 CNOTE10 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*

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

*Obligataire* for the determination of EUR-TEC10-CNO.

- (d) **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)).
- (e) **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).
- (f) **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.
- (g) **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 the Final Terms, 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.
- (h) **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.

- (i) **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 15.
- (j) **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.

- (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 days' irrevocable notice in accordance with Condition 15 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 days' irrevocable notice in accordance with Condition 15 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.

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 days’ irrevocable notice in accordance with Condition 15 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 three months before the Maturity Date, 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 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 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 together with interest accrued to the date fixed for redemption .

(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, 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 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, 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 be prevented by French law from making payment to the Noteholders or, if applicable, the holders of the Coupons (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 seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their 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 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 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 Articles L.213-1 A and D.213-1 A of the Code.

- (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 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, 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 15 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 15 (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 15,
- (ii) notify the Luxembourg Stock Exchange,
- (iii) prepare a supplement to the Base Prospectus,

and each Noteholder shall be permitted, until 30 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 14, 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 15.

(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 unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing 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, unmaturing 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-day 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 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 or duties whatsoever, 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 days after the Relevant Date:** in the case of Materialised Notes, more than 30 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 seven 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), 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 principal 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 15 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**

In respect of the representation of the Noteholders, the following shall apply:

- (a) If the relevant Final Terms specifies "Full 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* (in each case, the "**Masse**") and the provisions of the French *Code de commerce* relating to the *masse* shall apply subject to the below provisions of this Condition 11(a).

The names and addresses of the initial Representative (as defined below) of the Masse and 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 to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Noteholders (the "**General Meeting**").

In accordance with Article R.228-71 of the French *Code de commerce*, the right 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 as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting

The place where of a General Meeting shall be held will be set out in the notice convening such General Meeting; or

- (b) If the relevant Final Terms specifies “Contractual *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 11(b).

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.228-63, R.228-67, R.228-69 and R.228-72 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.

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**

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 or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death,



retirement 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 15.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify\*, videoconference or any other means of telecommunication allowing the identification of the participating Noteholders. 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

\* *The statutes of the Issuer contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders (articles 18 and 25-paragraph IV of the statutes).*

relating to the issue of securities carrying a right of preference compared to the rights of Bondholders; 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 must be published in accordance with the provisions set forth in Condition 15.

(vi) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each 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 presented at the General Meeting, 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.

(vii) **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, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(c) **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 14, 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.

For the avoidance of doubt, in this Condition 11 “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer pursuant to Article L.213-1 A of the Code that are held by it and not cancelled.

## 12 **Modifications**

These Conditions may be amended in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

### 13 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.

### 14 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 days’ prior notice to the Noteholders in accordance with Condition 15, 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.

### 15 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](http://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](http://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](http://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](http://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, Luxembourg 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 15 (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 and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published in a leading newspaper of general circulation in Europe.

## 16 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, Luxembourg (the “**Common Depositary**”), Euroclear or Clearstream, Luxembourg 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, Luxembourg 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, Luxembourg 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, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, 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 14(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 31/12/2015<sup>1</sup></b>	<b>As of 31/12/2014<sup>1</sup></b>	<b>As of 30/06/2016</b>	<b>As of 30/06/2015<sup>1</sup></b>
Shareholder's equity	10,575	13,934	12,834	13,121
Consolidated net financial debt	9,180	8,660	9,446	11,458
Total balance sheet	41,530	47,222	41,134	43,904

<b>Consolidated financial data (€m)</b>	<b>Year 2015<sup>1</sup></b>	<b>Year 2014<sup>1</sup></b>	<b>First half 2016</b>	<b>First half 2015<sup>1</sup></b>
Net sales from continuing operations	46,832	49,155	20,025	23,995
EBITDA <sup>2</sup>	2,358	3,210	666	986
Current operating income	1,445	2,235	306	507
Net income from continuing operations, Group share	(168)	(32)	(241)	(81)
Net income, Group share	(166)	(33)	1,223	(80)

<sup>1</sup> As published in the 2015 AR and the half-year financial report as of 30 June 2015

<sup>2</sup> Earnings before interest, tax, depreciation and amortization.



## 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 13 to 17 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 €0.76 billion as at 30 June 2016.

## RECENT DEVELOPMENTS

### PRESS RELEASES AND RECENT DEVELOPMENTS FOR RALLYE:

Paris, October 19, 2016

#### RALLYE

RALLYE SUCCESSFULLY PLACES EUR 200 MILLION NON-DILUTIVE CASH-SETTLED BONDS DUE FEBRUARY 2022 EXCHANGEABLE INTO CASINO SHARES

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Rallye SA (“**Rallye**”) announces today the successful placement of a EUR 200 million offering of non-dilutive cash-settled bonds due 2022 exchangeable for existing ordinary shares (the “**Shares**”) of Casino, Guichard-Perrachon S.A. (“**Casino**”) (the “**Bonds**”). Concurrently, Rallye is purchasing cash-settled call options (the “**Call Options**”) to hedge Rallye’s economic exposure to the potential exercise of the exchange rights embedded in the Bonds. As the Bonds will only be cash-settled, the Bonds will not result in the delivery of Shares upon exchange.

The Bonds will be issued at par on October 26, 2016, the expected settlement date of the Bonds. The Bonds will bear interest at an annual nominal rate of 5.25% payable semi-annually in arrear and will be reimbursed at par on February 1<sup>st</sup>, 2022. The Bonds may be subject to early redemption at the option of Rallye under certain conditions.

The Bonds will have a par value of EUR 100,000 per Bond. The initial exchange price (the “**Initial Exchange Price**”) will represent an exchange premium of 30% over the Share Reference Price (as defined below). The share reference price of Casino (the “**Share Reference Price**”), will be determined as the arithmetic average of the daily volume-weighted average prices of the Shares in euros on the regulated market of Euronext in Paris over the 15 consecutive trading days commencing on (and including) October 20, 2016 (the “**Reference Period**”).

Rallye intends to use the net proceeds of the issuance of the Bonds for Rallye’s general corporate purposes and for financing the purchase of the Call Options.

It is anticipated that the hedge counterparties to the Call Options will enter into transactions to hedge their respective positions under the Call Options through the sale, purchase of Shares or any other transactions, on the market and off-market, at any time, and in particular during the Reference Period and at or around the exchange or redemption of the Bonds.

The Share Reference Price and the Initial Exchange Price will be announced through a final press release at the end of the Reference Period, expected to take place on or around November 9, 2016.

Application will be made for the Bonds to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange and such admission to trading is expected no later than 90 days following the expected settlement date.

This offering was managed by BNP Paribas and Crédit Agricole CIB acting as joint bookrunners, and HSBC and Natixis acting as co-bookrunners.

Paris, November 9, 2016

## **RALLYE**

### **DETERMINATION OF THE INITIAL EXCHANGE PRICE OF THE NON-DILUTIVE CASH-SETTLED BONDS DUE FEBRUARY 2022 EXCHANGEABLE INTO CASINO SHARES**

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Following the placement by Rallye SA (“**Rallye**”) of EUR 200 million non-dilutive cash-settled bonds due 2022 exchangeable for existing ordinary shares (the “**Shares**”) of Casino, Guichard-Perrachon S.A. (“**Casino**”) (the “**Bonds**”), the Initial Exchange Price of the Bonds has been set at EUR 59.9769.

The Initial Exchange Price represents a premium of 30% above the Share Reference Price for Casino share of EUR 46.1361, which was determined in the manner described in the press announcements released on October 19, 2016.

Settlement and delivery of the Bonds took place on October 26, 2016.

Capitalised terms not otherwise defined herein shall have the meanings given to them in the terms and conditions of the Bonds.

Paris, November 23, 2016

### **Rallye successfully completes its inaugural CHF 75 million bond issue**

Rallye issued an inaugural 75 million CHF denominated bond with a four year maturity and a coupon of 4%.

The new bond has been swapped to euro, allowing Rallye to secure a euro coupon below 5%.

This bond issue reinforces Rallye’s liquidity and demonstrates the company’s ability to diversify its sources of financing.

*UBS acted as Sole Bookrunner on the transaction.*

Paris, December 15, 2016

### **Resignation of a member of the Board**

The Board of Directors of Rallye held on December 15, 2016, duly noted Mrs Sophie GUIEYSSE’s resignation from her role as Director of Rallye.

### **PRESS RELEASES FOR CASINO:**

Paris, November 23rd 2016

### **Disposal of Via Varejo**

Casino’s Board of Directors, at a meeting held today, looked into the process made by its Brazilian affiliate CBD to evaluate potential strategic alternatives involving Via Varejo, its electronic goods and furniture business. The Board approved CBD’s decision to continue prioritizing the development of the food business – hypermarkets, supermarkets and convenience stores, cash & carry – and to launch the process of disposal of Via Varejo.

Paris, November 30 2016

## **THE CONFORAMA AND CASINO GROUPS ENHANCE AND EXPAND THEIR PURCHASING ALLIANCE BY SETTING UP A JOINT COMPANY DEDICATED TO INTERNATIONAL SERVICES**

After announcing, on 19 September 2016, the creation of “Mano”, their alliance to optimise purchasing in France of household appliances (both white and brown goods) from the main international suppliers, the Conforama and Casino groups have enhanced their current cooperation by creating an international company named "SICA" dedicated to international services.

This company will also include other Steinhoff International Group banners to create an alliance with a global reach.

SICA will develop a portfolio of international services through a wide range of suppliers comparable to that of Mano, in order to facilitate and optimise supplier/distributor partnerships and enhance the competitiveness of both groups.

The new entity will begin operations for the 2017 negotiations.

### About:

**Conforama**, a major player in the European household goods market, currently operates a total of 287 stores, of which 204 in France and 83 spread among Spain, Switzerland, Portugal, Luxembourg, Italy, Croatia and Serbia. The banner generated net sales of €3.5 billion in the 2016 financial year and has 13,400 employees. For more information: [www.conforama.fr](http://www.conforama.fr)

**Casino Group**: A food and non-food retail specialist, the Casino Group generated €46.1 billion in sales in 2015 thanks to its 15,344 sales outlets, including 10,627 in France, and more than 325,820 employees worldwide.\* In France, the Group has successfully implemented a multi-format, multi-brand and multi-channel model that draws on its extensive network of hypermarkets (Géant), supermarkets (Casino), urban supermarkets (Monoprix, Franprix, Leader Price) and convenience stores (Casino Shop, Vival, Spar, Leader Price Express) as well as its market-leading e-commerce site, Cdiscount. The Group is notably present in Latin America, where it is No. 1 in Brazil thanks to GPA and Via Varejo and in Colombia with Grupo Éxito.

*\*2015 figures*

### **CONFORAMA PRESS CONTACTS:**

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### **CASINO GROUP PRESS CONTACTS:**

#### **Corporate Communications**

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#### **Image 7**

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### **ANALYST AND INVESTOR CONTACTS**

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**or**

+33 (0)1 53 65 24 17

[IR\\_Casino@groupe-casino.fr](mailto:IR_Casino@groupe-casino.fr)

## 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

##### Individuals

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.

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 10 per cent. withholding tax. Investors should note that, based on the draft bill of law n°7020 introduced into Luxembourg parliament on 26 July 2016 (the “**Tax Reform Bill**”), it is foreseen to increase the withholding tax rate from 10% to 20%. 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. 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 10 per cent. tax (to be increased to 20% on the basis of the Tax Reform Bill) 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.

The withholding tax or the 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 of France and their interpretation by the tax authorities as of the date of this Programme (and therefore subject to any changes in law, possibly with a retroactive effect), limited to 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 issued on or after 1 March 2010 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*.

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 in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 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 30 per cent. or 75 per cent., 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, 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 principal purpose and effect of such issue of Notes was 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 clearing and delivery and payments 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 similar income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 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 15.5 per cent. on such interest paid to individuals who are fiscally domiciled in France.

**PRC - TAXATION**

The holders of RMB Notes who are not resident in the PRC for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their RMB Notes or any repayment of principal and payment of interest made thereon.

## SUBSCRIPTION AND SALE

### Description of the Dealer Agreement

Subject to the terms and on the conditions contained in an dealer agreement dated 16 December 2016 (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

#### 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, the 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*), and/or (c) to a closed circle of investors (*cercle restreint d'investisseurs*) as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 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 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 will 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 and regulations of Japan.

## **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 “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **People’s Republic of China**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People’s Republic of China (excluding Hong Kong, Macau and Taiwan) except as permitted by the securities laws of the People’s Republic of China.

## **Singapore**

Each Dealer has acknowledged 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 under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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 (as defined in Section 239(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;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### **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 the 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 the 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**

**Final Terms dated [•]**

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

### **RALLYE**

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 16 December 2016 [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 (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*) [and (b) the Issuer (*www.rallye.fr*)] and copies may be obtained from Rallye, 83, rue du Faubourg Saint-Honoré, 75008 Paris, France. [In addition<sup>1</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] Conditions. 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 (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 16 December 2016 [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] 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] Conditions and the Base Prospectus dated 16 December 2016 [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*) [and (b) the Issuer (*www.rallye.fr*)] and copies may be obtained from Rallye, 83, rue du Faubourg Saint-Honoré, 75008 Paris, France. [In addition<sup>1</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 ( <i>assimilées</i> ) and form a single series with the existing [ <i>insert amount, rate, maturity date and issue date of the Series</i> ] issued by the Issuer on [ <i>insert date</i> ] (the “ <b>Existing Notes</b> ”) [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “ <b>Assimilation Date</b> ”) of this Tranche]/[as from the Issue Date of this Tranche].] |
- (This item applies to fungible issues only)*

<sup>1</sup> [If the Notes are admitted to trading on a regulated market other than the Luxembourg Stock Exchange. ]

2. Specified Currency or Currencies: [•]
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]
- [Zero Coupon]
9. Change of Interest Basis: [Applicable/Not Applicable]
- (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]
- (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] [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>1</sup>]/not adjusted]

<sup>1</sup> [Needs to be specified for RMB Notes]

- (iii) Fixed Coupon Amount[(s)]<sup>1</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>2</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>3</sup> [•] / [Not Applicable]]
- 13. Floating Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (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 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: [•]

<sup>1</sup> [Not applicable for RMB Notes]

<sup>2</sup> [Needs to be specified for RMB Notes]

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

– 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)]
<b>14. Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(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)]
<b>PROVISIONS RELATING TO REDEMPTION</b>	
<b>15. Call 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) If redeemable in part:	
(a) Minimum Redemption Amount to be redeemed:	[•]
(b) Maximum Redemption Amount to be redeemed:	[•]
(iv) Notice period:	[•]
<b>16. Make-Whole Redemption</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(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 Conditions] / [•]
<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:	[•]
<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 details]  
*(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/Give details].  
*(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/give details. 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 Articles L.213-1 A and D.213-1 A of the French Code monétaire et financier:** [Not Applicable/Applicable]
- 29. Consolidation provisions:** [Not Applicable/The provisions [in Condition 14(b)] apply]
- 30. Masse:** [Full Masse]/[Contractual Masse] shall apply  
*(Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11 (b) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11(a) (Full Masse) shall apply.)*

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 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].]

## 7 **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

Depositories:

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

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

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg 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/ <i>give names</i> ]   |
|       | (B) Stabilising Manager(s)<br>if any:  | [Not Applicable/ <i>give name</i> ]  |
| (iii) | If non-syndicated, name of<br>Dealer:  | [Not Applicable/ <i>give name</i> ]  |
| (iv)  | US Selling Restrictions<br>(Categories of potential<br>investors to which the<br>Notes are offered): | Reg. S Compliance Category 2 applies to the<br>Notes; [TEFRA C]/[TEFRA D]/[TEFRA not<br>applicable] ( <i>See paragraphe 12 of General<br/>Information in the Base Prospectus</i> ) |

## 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 18 May 2016, 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 aggregate amount of €500,000,000 per month which authority will, unless previously cancelled, expire on the date of the annual general meeting of shareholders of the Issuer to be held in 2017 approving the accounts of the financial year ending on 31 December 2016. 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 2016 and there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2015.
- (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, Luxembourg 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, Luxembourg 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 2014 and 2015 and consolidated accounts of the Issuer for the six-month period ended 30 June 2016
  - (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
  - (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](http://www.bourse.lu)) and in respect of (ii) below on the website of the Issuer ([www.rallye.fr](http://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 92400 Courbevoie - Paris La Défense 1, France, and KMPG Audit, at 2, avenue Gambetta, Tour Egho, 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 2014 and 31 December 2015.

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*.



**Registered office of the Issuer**

**RALLYE**

83, rue du Faubourg Saint-Honoré  
75008 Paris  
France

**Arranger**

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Dealers**

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Crédit Agricole Corporate and Investment Bank**

12, Place des Etats-Unis, CS 70052  
92547 Montrouge Cedex  
France

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**Natixis**

30, avenue Pierre Mendès-France  
75013 Paris  
France

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**The Royal Bank of Scotland plc (trading as NatWest Markets)**

250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**Fiscal Agent, Paying Agent, Redenomination Agent,  
Consolidation Agent and Calculation Agent**

**BNP Paribas Securities Services**

(affiliated with Euroclear France under number 29106)

Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

**Listing Agent**

**Luxembourg Listing Agent**

**BNP Paribas Securities Services, Luxembourg Branch**

60, avenue J.F. Kennedy, Luxembourg  
Postal address : L – 2085 Luxembourg  
Grand-Duchy of Luxembourg

**Auditors to the Issuer**

**Ernst & Young et Autres**

1/2, place des Saisons  
92400 Courbevoie - Paris La Défense 1  
France

**KPMG Audit**

2, avenue Gambetta  
Tour Eqho - 92066 Paris-La Défense Cedex  
France

**Legal Advisers**

**To the Issuer**

**Orrick Herrington & Sutcliffe (Europe) LLP**

31, avenue Pierre 1<sup>er</sup> de Serbie  
75016 Paris  
France

**To the Dealers**

**Linklaters LLP**

25, rue de Marignan  
75008 Paris  
France