

**KLEPIERRE****€ 7,000,000,000****EURO MEDIUM TERM NOTE PROGRAMME**

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Klépierre (the "**Issuer**"), 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 € 7,000,000,000 (or its equivalent in other currencies at the date of issue of any Notes).

This Base Prospectus supersedes and replaces the Base Prospectus dated 6 April 2016 and any supplement thereto and shall be in force for a period of one year as of the date of its approval by the French *Autorité des marchés financiers* ("**AMF**").

Application will be made in certain circumstances for Notes to be issued under the Programme to be listed and admitted to trading on Euronext Paris and/or any other regulated market situated in a Member State of the EEA as defined in the Directive 2004/39/EC dated 21 April 2004 on financial instruments markets, as amended (each such market being a "**Regulated Market**"). The Notes issued under the Programme may also be unlisted or listed on an alternative stock exchange or market and/or offered to the public in any Member State of the EEA. The relevant final terms in respect of the issue of any Notes (the "**Final Terms**") will specify whether or not an application will be made for such Notes to be listed and admitted to trading and/or offered to the public and, if so, the relevant Regulated Market(s) or stock exchange(s) where the Notes will be listed and admitted to trading and/or the Member State(s) in the EEA where the Notes will be offered to the public.

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 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). No physical documents of title will be issued in respect of Dematerialised Notes.

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

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 relation to Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes with, where applicable, coupons for interest or talons attached (the "**Definitive Materialised Notes**"), on or after a date expected to be on or about the fortieth (40<sup>th</sup>) calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificate in respect of Materialised 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 (as defined in "Terms and Conditions of the Notes") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository for Euroclear and Clearstream, Luxembourg or (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).

The Issuer's long-term debt has been rated "A-, stable outlook", and its short-term debt "A-2" by Standard & Poor's Credit Market Services Europe Limited which is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)). Notes issued under the Programme may, or may not, be rated. The rating of Notes (if any) will be specified in the relevant Final Terms. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency without notice.

This Base Prospectus and any document incorporated by reference therein are available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the website of the Issuer ([www.klepierre.com](http://www.klepierre.com)).

**Investors should carefully review and consider the section headed "Risk Factors" in this Base Prospectus before deciding to invest in the Notes issued under the Programme.**

## ARRANGER

BNP PARIBAS

## DEALERS

ABN AMRO  
BARCLAYS  
CITIGROUP  
DEUTSCHE BANK  
HSBC  
MEDIOBANCA  
NATIXIS  
SOCIÉTÉ GÉNÉRALE CORPORATE &  
INVESTMENT BANKING

BANCA IMI  
BNP PARIBAS  
CM-CIC MARKET SOLUTIONS  
DNB NOR MARKETS  
ING  
MIZUHO SECURITIES  
NATWEST MARKETS

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.  
BOFA MERRILL LYNCH  
CRÉDIT AGRICOLE CIB  
GOLDMAN SACHS INTERNATIONAL  
J.P. MORGAN  
MORGAN STANLEY  
ODDO ET CIE  
UBS INVESTMENT BANK

This Base Prospectus (together with all supplements thereto from time to time), which contains or incorporates by reference all relevant information concerning the Issuer and the Issuer and its consolidated subsidiaries taken as a whole (the "Group"), constitutes a base prospectus for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the "Prospectus Directive"). The terms and conditions applicable to each Tranche (as defined in "Terms and Conditions of the Notes") not contained herein will be determined by the Issuer and the relevant Dealer(s) at the time of the issue on the basis of the then prevailing market conditions and will be set out in the relevant final terms (the "Final Terms") (a form of which is contained herein).

This Base Prospectus (together with all supplements thereto from time to time) may only be used for the purposes for which it has been published.

This Base Prospectus should be read and construed in conjunction with any supplement that may be published from time to time and with all documents incorporated herein by reference (see "Documents Incorporated by Reference") and, in relation to any Tranche (as defined herein) of Notes, with the relevant Final Terms.

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 the Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered within the United States or to, or for the account of, U.S. persons as defined in Regulation S under the Securities Act ("Regulation S") or, in the case of certain Materialised Notes in bearer form, United States persons as defined in the U.S. Internal Revenue Code of 1986, as amended. The Notes are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S.

For a description of these and certain further restrictions on offers, sales and transfers of Notes and on distribution of this Base Prospectus, see "Subscription and Sale". In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States of America, the EEA (including France, Italy and the United Kingdom), Hong Kong, Japan, People's Republic of China and Singapore.

None of the Issuer, the Arranger or the Dealers makes any representation to any prospective investor in the Notes regarding the legality of its investment under any applicable laws. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" or "EUR" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community as amended from time to time, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "US Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan, references to "CHF" and "Swiss Francs" are to the lawful currency of the Helvetic Confederation, references to "NOK" and "Norwegian Kroner" are to the lawful currency of Norway and references to "Renminbi" or "RMB" are to the lawful currency of the People's Republic of China excluding Hong Kong, Macau and Taiwan ("PRC").

## TABLE OF CONTENTS

	page
<i>RÉSUMÉ EN FRANÇAIS (FRENCH LANGUAGE SUMMARY)</i> .....	4
<b>SUMMARY OF THE PROGRAMME</b> .....	20
<b>RISK FACTORS</b> .....	35
<b>DOCUMENTS INCORPORATED BY REFERENCE</b> .....	48
<b>SUPPLEMENT TO THE BASE PROSPECTUS</b> .....	52
<b>TERMS AND CONDITIONS OF THE NOTES</b> .....	53
<b>USE OF PROCEEDS</b> .....	87
<b>TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES</b> .....	88
<b>FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A SPECIFIED DENOMINATION OF LESS THAN €100,000</b> .....	90
<b>FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A SPECIFIED DENOMINATION OF AT LEAST €100,000</b> .....	110
<b>DESCRIPTION OF THE ISSUER</b> .....	126
<b>RECENT DEVELOPMENTS</b> .....	127
<b>TAXATION</b> .....	129
<b>SUBSCRIPTION AND SALE</b> .....	149
<b>GENERAL INFORMATION</b> .....	155
<b>PERSON RESPONSIBLE FOR THE BASE PROSPECTUS</b> .....	159

**RÉSUMÉ EN FRANÇAIS**  
**(FRENCH LANGUAGE SUMMARY)**

**Avertissement au lecteur :**

Le résumé qui suit est conforme aux exigences de la directive 2003/71/CE du Parlement Européen et du Conseil en date du 4 novembre 2003, telle que modifiée (la "**Directive Prospectus**") et du Règlement No. 809/2004 de la Commission mettant en œuvre la Directive Prospectus, tel que modifié (le "**Règlement DP**"), y compris les exigences de contenu spécifiées en Annexe XXII au Règlement DP. Ces exigences s'appliquent aux titres (les "**Titres**") émis dans le cadre du programme Euro Medium Term Note (le "**Programme**") décrit dans le présent prospectus de base (le "**Prospectus de Base**") ayant une valeur nominale unitaire de moins de 100 000 € (ou sa contre-valeur dans toute autre devise) qui sont offerts au public ou admis à la négociation sur un marché réglementé de l'Espace Economique Européen (l'"**EEE**"), et le résumé ci-après s'adresse aux investisseurs potentiels dans ces Titres. Le résumé spécifique à ce type d'émission de Titres figurera en annexe des conditions définitives applicables (les "**Conditions Définitives**") et comprendra (i) les informations relatives au résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques "résumé spécifique à l'émission" figurant ci-dessous.

Les investisseurs dans des Titres ayant une valeur nominale unitaire supérieure à 100 000 euros (ou si les Titres sont libellés dans une autre devise que l'euro, un montant équivalent dans cette devise à la date d'émission) ne devront pas se fonder sur le présent résumé et l'Émetteur n'assume aucune responsabilité vis-à-vis de ces derniers.

Les résumés doivent contenir des informations désignées sous le terme "**Éléments**", prévus à l'Annexe XXII du Règlement délégué (UE) n°486/2012. Ces Éléments figurent dans des sections numérotées A – E (A.1 – E.7). Le présent résumé contient tous les Éléments devant être inclus dans un résumé pour ce type de titres et d'émetteur. L'insertion de certains Éléments n'étant pas exigée, la séquence de numérotation des Éléments peut être discontinuée. Par ailleurs, quand bien même un Éléments pourrait devoir être inséré dans le résumé en raison du type de titres et d'émetteur, il est possible qu'aucune information pertinente ne puisse être donnée à propos de cet Éléments. Dans ce cas, une brève description de l'Éléments concerné est incluse dans le résumé avec la mention "Sans objet".

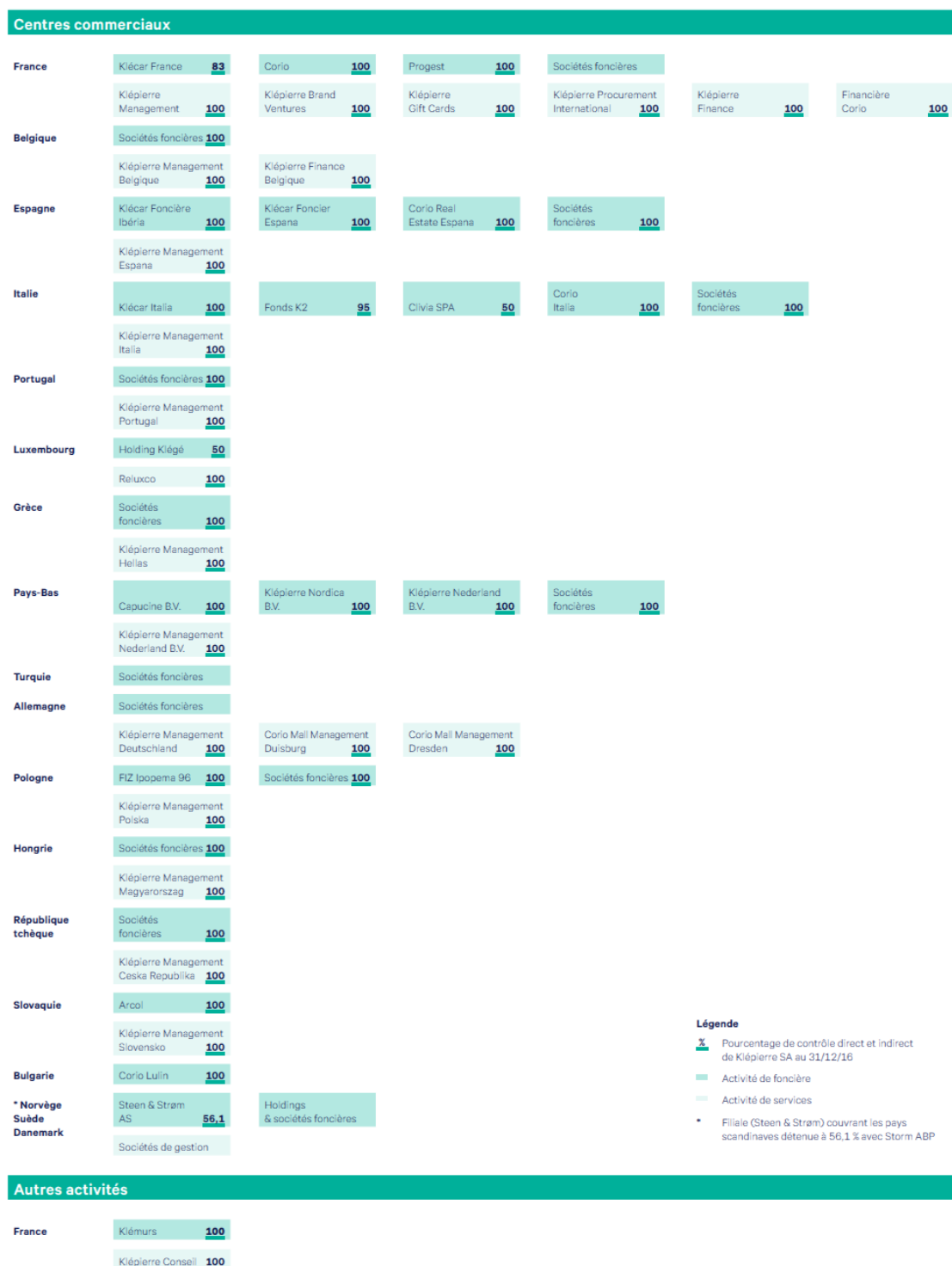
**Section A – Introduction et avertissements**

<b>A.1</b>	<b>Avertissement général relatif au résumé</b>	<p>Le présent résumé doit être lu comme une introduction au présent Prospectus de Base, et est fourni afin d'aider les investisseurs lorsqu'ils envisagent d'investir dans des Titres, mais ne saurait remplacer le Prospectus de Base. Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base, des documents qui y sont incorporés par référence, de tous suppléments y afférent, le cas échéant, et des Conditions Définitives. Lorsqu'une action concernant l'information contenue dans le présent Prospectus de Base est intentée devant un tribunal d'un état membre (un "<b>Etat Membre</b>") de l'EEE, l'investisseur plaignant peut, selon la législation nationale de l'Etat Membre où l'action est engagée, avoir à supporter les frais de traduction de ce Prospectus de Base avant le début de la procédure judiciaire.</p> <p>Une responsabilité civile n'est attribuée qu'aux personnes qui ont présenté le résumé y compris sa traduction, mais uniquement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base, ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés (telles que définies à l'Article 2.1(s) de la Directive Prospectus) permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.</p>
<b>A.2</b>	<b>Information relative au consentement de</b>	<p>Pour ce qui concerne toute offre de Titres qui n'est pas effectuée en vertu d'une dispense de prospectus conformément à la Directive Prospectus (une "<b>Offre Non-exemptée</b>"), l'Émetteur accepte d'être responsable en France, au Grand-Duché de Luxembourg, au</p>

	<p><b>l'Émetteur concernant l'utilisation du Prospectus</b></p>	<p>Royaume-Uni, en Allemagne, en Belgique, en Irlande, aux Pays-Bas, en Autriche, en Norvège et dans tout autre état membre de l'Union Européenne pour lequel ce Prospectus de Base a fait l'objet d'une procédure de passeport (les "<b>Etats de l'Offre au Public</b>"), tel que mentionné ci-dessous, du contenu du Prospectus de Base, tel que complété par le(s) supplément(s) y afférent(s) et les Conditions Définitives concernées (ensemble, le "<b>Prospectus</b>"), à l'égard de toute personne (un "<b>Investisseur</b>") à qui toute offre de Titres est faite par tout intermédiaire financier auquel l'Émetteur a donné son consentement à l'utilisation du Prospectus (un "<b>Offrant Autorisé</b>"), si l'offre est faite durant la période indiquée dans les Conditions Définitives concernées pendant laquelle ce consentement est donné dans l'Etat de l'Offre au Public (la "<b>Période d'Offre</b>") et en conformité avec toutes les autres conditions assorties à l'octroi de ce consentement.</p> <p>Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de douze (12) mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p> <p><b>Un Investisseur qui souhaite acquérir ou qui acquiert tous Titres auprès d'un Offrant Autorisé pourra le faire, et les offres et ventes des Titres à un Investisseur par un Offrant Autorisé seront effectuées, conformément aux modalités et autres accords conclus entre cet Offrant Autorisé et cet Investisseur y compris, s'agissant du prix, des accords d'allocation et de règlement (les "Modalités de l'Offre Non-exemptée"). L'Émetteur ne sera partie à aucun de ces accords avec les Investisseurs (autres que les agents placeurs) en ce qui concerne l'offre ou la vente des Titres et, en conséquence, le Prospectus ne contiendra pas ces informations. Les Modalités de l'Offre Non-exemptée seront indiquées aux Investisseurs sur son site internet par ledit Offrant Autorisé pendant la période concernée. Ni l'Émetteur ni aucun des agents placeurs ou d'autres Offrants Autorisés ne saurait être tenu responsable de cette information ni des conséquences de son utilisation par les Investisseurs concernés.</b></p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[Sans objet.]</p> <p>[Pour ce qui concerne l'offre non-exemptée de Titres (l'"<b>Offre Non-exemptée</b>"), l'Émetteur accepte d'être responsable du contenu du Prospectus de Base, tel que complété par le(s) supplément(s) y afférent(s) et les Conditions Définitives concernées (ensemble, le "<b>Prospectus</b>") et consent à l'utilisation du Prospectus en [●] (les "<b>Etat[s] de l'Offre au Public</b>"), pendant la période allant de [●] à [●] (la "<b>Période d'Offre</b>") à l'égard de toute personne (un "<b>Investisseur</b>") à qui l'Offre Non exemptée de Titres est faite par : [tout intermédiaire financier autorisé à faire l'Offre Non-exemptée en vertu de la Directive 2004/39/CE en date du 21 avril 2004 sur les marchés d'instruments financiers, telle que modifiée et qui remplit les conditions suivantes : [●] / [●] (<i>indiquer les noms et adresses des intermédiaires financiers autorisés</i>) (un "<b>Offrant Autorisé</b>").]</p> <p>Le consentement auquel il est fait référence ci-dessus concerne (le cas échéant) les Périodes d'Offre qui se terminent au plus tard douze (12) mois après la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p> <p><b>Les Modalités de l'Offre Non-exemptée seront indiquées aux Investisseurs sur son site internet par ledit Offrant Autorisé pendant la période concernée. Ni l'Émetteur ni aucun des agents placeurs ou d'autres Offrants Autorisés ne saurait être tenu responsable de cette information ni des conséquences de son utilisation par les Investisseurs concernés.</b></p>
--	---	---

<b>Section B – Émetteur</b>		
<b>B.1</b>	<b>Raison sociale et nom commercial de l'Émetteur</b>	Klépierre (l'"Émetteur").
<b>B.2</b>	<b>Siège social/ Forme juridique/ Législation/ Pays d'immatriculation</b>	<p>Société anonyme à directoire et conseil de surveillance de droit français, régie par les dispositions légales applicables aux sociétés anonymes, et notamment par les articles L. 225-57 à L. 225-93 du Code de commerce, et par ses statuts.</p> <p>Le siège social de l'Émetteur se situe 26, boulevard des Capucines - 75009 Paris - France.</p>
<b>B.4b</b>	<b>Description de toutes les tendances connues ayant des répercussions sur l'Émetteur et ses secteurs d'activité</b>	<p>Le PIB de la zone euro devrait progresser de 1,7 %, au cours de l'année 2016, conformément aux prévisions de juin 2016. En dépit d'une politique monétaire accommodante, l'investissement des entreprises est resté à un niveau relativement bas en raison de l'atonie de la demande, des faiblesses du secteur bancaire et des défis rencontrés par l'intégration européenne. Bien que la situation se soit légèrement améliorée, la croissance de l'emploi et des salaires réels est restée modérée, ce qui, par conséquent, s'est traduit par une légère hausse de la demande intérieure, tandis que le niveau des exportations a été affecté par un ralentissement des échanges internationaux. Des disparités ont néanmoins été constatées entre les pays dans lesquels Klépierre est présente, avec la Suède (+ 3,3 %) et l'Espagne (+ 3,2 %), qui devraient finalement afficher des taux de croissance supérieurs à 3 %, suivies par la Turquie (+ 2,9 %), la Pologne (+ 2,6 %), la République tchèque (+ 2,4 %) et les Pays-Bas (+ 2,0 %). La Hongrie et l'Allemagne ont enregistré une croissance de 1,7 %, tandis que d'autres pays, à l'image de la France (+ 1,2 %), de l'Italie (+ 0,8 %) et de la Norvège (+ 0,7 %), ont enregistré des taux de croissance plus faibles (<i>source OCDE, novembre 2016</i>).</p> <p>Selon l'OCDE, en 2017, le PIB devrait progresser à un rythme à peu près similaire à celui constaté en 2016, et légèrement plus soutenu en 2018 dans les pays où l'Émetteur et ses filiales exercent leurs activités.</p>
<b>B.5</b>	<b>Description du Groupe de l'Émetteur et de la position de l'Émetteur au sein du Groupe</b>	<p>L'Émetteur est la société de tête et le principal véhicule coté du groupe Klépierre constitué de l'Émetteur et de ses filiales consolidées pris dans leur ensemble (ensemble, le "<b>Groupe</b>").</p> <p>Au 31 décembre 2016, celui-ci était implanté dans 16 pays d'Europe continentale. Les sociétés du Groupe se répartissent entre sociétés foncières, propriétaires du patrimoine immobilier du Groupe, et sociétés de service sous la marque Klépierre Management. Certaines de ces sociétés sont détenues en partenariat avec des tiers. C'est notamment le cas de la filiale scandinave (Steen &amp; Strom) dont Klépierre ne détient que 56,1 % du capital.</p>

## Organigramme simplifié de l'Émetteur au 31 décembre 2016



<b>B.9</b>	<b>Prévisions et estimations du bénéfice</b>	Sans objet.																																																									
<b>B.10</b>	<b>Réserves formulées dans le rapport d'audit</b>	Sans objet.																																																									
<b>B.12</b>	<b>Informations financières historiques clés sélectionnées</b>	<p>Les informations financières ci-après sont issues des comptes consolidés de l'Émetteur au 31 décembre 2016, incorporés par référence dans le présent Prospectus de Base.</p> <table> <tr> <th><i>Compte de Résultat</i> (en millions d'euros)</th><th><b>31/12/2015</b></th><th><b>31/12/2016</b></th></tr> <tr> <td>Revenus locatifs</td><td>1.208,4</td><td>1.214,0</td></tr> <tr> <td>Loyers nets</td><td>1.069,60</td><td>1.083,4</td></tr> <tr> <td>Résultat opérationnel</td><td>882,9</td><td>1.822,8</td></tr> <tr> <td>Résultat avant impôts</td><td>732,9</td><td>1.702,5</td></tr> <tr> <td><b>Résultat net de l'ensemble consolidé</b></td><td><b>528,3</b></td><td><b>1.476,9</b></td></tr> <tr> <td>Dont Part du Groupe</td><td>274,7</td><td>1.191,3</td></tr> </table> <table> <tr> <th><i>Bilan</i> (en millions d'euros)</th><th><b>31/12/2015</b></th><th><b>31/12/2016</b></th></tr> <tr> <td>Actifs non courants</td><td>22.497,1</td><td>22.915,4</td></tr> <tr> <td>Actifs courants</td><td>986,5</td><td>1.421,7</td></tr> <tr> <td><b>Total actif</b></td><td><b>23.483,6</b></td><td><b>24.337,1</b></td></tr> <tr> <td>Capitaux propres</td><td>11.729,3</td><td>12.536,2</td></tr> <tr> <td>Passifs non courants</td><td>8.169</td><td>8.364,4</td></tr> <tr> <td>Passifs courants</td><td>3.585,4</td><td>3.436,5</td></tr> <tr> <td><b>Total passif et capitaux propres</b></td><td><b>23.483,6</b></td><td><b>24.337,1</b></td></tr> </table> <table> <tr> <th></th><th><b>31/12/2015</b></th><th><b>31/12/2016</b></th></tr> <tr> <td><b>Trésorerie nette</b> (en millions d'euros)</td><td>148,6</td><td>467,9</td></tr> <tr> <td><b>Endettement net</b> (en millions d'euros)</td><td>8.857</td><td>8.613</td></tr> <tr> <td><b>Effectifs</b></td><td>1.496</td><td>1.234</td></tr> </table> <p>A la connaissance de l'Émetteur, depuis la date de ses derniers états financiers en date du 31 décembre 2016, (i) il n'y a eu aucune détérioration significative susceptible de répercussions sur ses perspectives et (ii) à l'exception (x) de l'émission obligataire de 500.000.000 € portant intérêt au taux de 1,375 % et venant à échéance le 16 février 2027 en date du 16 février 2017, (y) de l'émission obligataire de 100.000.000 € portant intérêt au taux de 1,375 % et venant à échéance le 16 février 2027 en date du 27 février 2017, assimilable à l'émission obligataire de 500.000.000 € portant intérêt au taux de 1,375 % et venant à échéance le 16 février 2027 et (z) de la mise en place d'un programme de rachat</p>	<i>Compte de Résultat</i> (en millions d'euros)	<b>31/12/2015</b>	<b>31/12/2016</b>	Revenus locatifs	1.208,4	1.214,0	Loyers nets	1.069,60	1.083,4	Résultat opérationnel	882,9	1.822,8	Résultat avant impôts	732,9	1.702,5	<b>Résultat net de l'ensemble consolidé</b>	<b>528,3</b>	<b>1.476,9</b>	Dont Part du Groupe	274,7	1.191,3	<i>Bilan</i> (en millions d'euros)	<b>31/12/2015</b>	<b>31/12/2016</b>	Actifs non courants	22.497,1	22.915,4	Actifs courants	986,5	1.421,7	<b>Total actif</b>	<b>23.483,6</b>	<b>24.337,1</b>	Capitaux propres	11.729,3	12.536,2	Passifs non courants	8.169	8.364,4	Passifs courants	3.585,4	3.436,5	<b>Total passif et capitaux propres</b>	<b>23.483,6</b>	<b>24.337,1</b>		<b>31/12/2015</b>	<b>31/12/2016</b>	<b>Trésorerie nette</b> (en millions d'euros)	148,6	467,9	<b>Endettement net</b> (en millions d'euros)	8.857	8.613	<b>Effectifs</b>	1.496	1.234
<i>Compte de Résultat</i> (en millions d'euros)	<b>31/12/2015</b>	<b>31/12/2016</b>																																																									
Revenus locatifs	1.208,4	1.214,0																																																									
Loyers nets	1.069,60	1.083,4																																																									
Résultat opérationnel	882,9	1.822,8																																																									
Résultat avant impôts	732,9	1.702,5																																																									
<b>Résultat net de l'ensemble consolidé</b>	<b>528,3</b>	<b>1.476,9</b>																																																									
Dont Part du Groupe	274,7	1.191,3																																																									
<i>Bilan</i> (en millions d'euros)	<b>31/12/2015</b>	<b>31/12/2016</b>																																																									
Actifs non courants	22.497,1	22.915,4																																																									
Actifs courants	986,5	1.421,7																																																									
<b>Total actif</b>	<b>23.483,6</b>	<b>24.337,1</b>																																																									
Capitaux propres	11.729,3	12.536,2																																																									
Passifs non courants	8.169	8.364,4																																																									
Passifs courants	3.585,4	3.436,5																																																									
<b>Total passif et capitaux propres</b>	<b>23.483,6</b>	<b>24.337,1</b>																																																									
	<b>31/12/2015</b>	<b>31/12/2016</b>																																																									
<b>Trésorerie nette</b> (en millions d'euros)	148,6	467,9																																																									
<b>Endettement net</b> (en millions d'euros)	8.857	8.613																																																									
<b>Effectifs</b>	1.496	1.234																																																									



		d'actions pouvant aller jusqu'à 500.000.000 € en date du 13 mars 2017, il n'est survenu aucun changement significatif dans la situation financière et commerciale de l'Émetteur ou du Groupe.																																	
B.13	Événements récents relatifs à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité	Sans objet																																	
B.14	Dépendance de l'Émetteur vis-à-vis d'autres entités du Groupe	Klépierre est la société de tête du groupe Klépierre et sa situation financière et commerciale dépend notamment de la situation financière et commerciale de ses filiales significatives.																																	
B.15	Principales activités de l'Émetteur	<p>Acteur majeur de l'immobilier de commerces en Europe, Klépierre, Société d'investissement immobilier cotée (SIIC), détenait un patrimoine valorisé à 22,8 milliards d'euros au 31 décembre 2016.</p> <p>Investisseur à long terme, Klépierre maîtrise la conception, la gestion et la valorisation de son patrimoine à travers ses filiales Klépierre Management et Steen &amp; Strøm, première foncière scandinave de centres commerciaux. La combinaison de ces acteurs au sein d'un même groupe fait de ce dernier le partenaire indispensable des villes et des enseignes pour la réussite dans la durée des projets commerciaux.</p> <table><tr><td><i>Répartition des loyers par secteur</i></td><td><b>31/12/2015</b></td><td><b>31/12/2016</b></td></tr><tr><td><i>(en millions d'euros)</i></td><td></td><td></td></tr><tr><td>Centres commerciaux</td><td>1.173,8</td><td>1.183,4</td></tr><tr><td>Autres activités</td><td>34,6</td><td>30,6</td></tr><tr><td><b>Total</b></td><td><b>1.208,4</b></td><td><b>1.214,0</b></td></tr></table> <table><tr><td><i>Répartition des revenus locatifs nets centres commerciaux par région</i></td><td><b>31/12/2016</b></td></tr><tr><td>France-Belgique</td><td>36,8 %</td></tr><tr><td>Scandinavie</td><td>17,1 %</td></tr><tr><td>Italie</td><td>18 %</td></tr><tr><td>Europe centrale et Turquie</td><td>10,4 %</td></tr><tr><td>Ibérie</td><td>9,3 %</td></tr><tr><td>Pays-Bas</td><td>4,3 %</td></tr><tr><td>Allemagne</td><td>4 %</td></tr><tr><td><b>Total</b></td><td><b>100 %</b></td></tr></table>	<i>Répartition des loyers par secteur</i>	<b>31/12/2015</b>	<b>31/12/2016</b>	<i>(en millions d'euros)</i>			Centres commerciaux	1.173,8	1.183,4	Autres activités	34,6	30,6	<b>Total</b>	<b>1.208,4</b>	<b>1.214,0</b>	<i>Répartition des revenus locatifs nets centres commerciaux par région</i>	<b>31/12/2016</b>	France-Belgique	36,8 %	Scandinavie	17,1 %	Italie	18 %	Europe centrale et Turquie	10,4 %	Ibérie	9,3 %	Pays-Bas	4,3 %	Allemagne	4 %	<b>Total</b>	<b>100 %</b>
<i>Répartition des loyers par secteur</i>	<b>31/12/2015</b>	<b>31/12/2016</b>																																	
<i>(en millions d'euros)</i>																																			
Centres commerciaux	1.173,8	1.183,4																																	
Autres activités	34,6	30,6																																	
<b>Total</b>	<b>1.208,4</b>	<b>1.214,0</b>																																	
<i>Répartition des revenus locatifs nets centres commerciaux par région</i>	<b>31/12/2016</b>																																		
France-Belgique	36,8 %																																		
Scandinavie	17,1 %																																		
Italie	18 %																																		
Europe centrale et Turquie	10,4 %																																		
Ibérie	9,3 %																																		
Pays-Bas	4,3 %																																		
Allemagne	4 %																																		
<b>Total</b>	<b>100 %</b>																																		
B.16	Entité(s) ou personne(s) détenant ou contrôlant directement ou	<p>Aucun des actionnaires actuels ne contrôle, directement ou indirectement, l'Émetteur.</p> <p>A la date du Prospectus de Base, Klépierre a pour principaux actionnaires Simon Property Group, leader mondial de l'industrie des centres commerciaux (20,3 % du capital et des droits de vote de l'Émetteur) et le groupe APG (13,5 % du capital et des droits de vote de</p>																																	

	<b>indirectement l'Émetteur</b>	<p>l'Émetteur). Le reste du capital est du flottant, très majoritairement détenu par des investisseurs institutionnels.</p> <p>A la connaissance de l'Émetteur, il n'existe pas, à la date du Prospectus de Base, d'accord dont la mise en œuvre pourrait entraîner un changement de contrôle de l'Émetteur à une date ultérieure.</p>
<b>B.17</b>	<b>Notation assignée à l'Émetteur ou à ses titres d'emprunt</b>	<p>Le 31 mars 2017, Standard &amp; Poor's Credit Market Services Europe Limited a confirmé la notation "A-, perspective stable" pour la dette à long terme de l'Émetteur. Standard &amp; Poor's Credit Market Services Europe Limited est établie dans l'Union Européenne et enregistrée conformément au Règlement (CE) n° 1060/2009, tel que modifié (le "<b>Règlement ANC</b>") et figure sur la liste des agences de notation publiée sur le site Internet de l'Autorité Européenne des Marchés Financiers (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">http://www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>). Les Titres émis dans le cadre du Programme pourront être notés ou non. Les Conditions Définitives applicables préciseront (i) la notation, s'il y en a une, et (ii) si la notation a été ou non émise par une agence de notation de crédit établie dans l'Union Européenne et enregistrée conformément au Règlement ANC.</p> <p>La notation n'est pas une recommandation d'acheter, vendre ou détenir des titres et peut être sujette à suspension, changement ou retrait à tout moment par l'agence de notation qui l'a attribuée.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet.]/[Les Titres qui seront émis [ont été/devraient être] notés: [●] par [●].]</p>
<b>Section C – Valeurs mobilières</b>		
<b>C.1</b>	<b>Nature, catégorie et identification des Titres</b>	<p><b>Nature et catégorie des Titres</b></p> <p>Les Titres pourront être émis sur une base syndiquée ou non syndiquée.</p> <p>Les Titres seront émis par souches (chacune une "<b>Souche</b>"), ayant la même date d'émission ou des dates d'émissions différentes et ayant autrement les mêmes modalités. Chaque Souche pourra être émise par tranches (chacune une "<b>Tranche</b>"), ayant la même date d'émission ou des dates d'émission différentes. Les modalités spécifiques de chaque Tranche seront indiquées dans les Conditions Définitives concernées.</p> <p><b>Forme des Titres</b></p> <p>Les Titres pourront être émis soit sous forme de titres dématérialisés ("<b>Titres Dématérialisés</b>"), soit sous forme de titres matérialisés ("<b>Titres Matérialisés</b>").</p> <p>Les Titres Dématérialisés pourront, au gré de l'Émetteur, être émis au porteur ou au nominatif et, dans ce dernier cas, au gré du porteur concerné, soit au nominatif pur, soit au nominatif administré. Aucun document ne sera émis en représentation des Titres Dématérialisés.</p> <p>Les Titres Matérialisés seront uniquement émis au porteur. Un certificat global temporaire relatif à chaque Tranche de Titres Matérialisés sera initialement émis sans coupon d'intérêt attaché. Les Titres Matérialisés pourront uniquement être émis hors de France.</p> <p>Les Titres seront déposés auprès d'Euroclear France en qualité de dépositaire central pour les Titres Dématérialisés et Clearstream Banking, S.A. ("<b>Clearstream, Luxembourg</b>"), Euroclear Bank S.A./N.V. ("<b>Euroclear</b>") ou tout autre système de compensation convenu par l'Émetteur, l'agent financier dans le cadre du Programme (l'"<b>Agent Financier</b>") et l(es) agent(s) placeur(s) concerné(s) pour les Titres Matérialisés.</p> <p><b>Numéro d'identification des Titres</b></p> <p>Un numéro d'identification des Titres (ISIN) et un code commun seront indiqués dans les Conditions Définitives applicables à chaque émission de Titres.</p>

		<p><b>Résumé spécifique à l'émission :</b></p> <p><b>Nature et catégorie des Titres</b></p> <p>[Les Titres seront émis sur une base [syndiquée / non syndiquée], sous la Souche n° [●], Tranche n° [●].]</p> <p>Les Titres seront émis sous forme de Titres [Dématérialisés/Matérialisés] au [porteur/nominatif].</p> <p>Le dépositaire central est : [Euroclear France]/[Sans objet]</p> <p>Le dépositaire commun est : [[●]]/[Sans objet]</p> <p><b>Numéro d'identification des Titres</b></p> <p>Le numéro d'identification des Titres à émettre (ISIN) est : [●].</p> <p>Le code commun des Titres à émettre est : [●].</p>
C.2	Devise	<p>Sous réserve du respect des lois, réglementations et directives applicables, les Titres pourront être émis en Euros, Livres Sterling, Dollars américains, Yens japonais, Francs suisses, Couronnes norvégiennes, Renminbis ou toute autre devise qui pourrait être choisie entre l'Émetteur et l'(les) agent(s) placeur(s) concerné(s).</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>La monnaie d'émission est [●].</p>
C.5	Négociabilité	<p>Sans objet. Il n'y a pas de restriction à la libre négociabilité des Titres (sous réserve de l'application de restrictions de vente dans certaines juridictions).</p>
C.8	Description des droits attachés aux Titres	<p><b>Prix d'émission</b></p> <p>Les Titres pourront être émis au pair ou avec une décote ou une prime par rapport à leur valeur nominale.</p> <p>Le prix d'émission sera déterminé dans les Conditions Définitives applicables à chaque émission.</p> <p><b>Valeur nominale</b></p> <p>Les Titres auront la ou les valeur(s) nominale(s) convenue(s) entre l'Émetteur et l'Agent Placeur concerné. Toutefois si les Titres sont libellés dans une devise autre que l'euro, la valeur nominale de tout Titre sera fixée au montant autorisé ou requis par la banque centrale concernée (ou une autre autorité équivalente) ou par toute loi ou réglementation applicable à la devise choisie.</p> <p><b>Rang</b></p> <p>Les Titres et, le cas échéant, les coupons d'intérêt relatifs aux Titres Matérialisés (les "<b>Coupons</b>"), constitueront des engagements directs, inconditionnels, non subordonnés et (sous réserve du paragraphe "Clause de maintien de l'emprunt à son rang" ci-après) non assortis de sûretés de l'Émetteur venant au même rang entre eux et (sous réserve d'exceptions légales en droit français) au même rang que tout autre engagement, présent ou futur, non assorti de sûretés et non subordonné de l'Émetteur.</p> <p><b>Clause de maintien de l'emprunt à son rang</b></p> <p>Aussi longtemps que des Titres ou, le cas échéant, des Coupons seront en circulation, l'Émetteur s'engage à ne pas conférer ou permettre que subsiste un quelconque gage, hypothèque, droit de rétention, privilège, nantissement ou autre sûreté réelle sur l'un quelconque de ses actifs ou revenus, présent ou futur, aux fins de garantir toute Dette Obligataire (telle que définie ci-après) contractée par lui ou une quelconque garantie ou indemnité octroyée ou consentie par lui au titre de toute Dette Obligataire, à moins que, au même moment ou préalablement, les engagements de l'Émetteur au titre des Titres ou Coupons ne bénéficient des mêmes sûretés ou garanties et d'un rang identique aux présents</p>

		<p>Titres.</p> <p>Pour les besoins de ce paragraphe :</p> <p><b>"Dette Obligataire"</b> signifie toute dette d'emprunt, présente ou future, représentée par des obligations, des titres ou d'autres instruments financiers (y compris titres de créances négociables) qui sont (ou sont susceptibles d'être) cotés, admis aux négociations ou négociés sur une bourse, un marché de gré à gré ou tout autre marché de titres ;</p> <p><b>Clause d'assimilation</b></p> <p>L'Émetteur aura la faculté, sans le consentement des titulaires de Titres ou de Coupons, de créer et d'émettre des titres assimilables aux Titres à condition que ces titres et les Titres confèrent à leurs porteurs des droits identiques à tous égards (ou identiques à tous égards à l'exception du montant nominal total, de la date d'émission et du premier paiement d'intérêts y afférent) et que les modalités de ces titres prévoient une telle assimilation.</p> <p><b>Fiscalité</b></p> <p>Tous paiements de principal et d'intérêts effectués par ou pour le compte de l'Émetteur au titre des Titres seront effectués sans aucune retenue à la source ou prélèvement au titre de tout impôt ou taxe de toute nature, imposés, levés ou recouvrés par ou pour le compte de la France, ou de l'une de ses autorités ayant le pouvoir de lever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi.</p> <p><b>Droit applicable</b></p> <p>Droit français</p> <p><b>Résumé spécifique à l'émission :</b></p> <p><b>Prix d'émission</b></p> <p>Le prix d'émission des Titres est de [●] pour cent du Montant Nominal Total [plus un montant correspondant aux intérêts courus à compter du [●] (s'il y a lieu)].</p> <p>Valeur Nominale Unitaire : [●]</p>
C.9	Intérêts, échéance et modalités de remboursement, rendement et représentation des Titulaires	<p>Merci de vous reporter également à l'information fournie à l'élément C.8 ci-dessus.</p> <p><b>Taux d'intérêt nominal</b></p> <p>Les Titres pourront ou non donner droit à la perception d'intérêts. Les intérêts, le cas échéant, pourront être à taux fixe ou à taux variable ou encore à un taux qui varie pendant la durée de la tranche concernée (d'un taux fixe à taux variable ou d'un taux variable à un taux fixe).</p> <p><b>Titres à Taux Fixe</b></p> <p>Les coupons fixes seront payables à terme échu à la date ou aux dates de chaque année prévues par les Conditions Définitives.</p> <p><b>Titres à Taux Variable</b></p> <p>Les Titres à Taux Variables porteront un intérêt déterminé comme suit :</p> <p>(a) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt dans la devise prévue concernée, conformément à un contrat incluant les Définitions FBF telles que publiées par la Fédération Bancaire Française ; ou</p> <p>(b) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt dans la devise prévue concernée, conformément à un contrat incluant les Définitions ISDA telles que publiées par l'<i>International Swaps and Derivatives Association, Inc.</i>; ou</p>

	<p>(c) sur la base d'un taux de référence tel que figurant sur la page écran d'un service de cotation reconnu ou résultant de cotations de marché,</p> <p>dans chaque cas, augmenté ou réduit de la marge (le cas échéant).</p> <p><b><i>Titres à Taux Variable Inversé</i></b></p> <p>Les Titres à Taux Variable Inversé ont un rendement égal à un Taux Fixe moins un Taux Variable.</p> <p><b><i>Titres à Taux Fixe/Variable</i></b></p> <p>Les Titres à Taux Fixe/Variable pour lesquels un changement de base d'intérêt est spécifié comme étant applicable peuvent être émis par l'Émetteur.</p> <p><b><i>Titres à Coupon Zéro</i></b></p> <p>Les Titres à Coupon Zéro peuvent être émis à leur montant nominal ou avec une remise et ne porteront pas d'intérêt.</p> <p><b><i>Date d'entrée en jouissance et date d'échéance des intérêts</i></b></p> <p>La date d'entrée en jouissance et la date d'échéance des intérêts applicables à chaque émission de Titres seront stipulées dans les Conditions Définitives applicables à l'émission de Titres concernée.</p> <p><b><i>Description du sous-jacent sur lequel le taux est fondé, lorsque le taux n'est pas fixe</i></b></p> <p>Les intérêts, le cas échéant, seront à taux fixe, ou à taux variable ou encore à un taux qui varie pendant la durée de la tranche concernée (EURIBOR, LIBOR ou CMS).</p> <p><b><i>Date d'échéance et modalités d'amortissement de l'emprunt, y compris procédures de remboursement</i></b></p> <p>La date d'échéance sera stipulée dans les Conditions Définitives applicables à l'émission.</p> <p><b><i>Remboursement à la date d'échéance</i></b></p> <p>Les Conditions Définitives applicables définiront la base de calcul des montants de remboursement dus. Sauf disposition contraire prévue par les lois et réglementations applicables, les Titres (y compris les Titres dont la valeur nominale est exprimée en Livres Sterling) ayant une maturité inférieure à un (1) an et pour lesquels l'Émetteur percevra le produit de l'émission au Royaume-Uni ou dont l'émission constituerait une violation aux dispositions de l'article 19 du Financial Services and Markets Act 2000 auront un montant de remboursement minimum de 100.000 £ (ou tout montant équivalent si les Titres sont libellés dans une autre devise).</p> <p><b><i>Remboursement Optionnel</i></b></p> <p>Les Conditions Définitives relatives à chaque émission de Titres indiqueront si ceux-ci peuvent être remboursés avant la date d'échéance prévue au gré de l'Émetteur (en totalité ou en partie) et/ou des Titulaires et, si tel est le cas, les modalités applicables à ce remboursement. De plus, chaque Titulaire pourra exercer son option et demander à l'Émetteur de rembourser, ou à l'option de l'Émetteur, de racheter ses Titres à cent pour cent (100%) du montant en principal et des intérêts courus en cas de survenance d'un événement de restructuration (<i>Restructuring Event</i>) avec une baisse de notation (<i>Rating Downgrade</i>) ou une notation négative (<i>Negative Rating Event</i>).</p> <p><b><i>Remboursement anticipé au gré de l'Émetteur (Make-Whole)</i></b></p> <p>Les Conditions Définitives relatives à chaque émission de Titres indiqueront si l'Émetteur aura la possibilité de rembourser en totalité, ou en partie seulement, des Titres de l'émission concernée, à tout moment, avant leur Date d'Echéance (telle qu'indiquée dans les</p>
--	---

	<p>Conditions Définitives), à leur Montant de Remboursement Anticipé (tel que défini ci-après). Le "<b>Montant de Remboursement Anticipé</b>" (<i>Make-Whole Redemption Amount</i>) correspondra au montant le plus élevé entre (x) le montant de remboursement final de ces Titres et, (y) la somme des valeurs actualisées à la Date de Remboursement Optionnel des montants restant dus en principal et intérêts au titre de ces Titres (à l'exclusion des intérêts courus au titre des Titres à compter de la dernière date de paiement d'intérêt (inclus) (ou, le cas échéant, la date de début de période d'intérêts immédiatement précédant la Date de Remboursement Optionnel) jusqu'à la Date de Remboursement Optionnel concernée (exclue)), escomptée de la Date d'Echéance à la Date de Remboursement Optionnel concernée (telle qu'indiquée dans les Conditions Définitives), sur une base annuelle au Taux de Remboursement Optionnel (tel qu'indiqué dans les Conditions Définitives) majoré de la Marge de Remboursement Optionnel (telle qu'indiquée dans les Conditions Définitives), et augmentée dans chaque cas (x) et (y) ci-dessus, de tout intérêt couru au titre des Titres à compter de la dernière date de paiement d'intérêt (inclus) (ou, le cas échéant, la date de début de période d'intérêts immédiatement précédant la Date de Remboursement Optionnel) jusqu'à la Date de Remboursement Optionnel (exclue).</p> <p><i>Remboursement anticipé au gré de l'Émetteur (Residual Maturity Call Option)</i></p> <p>Les Conditions Définitives relatives à chaque émission de Titres indiqueront si, à compter de la date tombant trois (3) mois avant la Date d'Echéance (telle qu'indiquée dans les Conditions Définitives), l'Émetteur aura l'option de rembourser la totalité, et non une partie seulement, des Titres de l'émission concernée, à leur Montant de Remboursement Optionnel (<i>Optional Redemption Amount</i>) majoré des intérêts courus jusqu'à la date fixée pour le remboursement (exclue).</p> <p><i>Remboursement anticipé au gré de l'Émetteur des Titres restant en circulation (Clean-up Call Option)</i></p> <p>Les Conditions Définitives relatives à chaque émission de Titres indiqueront si l'Émetteur aura l'option de rembourser la totalité, et non une partie seulement, des Titres de l'émission concernée, à tout moment, avant leur Date d'Echéance (telle qu'indiquée dans les Conditions Définitives), à leur Montant de Remboursement Optionnel majoré des intérêts courus jusqu'à la date fixée pour le remboursement (exclue), dès lors que le montant total des Titres en circulation est inférieur ou égal à 20 % du montant nominal total des Titres émis à la Date d'Emission (telle qu'indiquée dans les Conditions Définitives) de l'ensemble des Tranches de la Souche concernée.</p> <p><i>Remboursement anticipé</i></p> <p>Sous réserve ce de qui est prévu ci-dessus aux paragraphes "Remboursement Optionnel", "Remboursement anticipé au gré de l'Émetteur (<i>Make-Whole</i>)", "Remboursement anticipé au gré de l'Émetteur (<i>Residual Maturity Call Option</i>)" et "Remboursement anticipé au gré de l'Émetteur des Titres restant en circulation (<i>Clean-up Call Option</i>)", les Titres pourront, le cas échéant, faire l'objet d'un remboursement anticipé à l'option de l'Émetteur avant la Date d'Echéance uniquement pour des raisons fiscales ou en cas d'illégalité.</p> <p><b>Rendement</b></p> <p>Le rendement des Titres à taux fixe sera précisé dans les Conditions Définitives applicables. Il ne s'agit pas d'une indication sur le rendement futur.</p> <p><b>Cas de défaut</b></p> <p>Tout titulaire de Titres (le "<b>Titulaire</b>"), pourra, sur notification écrite adressée à l'Émetteur et à l'Agent Financier (avec une copie adressée au Représentant, tel que défini ci-après), avant qu'il n'ait été remédié au manquement considéré, rendre immédiatement dû et exigible le remboursement de tous les Titres, et non une partie seulement, détenus par ce Titulaire, à leur Valeur d'Exigibilité Anticipée (<i>Early Redemption Amount</i>), sans autre formalité si l'un quelconque des événements suivants (chacun un "<b>Cas d'Exigibilité Anticipée</b>") se produit :</p> <p>(d) en cas de défaut de paiement du principal, des intérêts ou de tout autre montant relatifs à tout Titre par l'Émetteur depuis plus de quinze (15) jours calendaires à compter de la</p>
--	---

		<p>date à laquelle ce paiement est dû et exigible ; ou</p> <p>(e) en cas de manquement par l'Émetteur à l'une quelconque de ses autres obligations au titre des Titres s'il n'est pas remédié à ce manquement dans un délai de trente (30) jours calendaires à compter de la réception par l'Agent Financier de la notification dudit manquement donnée par le Représentant ou un Titulaire, le cas échéant ; ou</p> <p>(f) au cas où toute dette d'emprunt, existante ou future, de l'Émetteur pour un montant excédant 40.000.000 d'euros (ou son équivalent en toute autre devise), individuellement ou collectivement, serait déclarée échue et exigible par anticipation, à raison d'une défaillance de l'Émetteur au titre de cette dette d'emprunt, ou une telle dette d'emprunt ne serait pas payée à son échéance ou, le cas échéant, à l'expiration de tout délai de grâce applicable, ou en cas de mise en jeu d'une sûreté portant sur une telle dette, ou en cas de défaut de paiement à l'échéance au titre d'une garantie ou d'une indemnité consentie par l'Émetteur, le cas échéant, à l'expiration de tout délai de grâce applicable; ou</p> <p>(g) au cas où l'Émetteur propose un moratoire général sur ses dettes, ou un jugement est rendu prononçant la liquidation judiciaire ou la cession totale de l'Émetteur, ou, dans la mesure permise par la loi, si l'Émetteur fait l'objet de toute autre procédure de liquidation ou de banqueroute ; ou l'Émetteur consent une cession ou tout autre accord au bénéfice de ses créanciers, ou conclut un accord à cet effet avec eux.</p> <p><b>Représentants des Titulaires</b></p> <p>Les Titulaires seront groupés automatiquement, au titre de toutes les tranches d'une même souche, pour la défense de leurs intérêts communs en une masse (la "<b>Masse</b>"), conformément aux conditions suivantes :</p> <p>(a) Si les Conditions Définitives concernées spécifient "Masse Complète", la Masse sera régie par les dispositions du Code de commerce; et</p> <p>(b) Si les Conditions Définitives concernées spécifient "Masse Contractuelle", la Masse sera régie par les dispositions du Code de commerce, sous réserve de certaines exceptions.</p> <p>La Masse agira en partie par l'intermédiaire d'un représentant (le "<b>Représentant</b>") et en partie par l'intermédiaire d'une assemblée générale des Titulaires. Le Représentant désigné dans le cadre de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p><b>Taux d'intérêt nominal</b></p> <p>[A spécifier / Taux Fixe / Taux Variable / Taux Variable Inversé / Taux Fixe/Taux Variable / Coupon Zéro].</p> <p>[Si Taux Fixe : [ ● ] % par an]</p> <p>[Si Taux Variable : Base d'Intérêt : [ ● ] Marge: [Sans objet]/[A spécifier] Taux d'intérêt maximal ou minimal: [Sans objet]/[A spécifier]]</p> <p>[Si Taux Variable Inversé : Taux Fixe : [ ● ] % par an Taux Variable : Base d'Intérêt : [ ● ] Marge: [Sans objet]/[A spécifier] Taux d'intérêt maximal ou minimal: [Sans objet]/[A spécifier]]</p> <p>[Si Taux Fixe/Taux Variable : Date de changement de Base d'Intérêt : [ ● ]]</p>
--	--	---

		<p><b><i>Date d'entrée en jouissance et date d'échéance des intérêts</i></b></p> <p>La date d'entrée en jouissance est le [ ● ]. La date d'échéance des intérêts est le [ ● ].</p> <p><b><i>Date d'Echéance et modalités d'amortissement de l'emprunt, y compris procédures de remboursement</i></b></p> <p>La Date d'Echéance des Titres est le [ ● ].</p> <p><b><i>Remboursement à la Date d'Échéance</i></b> [A spécifier]</p> <p><b><i>Remboursement Optionnel</i></b> [Sans objet]/[A spécifier]</p> <p><b><i>Remboursement anticipé au gré de l'Émetteur (Make-Whole)</i></b> [Sans objet]/[A spécifier]</p> <p><b><i>Remboursement anticipé au gré de l'Émetteur (Residual Maturity Call Option)</i></b> [Sans objet]/[A spécifier]</p> <p><b><i>Remboursement anticipé au gré de l'Émetteur des Titres restant en circulation (Clean-up Call Option)</i></b> [Sans objet]/[A spécifier]</p> <p><b><i>Remboursement anticipé</i></b> [Sans objet]/[A spécifier]</p> <p><b><i>Rendement</i></b> [Le rendement des Titres à émettre est de [ ● ].] [A insérer pour les Titres à Taux Fixe uniquement]/[Sans Objet.]</p> <p><b><i>Représentants des Titulaires</i></b></p> <p>Les Titulaires sont groupés automatiquement pour la défense de leur intérêts communs en une Masse.</p> <p>La [Masse complète]/[Masse contractuelle] s'applique.</p> <p>Le Représentant initial est : [MASSQUOTE S.A.S.U. RCS 529 065 880 Nanterre, 33 rue Anna Jacquin, 92100 Boulogne Billancourt, France, représentée par son Président.]</p> <p>Le Représentant suppléant est : [Gilbert Labachotte, 8 Boulevard Jourdan, 75014 Paris, France.]</p>
<b>C.10</b>	<b>Dérivé auquel est lié le paiement des intérêts sur les Titres</b>	Sans objet : le paiement des intérêts produits par les Titres n'est lié à aucun instrument dérivé.
<b>C.11/ C.21</b>	<b>Cotation et admission à la négociation</b>	Une demande pourra être présentée pour l'admission aux négociations sur Euronext Paris des Titres émis dans le cadre du Programme. Des Titres pourront également être cotés ou admis aux négociations, selon le cas, sur tout autre marché réglementé de l'EEE conformément à la Directive Prospectus et/ou toute autre bourse ou marché de valeurs. Des Titres qui ne font pas l'objet d'une cotation ou d'une demande d'admission aux négociations sur un marché pourront également être émis. Les Conditions Définitives applicables préciseront si les Titres doivent



		<p>être cotés et/ou admis aux négociations, et dans ce cas, sur quelles bourses et/ou marchés.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet.]/[[Une demande a été faite]/[Une demande doit être faite] par l'Émetteur (ou au nom et pour le compte de l'Émetteur) en vue de la cotation et de l'admission des Titres aux négociations sur [ ● ] à compter de [ ● ].]</p>
<b>Section D – Risques</b>		
<b>D.2</b>	<b>Risques clés propres à l'Émetteur</b>	<p>Les facteurs de risques liés à l'Émetteur et à son activité incluent notamment :</p> <ul style="list-style-type: none"> <li>– les risques relatifs à l'activité et à la stratégie de l'Émetteur (y compris les risques liés à l'environnement économique, au marché de l'immobilier, au départ ou à la fermeture d'enseignes phares, au développement de nouveaux actifs immobiliers, aux renouvellement de baux et à la location d'actifs immobiliers, à la commercialisation des sites, à l'environnement concurrentiel, à l'estimation de la valeur des actifs, à la dimension internationale de l'activité de l'Émetteur, aux pactes d'associés, aux acquisitions et aux ressources humaines) ;</li> <li>– les risques associés à la politique de financement de l'Émetteur et à ses activités financières (y compris les risques de liquidité, de taux, de change et de contrepartie) ;</li> <li>– les risques juridique, fiscal et réglementaire (y compris les risques liés aux dispositions légales et réglementaires relatives aux baux, sur les litiges et au régime fiscal des SIIC) ;</li> <li>– les risques liés aux filiales de l'Émetteur (y compris les risques liés à la structure actionnariale de Steen &amp; Strøm) ;</li> <li>– les risques environnementaux (respect de la réglementation liée à la protection de l'environnement et aux risques sanitaires, sinistres environnementaux, et contaminations) ;</li> <li>– les risques assurantiels ; et</li> <li>– les risques liés aux systèmes d'information.</li> </ul>
<b>D.3</b>	<b>Risques clés propres aux Titres</b>	<p>Il existe certains facteurs de risques relatifs aux Titres émis dans le cadre du Programme, notamment :</p> <ul style="list-style-type: none"> <li>– les risques d'investissement, les Titres peuvent ne pas être un investissement approprié pour tous les investisseurs ;</li> <li>– les risques liés à la structure de certains Titres concernant, en particulier (i) les Titres faisant l'objet d'une option de remboursement par l'Émetteur ou les Titulaires, (ii) les Titres à Taux Fixe, (iii) les Titres à Taux Variable, (iv) les Titres à Taux Variable Inversé, (v) les Titres à Taux Fixe puis Variable, (vi) les Titres émis en dessous du pair ou assortis d'une prime d'émission importante et (vii) les Titres à Coupon Zéro ;</li> <li>– les risques généraux liés aux Titres concernant, en particulier (i) la modification des modalités applicables aux Titres, (ii) le remboursement des Titres avant leur échéance, (iii) les modifications de la législation, (iv) la fiscalité, (v) la taxe sur les transactions financières, (vi) la retenue à la source FATCA aux Etats-Unis, (vii) le droit français des procédures collectives, et (viii) les risques liés aux émissions de Titres libellés en Renminbi ;</li> <li>– les risques généraux liés au marché concernant, en particulier (i) la valeur de marché des Titres, (ii) l'absence de marché secondaire actif pour les Titres, (iii) les risques de taux de change et de contrôles des changes, (iv) le risque de crédit, (v) les notations de crédit qui peuvent ne pas refléter tous les risques, (vi) les considérations juridiques dans l'investissement et (vii) les conflits d'intérêts potentiels.</li> </ul> <p>Les investisseurs potentiels ne devront prendre leur décision d'investissement dans les</p>

		<p>Titres qu'après une lecture approfondie des informations contenues dans le Prospectus de Base et sont invités à consulter leurs propres conseillers quant aux aspects juridiques, fiscaux et connexes.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Il existe certains facteurs de risques relatifs aux Titres émis, notamment :</p> <ul style="list-style-type: none"> <li>– les risques d'investissement, les Titres peuvent ne pas être un investissement approprié pour tous les investisseurs ;</li> <li>– [les risques liés à la structure des Titres qui font l'objet d'une option de remboursement par l'Émetteur/qui sont des Titres à Taux Fixe/qui sont des Titres à Taux Variable/qui sont des Titres à Taux Variable Inversé/qui sont des Titres à Taux Fixe puis Variable/qui sont des Titres émis en dessous du pair ou assortis d'une prime d'émission importante/qui sont des Titres à Coupon Zéro] ;</li> <li>– les risques généraux liés aux Titres incluant (i) la modification des modalités applicables aux Titres, (ii) le remboursement des Titres avant leur échéance, (iii) les modifications de la législation, (iv) la fiscalité, (v) la taxe sur les transactions financières, (vi) la retenue à la source FATCA aux Etats-Unis, (vii) le droit français des procédures collectives [et (viii) les risques liés aux émissions de Titres libellés en Renminbi] ; et</li> <li>– les risques généraux liés au marché incluant (i) la valeur de marché des Titres, (ii) l'absence de marché secondaire actif pour les Titres, (iii) les risques de taux de change et de contrôles des changes, (iv) le risque de crédit, (v) les notations de crédit qui peuvent ne pas refléter tous les risques, (vi) les considérations juridiques dans l'investissement et (vii) les conflits d'intérêts potentiels.</li> </ul> <p>Les investisseurs potentiels ne devront prendre leur décision d'investissement dans les Titres qu'après une lecture approfondie des informations contenues dans le Prospectus de Base et sont invités à consulter leurs propres conseillers quant aux aspects juridiques, fiscaux et connexes.</p>
<b>Section E – Offre</b>		
<b>E.2b</b>	<b>Raisons de l'offre et utilisation du produit de l'offre</b>	<p>Le produit net de l'émission est destiné au financement des affaires courantes de l'Émetteur. Si, dans le cadre d'une émission particulière, le produit net de l'émission a une destination particulière, cette destination sera précisée dans les Conditions Définitives applicables.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Le produit net de l'émission est destiné au financement des affaires courantes de l'Émetteur.]/[[●] (à préciser)]</p>
<b>E.3</b>	<b>Modalités et conditions de l'offre</b>	<p>Les Titres pourront être offerts au public en France, au Grand-Duché de Luxembourg, au Royaume-Uni, en Allemagne, en Belgique, en Irlande, aux Pays-Bas, en Autriche, en Norvège, et/ou dans tout autre état membre de l'Union Européenne où le Prospectus de Base aura été passporté, ce qui sera spécifié dans les Conditions Définitives applicables.</p> <p>Il existe certaines restrictions concernant l'achat, l'offre, la vente et la livraison des Titres ainsi qu'à la possession ou la distribution du Prospectus de Base ou de tout autre document d'offre ou des Conditions Définitives.</p> <p>A l'exception des stipulations de la Section A.2 ci-dessus, ni l'Émetteur ni aucun des agents placeurs n'a autorisé une quelconque personne à faire une offre au public en aucune circonstance et aucune autre personne n'est autorisée à utiliser le Prospectus dans le cadre de ses propres offres de Titres. De telles offres ne seraient pas faites au nom de l'Émetteur ni par aucun des agents placeurs ou des Offrants Autorisés et ni l'Émetteur ni aucun des agents placeurs ou des Offrants Autorisés n'est responsable des actes de toute personne</p>

		<p>procédant à ces offres.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet, les Titres ne font pas l'objet d'une offre au public]/[Les Titres seront offerts au public en [●].]</p> <p>Prix de l'offre : [●]</p> <p>Conditions auxquelles l'offre est soumise: [●]</p> <p>Période d'Offre : [●]</p> <p>Description de la procédure de demande de souscription : [●]</p> <p>Informations sur le montant minimum et/ou maximum de souscription : [●]</p> <p>Modalités et date de publication des résultats de l'offre : [●]</p>
<b>E.4</b>	<b>Intérêt des personnes physiques ou morales pouvant influencer sensiblement sur l'émission/l'offre</b>	<p>L'intérêt et les éventuels conflits d'intérêts pouvant sensiblement influencer sur l'émission/l'offre de Titres concernée seront décrits dans les Conditions Définitives applicables.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet, à la connaissance de l'Émetteur, aucune personne participant à l'émission n'y a d'intérêt significatif.]/[Le ou les Agent(s) Placeur(s) percevra/percevront des commissions d'un montant de [●]% du montant en principal des Titres. A la connaissance de l'Émetteur, aucune autre personne participant à l'émission n'y a d'intérêt significatif.]</p>
<b>E.7</b>	<b>Estimation des dépenses facturées à l'investisseur par l'Émetteur ou l'offreur</b>	<p>Une estimation des dépenses facturées à l'investisseur par l'Émetteur ou l'offreur sera incluse dans les Conditions Définitives applicables.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet.]/[Les dépenses mises à la charge de l'investisseur sont estimées à [●].]</p>

## SUMMARY OF THE PROGRAMME

### Disclaimer:

The summary set out below complies with the requirements of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the "**Prospectus Directive**") and the Commission Regulation No 809/2004 implementing the Prospectus Directive, as amended (the "**PD Regulation**"), including the contents requirements set out in Annex XXII of the PD Regulation. These contents requirements are applicable to notes (the "**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**") with a denomination of less than EUR 100,000 (or its equivalent in other currencies) which are offered to the public or admitted to trading on a Regulated Market of the European Economic Area (the "**EEA**") and the summary hereinafter is designed for potential investors in the Notes.

The issue specific summary relating to this type of Notes will be annexed to the relevant final terms (the "**Final Terms**") and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the items "issue specific summary".

Investors in Notes with a denomination of at least EUR 100,000 (or its equivalent in other currencies as from the date of the issue) should not rely on this Summary and the Issuer does not assume any responsibility as regards these investors.

Summaries are made up of disclosure requirements known as "**Elements**" required by Annex XXII of the Delegated Regulation (EU) n°486/2012. These Elements are numbered in sections A —E (A.1 —E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. The inclusion of some Elements not being required, the components of the numbering sequence may be discontinuous. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'Not applicable'.

### *Section A – Introduction and warnings*

<b>A.1</b>	<b>General disclaimer regarding the summary</b>	<p>This summary should be read as an introduction to this Base Prospectus and is provided as an aid to investors when considering whether to invest in any Notes, but is not a substitute for the Base Prospectus. Any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole by the investor, including any documents incorporated by reference, any supplement thereto, as the case may be, and the relevant Final Terms. Where a claim relating to information contained in this Base Prospectus is brought before a court in a member state of the EEA (a "<b>Member State</b>"), the plaintiff investor, might, under the national legislation of the Member State where the claim is brought, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes.</p>
<b>A.2</b>	<b>Information regarding consent by the Issuer to the use</b>	<p>In the context of any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer accepts responsibility in France, the Grand Duchy of Luxembourg, United Kingdom, Germany, Belgium, Ireland, Netherlands, Austria, Norway and/or any other jurisdiction of</p>

	<b>of the Prospectus</b>	<p>the European Union to which this Base Prospectus has been passported from time to time (the "<b>Public Offer Jurisdictions</b>") for which it has given its consent in the relevant Final Terms, for the content of the Base Prospectus, as supplemented from time to time and of the relevant Final Terms (together, the "<b>Prospectus</b>") in relation to any person (an "<b>Investor</b>") to whom an offer of any Notes is made by any financial intermediary, to whom it has given its consent to use the Prospectus (an "<b>Authorised Offeror</b>"), where the offer is made during the period specified in the relevant Final Terms for which that consent is given (the "<b>Offer Period</b>") and where the offer is made in the Public Offer Jurisdiction(s) for which that consent was given and is in compliance with all other conditions attached to the giving of the consent.</p> <p>The consent referred to above relates to Offer Periods (if any) beginning within twelve (12) months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p><b>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than dealers) in connection with the offer or sale of the Notes and, accordingly, the Prospectus will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer, any of the dealers or other Authorised Offerors has any responsibility or liability for such information.</b></p> <p><i>Issue specific summary:</i></p> <p>[Not applicable.]</p> <p>[In the context of the non-exempt offer of Notes (the "<b>Non-exempt Offer</b>"), the Issuer accepts responsibility for the content of the Base Prospectus, as supplemented from time to time and of the relevant Final Terms (together, the "<b>Prospectus</b>") and consents to the use of the Prospectus in [●] (the "<b>Public Offer Jurisdiction[s]</b>"), during the period from [●] to [●] (the "<b>Offer Period</b>") in relation to any person (an "<b>Investor</b>") to whom the Non-exempt Offer of Notes is made by: [any financial intermediary which is authorised to make the Non-exempt Offer under the Directive 2004/39/EC dated 21 April 2004 on financial instruments markets, as amended and which satisfies the following conditions: [●] / [●] (give names and addresses of any authorised financial intermediary)] (an "<b>Authorised Offeror</b>").]]</p> <p>The consent referred to above relates to Offer Periods (if any) beginning within twelve (12) months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p><b>The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer, any of the dealers or other Authorised Offerors has any responsibility or liability for such information.]</b></p>
<b>Section B – Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer</b>	Klépierre (the " <b>Issuer</b> ").

<b>B.2</b>	<b>Registered office/ Legal form/ Legislation/ Country of incorporation</b>	<p>The Issuer is a French limited liability company (<i>société anonyme</i>) with an Executive Board (<i>Directoire</i>) and a Supervisory Board (<i>Conseil de surveillance</i>), governed by the relevant <i>dispositions applicables</i> to public limited companies, including articles L.225-57 to L.225-93 of the French Commercial Code (<i>Code de commerce</i>) and by its by-laws.</p> <p>The Issuer's registered office is at 26, boulevard des Capucines - 75009 Paris - France.</p>
<b>B.4b</b>	<b>Description of any known trends affecting the Issuer and the industries in which it operates</b>	<p>For 2016, GDP (Gross Domestic Product) growth for the Euro zone as a whole is expected to reach 1.7%, in line with the level forecasted in June 2016. Despite supportive monetary policy, corporate investment remained relatively low due to subdued demand, banking sector weaknesses, and challenges faced by European integration. Employment, although slightly improved, and real wage growth were moderate, which consequently translated into a moderate rise in domestic demand, while exports were impacted by a slowdown in global trade. Discrepancies were nevertheless observed among countries where Klépierre operates with Sweden (+3.3%) and Spain (+3.2%) expected to finally post GDP growth levels above 3%, followed by Turkey (+2.9%), Poland (+2.6%), Czech Republic (+2.4%), and the Netherlands (+2.0%). Hungary and Germany should record 1.7% growth, while other countries, such as France (+1.2%), Italy (+0.8%), and Norway (+0.7%) recorded lower growth rates. (<i>Source: OECD Economic Outlook, November 2016</i>)</p> <p>According to the OECD (Organization for Economic Co-operation and Development), in the countries where the Issuer and its subsidiaries operate, GDP is expected to grow at approximately the same pace in 2017 and slightly more rapidly in 2018.</p>
<b>B.5</b>	<b>Description of the Issuer's Group and the Issuer's position within the Group</b>	<p>The Issuer is the holding company and the main listed vehicle of the Klépierre group as constituted by the Issuer and its consolidated subsidiaries taken as a whole (together, the "<b>Group</b>").</p> <p>As at 31 December 2016, the Issuer was located in 16 Continental European countries.</p> <p>These companies are either real-estate companies, which own the properties of the Group, or service companies under the Klépierre Management brand. Some of these companies are held with third-parties. Among others, this is the case of the Scandinavian subsidiary (Steen &amp; Strom) whose Klépierre only holds 56.1%.</p>

## Simplified organizational chart of the Issuer at 31 December 2016

Shopping centers						
France	Klécar France	83	Corio	100	Progest	100
	Klépierre Management	100	Klépierre Brand Ventures	100	Klépierre Gift Cards	100
Belgium	Real estate business	100			Klépierre Procurement International	100
	Klépierre Management Belgique	100	Klépierre Finance Belgique	100	Klépierre Finance	100
Spain	Klécar Foncière Ibérica	100	Klécar Foncier España	100	Corio Real Estate España	100
	Klépierre Management España	100			Real estate business	100
Italy	Klécar Italia	100	Fonds K2	95	Clivia SPA	50
	Klépierre Management Italia	100			Corio Italia	100
Portugal	Real estate business	100			Real estate business	100
	Klépierre Management Portugal	100				
Luxembourg	Holding Klégé	50				
	Reluxco	100				
Greece	Real estate business	100				
	Klépierre Management Hellas	100				
The Netherlands	Capucine B.V.	100	Klépierre Nordica B.V.	100	Klépierre Nederland B.V.	100
	Klépierre Management Nederland B.V.	100			Real estate business	100
Turkey	Real estate business					
Germany	Real estate business					
	Klépierre Management Deutschland	100	Corio Mail Management Duisburg	100	Corio Mail Management Dresden	100
Poland	FIZ Ipopema 96	100	Real estate business	100		
	Klépierre Management Polska	100				
Hungary	Real estate business	100				
	Klépierre Management Magyarország	100				
Czech Republic	Real estate business	100				
	Klépierre Management Ceska Republika	100				
Slovakia	Atcol	100				
	Klépierre Management Slovensko	100				
Bulgaria	Corio Lulin	100				
* Norway	Steen & Strøm AS	56.1	Holding & Real estate business			
Sweden						
Denmark	Management Company					

**Key**

Direct or indirect control of Klépierre SA at 12/31/16

Real estate business

Service business

\* Subsidiary (Steen & Strøm) covering the Nordic countries owned at 56.1% with Storm AEP

## Others activities

France	Klémaris	100
	Klépierre Conseil	100

<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable.																																																									
<b>B.10</b>	<b>Qualifications in the auditors' report</b>	Not applicable.																																																									
<b>B.12</b>	<b>Selected historical key financial information</b>	<p>The financial informations below are extracted from the consolidated financial statements of the Issuer date 31 December 2016, incorporated by reference in this Base Prospectus.</p> <table> <tr> <th><i><b>Income statement</b></i> <i>(in millions of euros)</i></th><th><b>31/12/2015</b></th><th><b>31/12/2016</b></th></tr> <tr> <td>Lease income</td><td>1,208.4</td><td>1,214.0</td></tr> <tr> <td>Net lease income</td><td>1,069.6</td><td>1,083.4</td></tr> <tr> <td>Operating income</td><td>882.9</td><td>1,822.8</td></tr> <tr> <td>Pre-tax earnings</td><td>732.9</td><td>1,702.5</td></tr> <tr> <td><b>Net income of consolidated entities</b></td><td><b>528.3</b></td><td><b>1,476.9</b></td></tr> <tr> <td>Of which Group share</td><td>274.7</td><td><b>1,191.3</b></td></tr> </table> <table> <tr> <th><i><b>Balance sheet</b></i> <i>(in millions of euros)</i></th><th><b>31/12/2015</b></th><th><b>31/12/2016</b></th></tr> <tr> <td>Non-current assets</td><td>22,497.1</td><td>22,915.4</td></tr> <tr> <td>Current assets</td><td>986.5</td><td>1,421.7</td></tr> <tr> <td><b>Total assets</b></td><td><b>23,483.6</b></td><td><b>24,337.1</b></td></tr> <tr> <td>Shareholder's equity</td><td>11,729.3</td><td>12,536.2</td></tr> <tr> <td>Non-current liabilities</td><td>8,169</td><td>8,364.4</td></tr> <tr> <td>Current liabilities</td><td>3,585.4</td><td>3,436.5</td></tr> <tr> <td><b>Total liabilities and Shareholder's equity</b></td><td><b>23,483.6</b></td><td><b>24,337.1</b></td></tr> </table> <table> <tr> <th></th><th><b>31/12/2015</b></th><th><b>31/12/2016</b></th></tr> <tr> <td><b>Net cash &amp; near cash</b> <i>(in millions of euros)</i></td><td>148.6</td><td>467.9</td></tr> <tr> <td><b>Net debt</b> (in millions of euros)</td><td>8,857</td><td>8,613</td></tr> <tr> <td><b>Staff</b></td><td>1,496</td><td>1,234</td></tr> </table> <p>To the best of the Issuer's knowledge, since its last financial statements dated 31 December 2016 (i) there has been no material adverse change in the prospects of the Issuer and (ii) except with respect to (x) the issue on 16 February 2017 of €500,000,000 1.375% notes due 16 February 2027, (y) the issue on 27 February 2017 of €100,000,000 1.375% notes due 16 February 2027 to be assimilated (<i>assimilées</i>) and form a single series with the existing €500,000,000 1.375 per cent. Notes due 16 February 2027 and (z) the establishment of a share repurchase program up to €500,000,000 on 13 March 2017, there has been no significant change in the financial or trading position of the Issuer or the Group.</p>	<i><b>Income statement</b></i> <i>(in millions of euros)</i>	<b>31/12/2015</b>	<b>31/12/2016</b>	Lease income	1,208.4	1,214.0	Net lease income	1,069.6	1,083.4	Operating income	882.9	1,822.8	Pre-tax earnings	732.9	1,702.5	<b>Net income of consolidated entities</b>	<b>528.3</b>	<b>1,476.9</b>	Of which Group share	274.7	<b>1,191.3</b>	<i><b>Balance sheet</b></i> <i>(in millions of euros)</i>	<b>31/12/2015</b>	<b>31/12/2016</b>	Non-current assets	22,497.1	22,915.4	Current assets	986.5	1,421.7	<b>Total assets</b>	<b>23,483.6</b>	<b>24,337.1</b>	Shareholder's equity	11,729.3	12,536.2	Non-current liabilities	8,169	8,364.4	Current liabilities	3,585.4	3,436.5	<b>Total liabilities and Shareholder's equity</b>	<b>23,483.6</b>	<b>24,337.1</b>		<b>31/12/2015</b>	<b>31/12/2016</b>	<b>Net cash &amp; near cash</b> <i>(in millions of euros)</i>	148.6	467.9	<b>Net debt</b> (in millions of euros)	8,857	8,613	<b>Staff</b>	1,496	1,234
<i><b>Income statement</b></i> <i>(in millions of euros)</i>	<b>31/12/2015</b>	<b>31/12/2016</b>																																																									
Lease income	1,208.4	1,214.0																																																									
Net lease income	1,069.6	1,083.4																																																									
Operating income	882.9	1,822.8																																																									
Pre-tax earnings	732.9	1,702.5																																																									
<b>Net income of consolidated entities</b>	<b>528.3</b>	<b>1,476.9</b>																																																									
Of which Group share	274.7	<b>1,191.3</b>																																																									
<i><b>Balance sheet</b></i> <i>(in millions of euros)</i>	<b>31/12/2015</b>	<b>31/12/2016</b>																																																									
Non-current assets	22,497.1	22,915.4																																																									
Current assets	986.5	1,421.7																																																									
<b>Total assets</b>	<b>23,483.6</b>	<b>24,337.1</b>																																																									
Shareholder's equity	11,729.3	12,536.2																																																									
Non-current liabilities	8,169	8,364.4																																																									
Current liabilities	3,585.4	3,436.5																																																									
<b>Total liabilities and Shareholder's equity</b>	<b>23,483.6</b>	<b>24,337.1</b>																																																									
	<b>31/12/2015</b>	<b>31/12/2016</b>																																																									
<b>Net cash &amp; near cash</b> <i>(in millions of euros)</i>	148.6	467.9																																																									
<b>Net debt</b> (in millions of euros)	8,857	8,613																																																									
<b>Staff</b>	1,496	1,234																																																									



B.13	Recent material events relevant to evaluation of the Issuer's solvency	Not applicable																														
B.14	Extent to which the Issuer is dependent upon other Group entities	The Issuer is a holding company and as a result its financial and trading position depends, among others, on the financial and trading position of its material subsidiaries.																														
B.15	Principal activities of the Issuer	<p>A leading player in real estate in Europe, Klépierre, a listed real estate company (SIIC), held assets valued at 22.8 billion euros on 31 December 2016.</p> <p>A long-term investor, Klépierre specializes in designing, managing and enhancing the value of its real estate assets via its subsidiaries Klépierre Management and Steen &amp; Strøm, Scandinavia's number one owner and manager of shopping centers. The combination of these specialists within a single group has made the latter the partner of choice for cities and retailers seeking the lasting success of their commercial projects.</p> <table><tr><td><i>Sector breakdown of rents (in millions of euros)</i></td><td>31/12/2015</td><td>31/12/2016</td></tr><tr><td>Shopping centers</td><td>1,173.8</td><td>1,183.4</td></tr><tr><td>Other activities</td><td>34.6</td><td>30.6</td></tr><tr><td><b>Total</b></td><td><b>1,208.4</b></td><td><b>1,214.0</b></td></tr></table> <table><tr><td><i>Shopping center breakdown in net rental income by region</i></td><td>31/12/2016</td></tr><tr><td>France-Belgium</td><td>36.8 %</td></tr><tr><td>Scandinavia</td><td>17.1 %</td></tr><tr><td>Italy</td><td>18 %</td></tr><tr><td>Central Europe</td><td>10.4 %</td></tr><tr><td>Iberia</td><td>9.3 %</td></tr><tr><td>Netherlands</td><td>4.3 %</td></tr><tr><td>Germany</td><td>4 %</td></tr><tr><td><b>Total</b></td><td><b>100 %</b></td></tr></table>	<i>Sector breakdown of rents (in millions of euros)</i>	31/12/2015	31/12/2016	Shopping centers	1,173.8	1,183.4	Other activities	34.6	30.6	<b>Total</b>	<b>1,208.4</b>	<b>1,214.0</b>	<i>Shopping center breakdown in net rental income by region</i>	31/12/2016	France-Belgium	36.8 %	Scandinavia	17.1 %	Italy	18 %	Central Europe	10.4 %	Iberia	9.3 %	Netherlands	4.3 %	Germany	4 %	<b>Total</b>	<b>100 %</b>
<i>Sector breakdown of rents (in millions of euros)</i>	31/12/2015	31/12/2016																														
Shopping centers	1,173.8	1,183.4																														
Other activities	34.6	30.6																														
<b>Total</b>	<b>1,208.4</b>	<b>1,214.0</b>																														
<i>Shopping center breakdown in net rental income by region</i>	31/12/2016																															
France-Belgium	36.8 %																															
Scandinavia	17.1 %																															
Italy	18 %																															
Central Europe	10.4 %																															
Iberia	9.3 %																															
Netherlands	4.3 %																															
Germany	4 %																															
<b>Total</b>	<b>100 %</b>																															
B.16	Extent to which the Issuer is directly or indirectly owned or controlled	<p>None of the existing shareholders control, either directly or indirectly, the Issuer.</p> <p>As of the date of the Base Prospectus, the main shareholders of the Issuer are Simon Property Group (20.3% of the Issuer's share capital and voting rights), world leader in the shopping center industry and APG Group (13.5% of the Issuer's share capital and voting rights). The remaining part of the capital is free float, mainly held by institutional investors.</p> <p>To the best of the Issuer's knowledge, as of the date of the Base Prospectus, there was no existing agreement whose the application could trigger a change of control in the future.</p>																														

B.17	Credit ratings assigned to the Issuer or its debt securities	<p>On 31 March 2017, the Issuer's long-term debt has been confirmed "A-, stable outlook", by Standard &amp; Poor's Credit Market Services Europe Limited which is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the "<b>CRA Regulation</b>") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>). Notes issued under the Programme may, or may not, be rated. The relevant Final Terms will specify (i) the rating of Notes, if any, and (ii) whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency without notice.</p> <p><i>Issue specific summary:</i></p> <p>[Not applicable]/[The Notes to be issued have been rated/are expected to be rated [●] by [●].]</p>
<i>Section C – Securities</i>		
C.1	Type, class and identification number of the Notes	<p><i>Notes description</i></p> <p>The Notes may be issued on a syndicated or non-syndicated basis.</p> <p>The Notes will be issued in series (each a "<b>Series</b>") having one or more issue dates and on terms otherwise identical. 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 the relevant Final Terms.</p> <p><i>Form of the Notes</i></p> <p>Notes may be issued either in dematerialised form ("<b>Dematerialised Notes</b>") or in materialised form ("<b>Materialised Notes</b>").</p> <p>Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (<i>au porteur</i>) or in registered form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either fully registered form (<i>au nominatif pur</i>) or administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes.</p> <p>Materialised Notes will be in bearer form only. A temporary global certificate without interest coupons attached will initially be issued in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.</p> <p>The Notes will be accepted for clearance through Euroclear France as central depository in relation to Dematerialised Notes and Clearstream Banking, S.A. ("<b>Clearstream, Luxembourg</b>"), Euroclear Bank S.A./N.V. ("<b>Euroclear</b>") or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the "<b>Fiscal Agent</b>") and the relevant dealer in relation to Materialised Notes.</p> <p><i>Notes identification number</i></p> <p>The ISIN code of the Notes will be specified in the relevant Final Terms.</p> <p><i>Issue specific summary:</i></p> <p><i>Notes description</i></p> <p>[The Notes will be issued on a [syndicated / non-syndicated] basis, under Series No. [●],</p>

		<p>Tranche No. [●].]</p> <p>The Notes will be issued in the form of [Dematerialised/Materialised] [bearer/registered] Notes.</p> <p>The central depository is: [Euroclear France]/[Not Applicable]</p> <p>The common depository is: [[●]]/[Not Applicable]</p> <p><b>Notes identification number</b></p> <p>The identification number of the Notes to be issued (ISIN) is: [●].</p> <p>The common code of the Notes to be issued is: [●].</p>
<b>C.2</b>	<b>Currency</b>	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, Sterling, U.S. dollars, Japanese yen, Swiss francs, Norwegian kroner, Renminbi or in any other currency agreed between the Issuer and the relevant dealer(s).</p> <p><b>Issue specific summary:</b></p> <p>The currency of the issue is:[●].</p>
<b>C.5</b>	<b>Transferability</b>	<p>Not Applicable. There is no restriction on the free transferability of the Notes (subject to the applicable selling restrictions in various jurisdictions).</p>
<b>C.8</b>	<b>Description of the rights attached to the Notes</b>	<p><b>Issue price</b></p> <p>The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.</p> <p>The issue price will be determined in the relevant Final Terms.</p> <p><b>Denomination per unit</b></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 Notes will be, if the Notes are denominated in a currency other than euro, the amount in such currency 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><b>Status</b></p> <p>The Notes and, if applicable any interest coupons relating to interest bearing Materialised Notes (the "<b>Coupons</b>"), will constitute direct, unconditional, unsubordinated and (subject to the paragraph "Negative Pledge" below) unsecured obligations of the Issuer and will rank <i>pari passu</i> 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 obligations of the Issuer.</p> <p><b>Negative Pledge</b></p> <p>So long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding, the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (<i>sûreté réelle</i>) upon any of its assets or revenues, present or future, to secure any Relevant Debt (as defined below) incurred by it or any guarantee or indemnity assumed or granted by it in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Notes and Coupons are equally and rateably secured therewith.</p> <p>For the purposes of this paragraph:</p> <p><b>"Relevant Debt"</b> means any present or future indebtedness for borrowed money, which is originally and solely in the form of, or represented by, bonds (<i>obligations</i>), notes or other securities (including <i>titres de créances négociables</i>) which are for the time being, or are</p>

		<p>likely to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.</p> <p><b>Assimilation clause</b></p> <p>The Issuer may from time to time without the consent of the noteholders or couponholders create and issue further notes to be assimilated (<i>assimilables</i> for the purpose of French laws) with the Notes provided such Notes and the further notes carry rights identical in all respects (or identical in all respects save for the aggregate principal amount thereof, the issue date and the first payment of interest) and that the terms of such notes provide for such assimilation.</p>
		<p><b>Taxation</b></p> <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><b>Governing law</b></p> <p>French law</p> <p><b>Issue specific summary:</b></p> <p><b>Issue price</b></p> <p>The issue price of the Notes is:[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] (<i>if applicable</i>)].</p> <p>Specified Denomination: [●]</p>
C.9	Interest, maturity and redemption provisions, yield and representation of the Noteholders	<p>Please also refer to the information provided in item C.8 above.</p> <p><b>Nominal Interest rate</b></p> <p>The Notes may or may not bear interest. The interest, if any, may be fixed interest or floating interest, or at a rate which varies during the duration of the relevant tranche (from a fixed rate to a floating rate, or from a floating rate to a fixed rate).</p> <p><b>Fixed Rate Notes</b></p> <p>Fixed Interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.</p> <p><b>Floating Rate Notes</b></p> <p>Floating Rate Notes will bear interest determined as follows:</p> <ul style="list-style-type: none"> <li>(a) on the same basis as the floating rate under an interest rate swap transaction in the relevant specified currency governed by an agreement incorporating the FBF Definitions published by the <i>Fédération Bancaire Française</i>; or</li> <li>(b) on the same basis as the floating rate under an interest rate swap transaction in the relevant specified currency governed by an agreement incorporating the ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or</li> <li>(c) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or on the basis of market quotations,</li> </ul> <p>in each case, plus or minus the margin (if any).</p> <p><b>Inverse Floating Rate Notes</b></p>

	<p>Inverse Floating Rate Notes will bear interest at a Fixed Rate minus a Floating Rate.</p> <p><b><i>Fixed/Floating Rate Notes</i></b></p> <p>Fixed/Floating Rate Notes for which a change of interest is specified to be applicable may be issued by the Issuer.</p> <p><b><i>Zero Coupon Notes</i></b></p> <p>Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not pay periodic interest.</p> <p><b><i>Due date and maturity date of interests</i></b></p> <p>The due date and the maturity date of each Notes issue will be specified in the relevant Final Terms.</p> <p><b><i>Description of the underlying on which the rate is based, in case of a non-fixed rate</i></b></p> <p>Interest, if any, will be based on fixed rate or floating rate or at a rate which varies during the duration of the relevant tranche (EURIBOR, LIBOR or CMS).</p> <p><b><i>Maturity date and conditions of amortization of the issue, including the redemption procedures</i></b></p> <p>The maturity date will be specified in the relevant Final Terms.</p> <p><b><i>Redemption at the maturity date</i></b></p> <p>The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless otherwise permitted by the then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one (1) year 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).</p> <p><b><i>Optional redemption</i></b></p> <p>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. In addition, each Noteholder will have the option to require the Issuer to redeem or, at the Issuer's option, repurchase its Notes at one hundred per cent. (100%) of their principal amount together with accrued interest if a Restructuring Event occurs with either a Rating Downgrade or a Negative Rating Event.</p> <p><b><i>Make-Whole Redemption at the option of the Issuer</i></b></p> <p>The Final Terms issued in respect of each issue of Notes will state whether the Issuer may redeem the Notes of such issue, in whole or in part, at any time or from time to time, prior to their Maturity Date (as specified in the relevant Final Terms) at their Make-Whole Redemption Amount (as defined below). Such Make-Whole Redemption Amount will be the greater of (x) the final redemption amount of such Notes and, (y) the sum of the present values as at the Make-Whole Redemption Date of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accrued on the Notes from, and including, the last interest payment date (or, as the case may be, the interest commencement date immediately preceding the Make-Whole Redemption Date) to, but excluding, the relevant Make-Whole Redemption Date) discounted from the Maturity Date to the relevant Make-Whole Redemption Date (as specified in the relevant Final Terms), 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 (x) or (y) above, any interest accrued on the Notes from, and including,</p>
--	--

	<p>the last interest payment date (or, as the case may be, the interest commencement date immediately preceding the Make-Whole Redemption Date) to, but excluding, the Make-Whole Redemption Date (the "<b>Make-Whole Redemption Amount</b>").</p> <p><i>Residual Maturity Call Option</i></p> <p>The Final Terms issued in respect of each issue of Notes will state whether the Issuer may redeem all, but not some only, of the Notes of such issue at the Optional Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption, no earlier than three (3) months before the Maturity Date (as specified in the relevant Final Terms).</p> <p><i>Clean-up Call Option</i></p> <p>The Final Terms issued in respect of each issue of Notes will state whether the Issuer may redeem all, but not some only, of a particular Series of Notes, at any time prior to their Maturity Date (as specified in the relevant Final Terms), at the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption, as long as the aggregate principal amount outstanding of the Notes is equal to 20 per cent. or less of the aggregate principal amount of Notes on the Issue Date (as specified in the relevant Final Terms) of all Tranches of the relevant Series.</p> <p><i>Early Redemption</i></p> <p>Except as provided in paragraphs "Optional Redemption", "Make-Whole Redemption at the option of the Issuer", "Residual Maturity Call Option" and "Clean-up Call Option" above, Notes will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons or in case of illegality.</p> <p><i>Yield</i></p> <p>The yield of the fixed rate Notes will be specified in the relevant Final Terms. It is not an indication of future yield.</p> <p><i>Events of default</i></p> <p>Any holder of Notes ("<b>Noteholder</b>") may, upon written notice to the Issuer and the Fiscal Agent (with a copy to the Representative, as defined below) given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable where upon they shall become immediately due and payable at their Early Redemption Amount without further formality, if any of the following events (each an "<b>Event of Default</b>") shall occur:</p> <ul style="list-style-type: none"> <li>(i) any amount of principal of, interest on, or any other amount due in respect of any Note is not paid on the due date thereof and such default is not remedied within a period of fifteen (15) calendar days from such due date; or</li> <li>(ii) any other obligation of the Issuer under the Notes is not complied with or performed within a period of thirty (30) calendar days after receipt by the Fiscal Agent of written notice of such default given by the Representative or a Noteholder as the case may be; or</li> <li>(iii) any other present or future indebtedness of the Issuer for borrowed monies in excess of Euro 40,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefore or any security in respect of any such indebtedness shall be enforced or any guarantee or indemnity given by the Issuer for, or in respect of, any such indebtedness for such amount of others shall not be honoured when due and called upon (subject to any originally applicable grace periods); or</li> <li>(iv) if the Issuer makes any proposal for a general moratorium in relation to its debt, or a judgment is issued for the judicial liquidation (<i>liquidation judiciaire</i>) or for a judicial</li> </ul>
--	---

	<p>transfer of the whole of the business (<i>cession totale de l'entreprise</i>) 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 makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors.</p> <p><b><i>Representative of the Noteholders</i></b></p> <p>Noteholders will, in respect of all tranches in any series be grouped automatically for the defense of their common interests in a <i>masse</i> (the "<b>Masse</b>"), provided that:</p> <p>(a) If the relevant Final Terms specify "Full Masse", the Masse will be governed by all the provisions of the French Commercial Code (<i>Code de commerce</i>), and</p> <p>(b) If the relevant Final Terms specify "Contractual Masse", the Masse will be governed by the provisions of the French Commercial Code (<i>Code de commerce</i>) subject to certain exceptions.</p> <p>The Masse will act in part through a representative (the "<b>Representative</b>") and in part through general meetings of the Noteholders. 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.</p> <p><b><i>Issue specific summary:</i></b></p> <p><b><i>Nominal Interest rate</i></b></p> <p>[To be specified/Fixed Rate/Floating Rate/Inverse Floating Rate/Fixed/Floating Rate/Zero Coupon]</p> <p>[If Fixed Rate: [ ● ] per cent.]</p> <p>[If Floating Rate: Interest Basis: [ ● ] Margin: [Note applicable]/[To be specified] Maximal or minimal interest rate: [Not applicable]/[To be specified]]</p> <p>[If Inverse Floating Rate: Fixed Rate: [ ● ] per cent. Floating Rate: Interest Basis: [ ● ] Margin: [Note applicable]/[To be specified] Maximal or minimal interest rate: [Not applicable]/[To be specified]]</p> <p>[If Fixed/Floating Rate: Switch Date: [ ● ]]</p> <p><b><i>Due date and maturity date of interests</i></b></p> <p>The due date is [ ● ]. The maturity date is [ ● ].</p> <p><b><i>Maturity Date and conditions of amortization of the issue, including the redemption procedures</i></b></p> <p>The Maturity Date of the Notes is [ ● ].</p> <p><b><i>Redemption at the Maturity Date</i></b> [To be specified]</p> <p><b><i>Optional redemption</i></b> [To be specified]</p> <p><b><i>Make-Whole redemption</i></b></p>
--	---

		<p>[Not Applicable]/[To be specified]</p> <p><i>Residual Maturity Call Option</i></p> <p>[Not Applicable]/[To be specified]</p> <p><i>Clean-up Call Option</i></p> <p>[Not Applicable]/[To be specified]</p> <p><i>Early Redemption:</i></p> <p>[To be specified]</p> <p><b>Yield</b></p> <p>[The yield of the Notes is [●]] [Only if Fixed Rate Notes]/[Not applicable]</p> <p><b>Representative of the Noteholders</b></p> <p>Noteholders are grouped automatically for the defense of their common interests in a Masse.</p> <p>[Full Masse]/[Contractual Masse] shall apply.</p> <p>The initial Representative is: [MASSQUOTE S.A.S.U. registered under number 529 065 880 RCS Nanterre, 33 rue Anna Jacquin, 92100 Boulogne Billancourt, France, represented by its Chairman.]</p> <p>The alternate Representative is: [Gilbert Labachotte, 8 Boulevard Jourdan, 75014 Paris, France.]</p>
<b>C.10</b>	<b>Derivative component in the interest payment of the Notes</b>	Not applicable: The Notes do not have any derivative component in the interest payment.
<b>C.11/ C.21</b>	<b>Listing and admission to trading</b>	<p>Application will be made in certain circumstances for Notes to be issued under the Programme to be admitted to trading on Euronext Paris. The Notes may also be listed or admitted to trading, as the case may be, on any other Regulated Market in accordance with the Prospectus Directive or on any other stock exchange or market, or a Series of Notes may be unlisted, or Notes which are neither listed nor admitted to trading may also be issued, in any case as specified in the relevant Final Terms.</p> <p><b>Issue specific summary:</b></p> <p>[Not Applicable]/[Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on [●] with effect from [●].]</p>
<b>Section D – Risks</b>		
<b>D.2</b>	<b>Key risks regarding the Issuer</b>	<p>Risks factors linked to the Issuer and its activity include the following:</p> <ul style="list-style-type: none"> <li>– risks related to the Issuer's activity and strategy (including risks related to the wider economic environment, real estate markets, the departure or closure of leading retailers, the development of new real estate assets, lease renewal and the letting of real estate assets, the marketing of sites, the competitive environment, the estimation of the asset value, the international dimension of the Issuer, shareholders' agreements, acquisitions and human resources);</li> <li>– risks related to the Issuer's financing policy and financial activities (including liquidity risks, interest rate risks, currency risks and counterparty risks);</li> <li>– legal, tax and regulatory risks (including risks related to compliance with applicable</li> </ul>



		<p>laws and regulation, in particular relating to leases, litigation and tax risk related to the Issuer's SIIC status);</p> <ul style="list-style-type: none"> <li>– risks related to subsidiaries of the Issuer (including risks related to the shareholding structure of Steen &amp; Strøm);</li> <li>– environmental risks (compliance with regulations relating to environmental protection and health risk, environmental incidents, and contaminations);</li> <li>– insurance risks; and</li> <li>– information system risks.</li> </ul>
<b>D.3</b>	<b>Key risks regarding the Notes</b>	<p>There are certain risk factors which are material for the purpose of assessing the risks related to the Notes issued under the Programme including the following:</p> <ul style="list-style-type: none"> <li>– investment risks, the Notes may not be a suitable investment for all investors;</li> <li>– risks related to the structure of a particular issue of Notes regarding, in particular, (i) Notes subject to optional redemption by the Issuer or the Noteholders, (ii) Fixed Rate Notes, (iii) Floating Rate Notes, (iv) Inverse Floating Rate Notes, (v) Fixed/Floating Rate Notes, (vi) Notes issued at a substantial discount or premium and (vii) Zero Coupon Notes;</li> <li>– risks related to the Notes generally regarding, in particular, (i) modification of the conditions applicable to the Notes, (ii) the fact that Notes may be redeemed prior to maturity, (iii) changes of law, (iv) taxation, (v) the financial transaction tax, (vi) the U.S. FATCA withholding tax, (vii) French insolvency law and (viii) particular risks relating to Notes denominated in Renminbi;</li> <li>– risks related to the market generally regarding, in particular, (i) market value of the Notes, (ii) no active secondary market for the Notes, (iii) exchange rate risk and exchange controls, (iv) credit risk, (v) credit ratings may not reflect all risks, (vi) legal investment considerations and (vii) potential conflict of interests.</li> </ul> <p>Prospective investors shall take their decision to invest in the Notes after a thorough reading of the information contained in the Base Prospectus and are invited to seek advice from their own advisers as regard to the legal, taxation and related aspects.</p> <p><b>Issue specific summary:</b></p> <p>There are certain risk factors which are material for the purpose of assessing the risks related to the Notes including the following:</p> <ul style="list-style-type: none"> <li>– investment risks, the Notes may not be a suitable investment for all investors;</li> <li>– [risks related to the structure of the Notes including Notes subject to optional redemption by the Issuer/Fixed Rate Notes/Floating Rate Notes/Inverse Floating Rate Notes/Fixed/Floating Rate Notes/Notes issued at a substantial discount or premium/Zero Coupon Notes];</li> <li>– risks related to the Notes generally including (i) modification of the conditions applicable to the Notes, (ii) the fact that Notes may be redeemed prior to maturity, (iii) changes of law, (iv) taxation, (v) the financial transaction tax, (vi) the U.S. FATCA withholding tax, (vii) French insolvency law [and (viii) particular risks relating to Notes denominated in Renminbi];</li> <li>– risks related to the market generally including (i) market value of the Notes, (ii) no active secondary market for the Notes, (iii) exchange rate risk and exchange controls, (iv) credit risk, (v) credit ratings may not reflect all risks, (vi) legal investment considerations and (vii) potential conflict of interests.</li> </ul> <p>Prospective investors shall take their decision to invest in the Notes after a thorough reading of the information contained in the Base Prospectus and are invited to seek advice from their own advisers as regard to the legal, taxation and related aspects.</p>

<i>Section E – Offer</i>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	<p>The net proceeds of the issue will be used for the Issuer's general corporate purposes. If, in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.</p> <p><i>Issue specific summary:</i></p> <p>[The net proceeds of the issue will be used for the Issuer's general corporate purpose.]/[ [●] (to be specified)].</p>
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>The Notes may be offered to the public in France, the Grand Duchy of Luxembourg, United Kingdom, Germany, Belgium, Ireland, Netherlands, Austria , Norway and/or any other jurisdiction of the European Union in which the Base Prospectus has been passported, which shall be specified in the relevant Final Terms.</p> <p>There are certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms.</p> <p>Other than set out in section A.2 above, neither the Issuer nor any of the dealer(s) has authorized the making of any public offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the dealers or Authorised Offerors and none of the Issuer or any of the dealer(s) or Authorised Offeror has any responsibility or liability for the actions of any person making such offers.</p> <p><i>Issue specific summary:</i></p> <p>[Not Applicable. The Notes are not offered to the public.]/[The Notes are offered to the public in [●].]</p> <p>Offer price: [●]</p> <p>Conditions to which the offer is subject: [●]</p> <p>Offer Period: [●]</p> <p>Description of the application process: [●]</p> <p>Details of the minimum and/or maximum amount of the application: [●]</p> <p>Manner in and date on which results of the offer are to be made public: [●]</p>
<b>E.4</b>	<b>Interest of natural and legal persons involved in the issue/offer</b>	<p>Interest or potential conflict of interests which may have a noticeable influence on the issue/offer of the Notes will be described in the relevant Final Terms.</p> <p><i>Issue specific summary:</i></p> <p>[Not Applicable, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]/[The Dealer(s) will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer.]</p>
<b>E.7</b>	<b>Estimated expenses charged to the investor by the Issuer or an offeror</b>	<p>An estimate of the expenses charged by the Issuer or the offeror to the investor will be included in the relevant Final Terms.</p> <p><i>Issue specific summary:</i></p> <p>[Not Applicable]/[The estimated expenses charged to the investor amount to [●].]</p>

## RISK FACTORS

*Terms used but not defined in this section will have the same meaning given to them in the "Terms and Conditions of the Notes".*

*The Issuer believes that the following factors may affect its ability to fulfill 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. The risk factors may relate to the Issuer or any of its subsidiaries.*

*The Issuer believes that the factors (although not exhaustive) described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons than those identified in the statements below. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere or incorporated by reference in this Base Prospectus and the Final Terms of the relevant Notes and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Issuer and the Notes prior to investing in Notes issued under the Programme.*

The order in which the following risk factors are presented, is not an indication of the likelihood of their occurrence.

### **1. Risk factors relating to the Issuer and its activity**

Risks factors linked to the Issuer and its activity are described on pages 25 to 31 of the French language *Document de référence* of the Issuer for the financial year 2016 which was filed with the AMF on 10 March 2017 under the registration number no. D.17-0143 and which is incorporated by reference herein, and include the following:

- risks related to the Issuer's activity and strategy (including risks related to the wider economic environment, real estate markets, the departure or closure of leading retailers, the development of new real estate assets, lease renewal and the letting of real estate assets, the marketing of sites, the competitive environment, the estimation of the asset value, the international dimension of the Issuer, shareholders' agreements, acquisitions and human resources);
- risks related to the Issuer's financing policy and financial activities (including liquidity risks, interest rate risks, currency risks and counterparty risks);
- legal, tax and regulatory risks (including risks related to compliance with applicable laws and regulation, in particular relating to leases, litigation and tax risk related to the Issuer's SIIC status);
- risks related to subsidiaries of the Issuer (including risks related to the shareholding structure of Steen & Strøm);
- environmental risks;

In all its operating countries, the Issuer must comply with environmental protection law.

The families of risks identified (health risk, an environmental incident, the existence of contamination) could have a range of different consequences for the Issuer such as a loss of rent, a negative impact on the image of the Group and its management, a negative impact on the Issuer's ability to sell, rent or redevelop an asset.

In addition to the civil liability cover, the Issuer also has special insurance policies to cover the assets that include classified facilities subject to authorization. The Group's civil liability policies cover third

parties against any prejudice suffered. Property damage insurance addresses extreme weather risks by covering any prejudice to assets.

Risks are managed by means of permanent compliance measures to check the full coverage of the assets and the claims history and by means of periodic compliance measures to ensure compliance with the regulations.

- insurance risks;

The Issuer and its subsidiaries are covered by Group-wide international insurance programs underwritten by prime insurers.

The level of cover is determined with regard to the Group's actual record of losses and any legal requirements.

No comprehensive insurance policies have been arranged, although the risks not covered are negligible or would be the result of a deliberate act by the policyholder for which it would be criminally liable.

Depending on the type of risk, the Group is reliant on the financial strength of insurers and may have to contend with the limitations of the insurance market and thus may no longer be fully or even totally covered against certain risks.

The occurrence of exceptional and/or a very high frequency of losses may have an impact on the amount of insurance cover available to the Group.

The possibility of an increase in the cost of insurance arising from market conditions cannot be discounted.

- information system risks;

The Group's core business activities are managed by an ERP (enterprise resource planning) system that is implemented in most countries. This centralized structure strengthens the information system control framework but exposes the Issuer to the risk of a wide-scale system outage, which could generate significant costs associated with the potential loss of business and the recovery of data.

The data managed in the Issuer's information systems may also be the subject of internal or external attacks, with financial (misappropriation of funds, fines, etc.), reputational (disclosure of confidential and/ or strategic information about the Issuer, a partner or customer) and legal consequences (disclosure of insider information).

## **2. Risk factors relating to the Notes**

The following paragraphs describe the principal risk factors that the Issuer believes are material for the purpose of assessing the market risk associated with the Notes issued under the Programme. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investments in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.

### **2.1. The Notes may not be a suitable investment for all investors**

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any supplement thereto and the relevant Final Terms;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) be aware, in terms of legislation or regulatory regime applicable to such investor of the applicable restrictions on its ability to invest in the Notes and in any particular type of Notes.

A prospective investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the prospective investor's overall investment portfolio.

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

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common of such features.

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

Any optional redemption feature (as provided in Condition 6(b)(i) (*Call Option*), in Condition 6(b)(ii) (*Make-Whole Redemption*), in Condition 6(b)(iii) (*Residual Maturity Call Option*) or Condition 6(b)(iv) (*Clean-up Call Option*) of the Terms and Conditions) where the Issuer is given the right to redeem the Notes early is likely to limit the market value of such Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

As a consequence, redemption at the option of the Issuer could cause the yield anticipated by the Noteholders to be considerably less than anticipated.

With respect to the Clean-up Call Option by the Issuer, there is no obligation under the Terms and Conditions of the Notes for the Issuer to inform investors if and when the threshold of 20% of the initial aggregate principal amount of a particular Series of Notes referred to in Condition 6(b)(iv) (*Clean-up Call Option*) 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 the Clean-up Call Option, the Notes may have been traded significantly above par, thus potentially resulting in a loss of capital invested.

### *Exercise of a put option by the Noteholders may affect the liquidity of the Notes*

If, in the case of any particular Tranche of Notes, the relevant Final Terms specify that a Put Option is applicable or following a Restructuring Event (as more fully described in Condition 6(c)(i) (*Restructuring Optional Redemption by Noteholders*) and Condition 6(c)(ii) (*Other Put Option*) of the Terms and Conditions of the Notes), each Noteholder will have the right to request the Issuer to redeem all or part of its Notes at their principal amount together with any accrued interest thereon. In such case, 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.

#### *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.

#### *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 (3) months or six (6) 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.

*Investor will not be able to calculate in advance their rate of return on Floating Rate Notes*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definitive yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

#### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes*

Fixed/ Floating Rate Notes may bear interest at a rate that will automatically, or 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 conversion (whether automatic or optional) will affect the secondary market and the market value of such Notes since it may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the 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 a floating rate is converted to a fixed rate, the fixed rate may be lower than the then prevailing rates on its Notes.

#### *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.

#### *Zero Coupon Notes*

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest

rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

### **2.3. Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally.

#### *Modification of the Terms and Conditions of the Notes*

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defense of their common interests in a Masse, as defined in Condition 11 (*Representation of Noteholders*), and a General Meeting can be held. The Terms and Conditions permit in certain cases 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. The General Meeting may deliberate on any proposal relating to the modification of the Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 11 (*Representation of Noteholders*).

#### *The Notes may be redeemed prior to maturity*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to pay additional amounts in respect of any Notes due to any deduction or withholding in respect of any present or future taxes or duties whatsoever, as provided in Condition 6(e) (*Redemption for Taxation Reasons*) of the Conditions of the Notes, the Issuer may and, in certain circumstances shall, redeem all of the Notes then outstanding in accordance with such Condition. As a consequence, investors that choose to reinvest monies they receive through an early redemption may not be able to do so at the same yield than the redeemed Notes.

#### *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 to French law or administrative practice after the date of this Base Prospectus.

#### *Taxation*

Prospective purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other 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 notes such as the Notes. Prospective investors are advised not to rely upon the tax overview contained in this Base Prospectus and any supplement thereto but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the prospective investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and any supplement thereto.

#### *The proposed financial transactions tax*

The European Commission has published a proposal for a directive (the "**Commission's proposal**") for a common financial transaction tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

In March 2016, Estonia officially indicated that it will no longer be a Participating Member State.

The proposed FTT has a very broad scope, and could, if introduced in its current draft form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's 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 provided

that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. 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 rates of the FTT shall be fixed by each Participating Member State but shall amount for transactions involving financial instruments other than derivatives to at least 0.1 per cent. of the taxable amount.

The FTT proposal remains subject to discussions between the Participating Member States. It may therefore be altered prior to any implementation. Additional Member States may decide to participate.

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

#### *The U.S. Foreign Account Tax Compliance Act (FATCA) Withholding Risk*

While the Notes are held within Euroclear or Clearstream, Luxembourg (together, the "ICSDs"), in all but the most remote circumstances, it is not expected that FATCA (as defined in "Taxation - United States of America – Foreign Account Tax Compliance Act") will affect the amount of any payment received by the ICSDs (see "Taxation - United States of America - Foreign Account Tax Compliance Act" below). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has paid the common depository for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

#### *French insolvency law*

The Noteholders, in respect of all Tranches in any Series, will be grouped automatically for the defense of their common interests in a Masse, as defined in Condition 11 (*Representation of Noteholders*). However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") if a safeguard procedure (*procédure de sauvegarde*), accelerated safeguard procedure (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), a judicial reorganisation procedure (*procédure de redressement judiciaire*), or an accelerated preservation procedure (*procédure de sauvegarde accélérée*) 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 (such as the Programme) and regardless of their governing law.

The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) 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 payments which are due and/or partially or totally/ writing-off debts;



- 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 (2/3) majority (calculated as a proportion of the amount of debt securities held by the holders which have cast a vote at such Assembly or represented thereat). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

#### *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:

- (i) Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at the present and despite a movement towards liberalisation of cross-border RMB remittances, notably in the current account activity, there is no assurance that the PRC government will continue so 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.

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.

- (ii) 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 (the "**Renminbi Clearing Banks**") in a number of financial centres and cities through settlement agreements on the clearing of Renminbi business, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdiction (the "**Settlement Agreements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

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

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange and of requirements by the Hong Kong Monetary Authority (such as maintaining no less than twenty-five per cent. (25%) of Renminbi deposits in cash or in the form of settlement account balance with the RMB Clearing Bank). 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.

In addition, there can be no assurance that access to RMB for the purposes of making payments under such 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, any payment of RMB under the Notes may be delayed or the Issuer may make such payments in another currency selected by the Issuer using an exchange rate determined by the Calculation Agent, or the Issuer may redeem the Notes by making payment in another currency.

- (iii) RMB Notes issued under the Programme may only be held in Euroclear France, Euroclear and Clearstream, Luxembourg

Noteholders may only hold RMB Notes if they have an account with Euroclear France or maintained with an Account Holder which itself has an account with Euroclear France (which include Euroclear and Clearstream, Luxembourg).

- (iv) 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.

Government and monetary authorities have imposed or modified from time to time, and may in the future impose or modify exchange controls that could affect exchange rates.

- (v) 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.

- (vi) RMB currency risk

Except in limited circumstances, all payments of Renminbi under the RMB Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations for such transfer and in accordance with the terms and conditions of the RMB Notes. The Issuer cannot be required to make payment by any other means (including by transfer to a bank account in the PRC or anywhere else outside Hong Kong). For persons holding RMB Notes through Euroclear France, Euroclear or Clearstream, Luxembourg, payments will also be made subject to the procedures of Euroclear France, Euroclear or Clearstream, Luxembourg, as applicable.

Government and monetary authorities have imposed or modified from time to time, and may in the future impose or modify exchange controls that could affect the availability of specified currency in which a Note is payable at the time of the payment of interest and/or principal in respect of such Note

- (vii) Developments in other markets may adversely affect the market price of any RMB Notes

The market price of RMB Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for RMB denominated securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. Should similar developments occur in the international financial markets in the future, the market price of RMB Notes could be adversely affected.

(viii) The Issuer may make payments of interest and principal in U.S. dollars 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 U.S. dollars at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes. As a result, the value of such payments in Renminbi may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar the value of a Noteholder's investment in U.S. dollar will decline.

(ix) Gains on the transfer of the RMB Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law and the implementing regulations which took effect on 1 January 2008, any gain realised on the transfer of the RMB Notes by non-resident enterprise holders may be subject to enterprise income tax if such gain is regarded as income derived from sources within the PRC. However, there remains uncertainty as to whether the gain realised from the transfer of the RMB Notes would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules. Therefore, if non-resident enterprise holders are required to pay PRC income tax on gains on the transfer of the RMB Notes (such enterprise income tax is currently levied at the rate of 10 per cent. of the gross proceeds, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-resident enterprise holders of the RMB Notes reside that reduces or exempts the relevant tax), the value of their investment in the RMB Notes may be materially and adversely affected.

#### *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 center for RMB Notes. The PRC Government currently views Hong Kong as one of the key offshore Renminbi-denominated debt instrument centers 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 instrument 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 Renminbi Notes.

## **2.4. Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *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, 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.

#### *No active secondary market for the Notes*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *Credit risk*

An investment in the Notes involves taking credit risk on the Issuer. If the financial situation of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, and investors may lose all or part of their investment.

### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes and/or to the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those arising from the offered Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the relevant Notes.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the relevant rating agencies as a result of changes in or unavailability of information or if, in the rating agencies' judgment, circumstances so warrant. Any rating agency other than Standard & Poor's Credit Market Services Europe Limited could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Standard & Poor's Credit Market Services Europe Limited, such unsolicited ratings could have an adverse effect on the value of the Notes.

### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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.

### *Potential conflict of interests*

Certain of the Dealers and their affiliates (including their parent companies) have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

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 short 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.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates (including their parent companies) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or any of its affiliates which could be deemed to be adverse to the interests of the Noteholders. For the purpose of this paragraph the term "affiliates" includes also parent companies.

Potential conflicts of interest may also arise between the Calculation Agent, if any, for a Tranche and the Noteholders, 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.

Where a Dealer acts as Calculation Agent and/or as swap counterparty in respect of an issuance of Notes under the Programme, potential conflicts of interest may arise and, in particular, between the Calculation Agent and Noteholders with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence the amounts to be paid in respect of such Notes.

## RETAIL CASCADES

In the context of any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer accepts responsibility, in the Grand Duchy of Luxembourg, United Kingdom, Germany, Belgium, Ireland, Netherlands, Austria, Norway and/or any other jurisdiction of the European Union to which this Base Prospectus has been passported from time to time (the "**Public Offer Jurisdictions**"), for the content of this Base Prospectus, as supplemented from time to time, and of the relevant Final Terms (together, the "**Prospectus**") in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any financial intermediary to whom it has given its consent to the use of the Prospectus in the relevant Final Terms (an "**Authorised Offeror**"), where the offer is made during the period specified in the relevant Final Terms for which that consent is given (the "**Offer Period**") and where the offer is made in the Public Offer Jurisdiction(s) and is in compliance with all other conditions attached to the giving of the consent. However, neither the Issuer, the Arranger, nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of the Prospectus in connection with a Non-exempt Offer of the relevant Notes during the Offer Period either:

(1) in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by any financial intermediary which is designated in the Final Terms and which is designated to make such offers under the Directive 2004/39/EC dated 21 April 2004 on financial instruments markets, as amended and which satisfies any conditions specified in the relevant Final Terms; or

(2) any financial intermediary in the relevant Public Offer Jurisdiction(s) which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under the section headed "Subscription and Sale" of this Base Prospectus which would apply as if it were a Dealer; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with the rules relating to anti-money laundering, anti-bribery and "know your client" applicable to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms.

The consent referred to above relates to Offer Periods (if any) beginning within twelve (12) months from the date of the approval of this Base Prospectus by the AMF.

The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them at [www.klepierre.com](http://www.klepierre.com).

**Any Authorised Offeror who wishes to use the Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website that it is using the Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

To the extent specified in the relevant Final Terms, a Non-exempt Offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in any relevant Public Offer Jurisdiction and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the

Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Prospectus will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously published and filed with the AMF and which are incorporated in, and shall be deemed to form part of, this Base Prospectus for the information referred to in the cross-reference list below:

- (i) the registration document of the Issuer for the financial year ending 31 December 2016 (the "**2016 Registration Document**"), which was filed with the AMF in its original French language version on 10 March 2017 under the registration number no. D.17-0143, except for the third sentence of the *"Statement of the person responsible for the registration document which serves as the annual financial report"*, referring, *inter alia*, to the audit completion letter obtained from the statutory auditors of the Issuer, on page 306 of the 2016 Registration Document;
- (ii) the registration document of the Issuer for the financial year ending 31 December 2015 (the "**2015 Registration Document**"), which was filed with the AMF in its original French language version on 11 March 2016 under the registration number no. D.16-0131, except for the third sentence of the *"Statement of the person responsible for the registration document which serves as the annual financial report"*, referring, *inter alia*, to the audit completion letter obtained from the statutory auditors of the Issuer, on page 269 of the 2015 Registration Document;
- (iii) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 1 April 2010 which received visa no. 10-081 from the AMF on 1 April 2010 (the "**2010 Conditions**");
- (iv) the section "Terms and Conditions of the Notes" contained in the base prospectus dated 27 April 2012 which received visa no. 12-187 from the AMF on 27 April 2012 (the "**2012 Conditions**");
- (v) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 25 April 2014 which received visa no. 14-161 from the AMF on 25 April 2014 (the "**2014 Conditions**"); and
- (vi) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 24 March 2015 which received visa no. 15-108 from the AMF on 24 March 2015 (the "**2015 Conditions**"); and
- (vii) the section "Terms and Conditions" of the Notes contained in the base prospectus of the Issuer dated 6 April 2016 which received visa no. 16-122 from the AMF on 6 April 2016 (the "**2016 Conditions**", together with the 2010 Conditions, the 2012 Conditions, the 2014 Conditions and the 2015 Conditions, the "**EMTN Previous Conditions**").

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purposes only of further issues of Notes to be assimilated (*assimilables* for the purpose of French law) and form a single Series with Notes already issued under the relevant EMTN Previous Conditions. Any information contained in the documents listed above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

All documents incorporated by reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding. Such documents will also be published on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the website of the Issuer ([www.klepierre.com](http://www.klepierre.com)).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference lists below. The information incorporated by reference that is not included in the cross-reference lists is considered as additional information and is not required by the relevant schedules of the Commission Regulation EC/809/2004, as amended.



**Cross-reference list in respect of the 2015 Registration Document and the 2016 Registration Document**

Information incorporated by reference	Page number	
	2015 Registration Document	2016 Registration Document
<i>(Annexes IV and IX of the European Regulation 809/2004/EC of 29 April 2004), as amended</i>		
<b>2. Statutory Auditors</b>		
2.1 Names and Addresses	N/A	307
<b>3. Selected financial information</b>		
3.1 Historical information	N/A	5-8
<b>4. Risk factors</b>	N/A	25-31, 109-111
<b>5. Information about the Issuer</b>		
5.1 History and development of the Issuer		
5.1.1 Legal and commercial name	N/A	304
5.1.2 Place of registration and registration number	N/A	304
5.1.3 Date of incorporation and length of life	N/A	304
5.1.4 Domicile, legal form, legislation, country of incorporation, address and telephone number	N/A	304
5.1.5 Recent events	N/A	67
5.2 Investments		
5.2.1 Description of principal investments during the fiscal year ended	N/A	51-53, 75, 81
5.2.2 Description of pending investments	N/A	51-53
5.2.3 Anticipated sources of funds needed to fulfil commitments referred to in 5.2.2.	N/A	64-67, 97-99
<b>6. Business overview</b>		
6.1 Principal activities		
6.1.1 Description of the Issuer's principal activities	N/A	4, 304
6.1.2 New products or new developments	N/A	51-53
6.2 Principal markets	N/A	44-50
6.3 Competitive position	N/A	24
<b>7. Organisational structure</b>		
7.1 Brief description of the Group	N/A	23, 124-130, 144-145
7.2 Dependence upon other entities within the Group		122-123
<b>8. Trend information</b>		
8.2 Events reasonably likely to have a material effect on the Issuer's prospects		40
<b>10. Administrative, management and supervisory bodies</b>		

10.1 Information concerning the administrative, management and supervisory bodies	N/A	67, 212-231
10.2 Conflicts of interests	N/A	221-222
<b>11. Board Practices</b>		
11.1 Information about the audit committee	N/A	225-226
11.2 Statement as to whether or not the issuer complies with its country of incorporation corporate governance regime	N/A	212
<b>12. Major shareholders</b>		
12.1 Ownership and control	N/A	264
12.2 Description of arrangements which may result in a change of control	N/A	265
<b>13. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses</b>		
13.1 Historical financial information	134-197, 202-223	70-130, 132-155
<u>Audited consolidated accounts</u>		
- Balance sheet	135	71
- Income statement	134	70
- Accounting policies and explanatory notes	138-197	74-130
- Auditors' report	198	131
<u>Non-consolidated accounts</u>		
- Balance sheet	203-204	133-134
- Cash-flow statement	136	72
- Income statement	202	132
- Accounting policies and explanatory notes	205-223	135-155
- Auditors' report	224	156
13.2 Financial statements	134-137	70-73
13.3 Auditing of historical annual financial information		
13.3.1 Statement of audit of the historical annual financial information	198-224	131, 156
13.3.2 Other audited information	75, 245-249	37, 276-277
13.3.3 Unaudited data		
13.4 Age of last financial information	134-197, 202-223	70-130, 132-155
<b>14. Additional information</b>		
14.1. Share capital		
14.1.1. Subscribed share capital	N/A	262
14.2 Memorandum and articles of association		
14.2.1. Corporate purpose	N/A	304
<b>15. Material contracts</b>	N/A	272-274

<b>16. Third party information and statement by experts and declarations of any interest</b>		
16.1 Statement by experts	N/A	21-22
16.2 Statements by third parties	N/A	21-22
<b>17. Documents on display</b>		306
<i>(Annexes V and XIII of the European Regulation 809/2004/EC of 29 April 2004)</i>		
7.5 Credit rating assigned to the Issuer	N/A	28, 67

**Cross-reference list in respect of the EMTN Previous Conditions**

<b>2010 Base Prospectus (visa no. 10-081 dated 1 April 2010)</b>	
Terms and Conditions of the Notes	Pages 21 to 50
<b>2012 Base Prospectus (visa no. 12-187 dated 27 April 2012)</b>	
Terms and Conditions of the Notes	Pages 40 to 71
<b>2014 Base Prospectus (visa no. 14-161 dated 25 April 2014)</b>	
Terms and Conditions of the Notes	Pages 45 to 72
<b>2015 Base Prospectus (visa no. 15-108 dated 24 March 2015)</b>	
Terms and Conditions of the Notes	Pages 49 to 78
<b>2016 Base Prospectus (visa no. 16-122 dated 6 April 2016)</b>	
Terms and Conditions of the Notes	Pages 54 to 89

## **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 212-25 of the AMF General Regulations (*Règlement général de l'AMF*) implementing Article 16 of the Prospectus Directive in France, following the occurrence of a significant new factor, material mistake or inaccuracy relating to the information included or incorporated by reference in this Base Prospectus which is capable of affecting the assessment of any Notes whose inclusion would reasonably be required by investors and their professional advisers, 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 admitted to trading on Euronext Paris or on a Regulated Market, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the AMF General Regulations (*Règlement général de l'AMF*) and the Prospectus Directive.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, where the Notes are offered to the public, investors who have already agreed to purchase or subscribe for Notes before any supplement is published have the right, exercisable within two working days after the publication of such supplement, to withdraw their acceptance provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the Notes. The period may be extended by the Issuer or, if agreed to by the Issuer, the relevant Authorised Offeror(s). The final date of the right of withdrawal shall be stated in the supplement.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, completed in accordance with the provisions of the relevant Final Terms (as defined below), 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 by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (in each case subject to simplification by the deletion of non-applicable provisions) shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these terms and conditions will have the meanings given to them in the relevant Final Terms. References below to "Conditions" are, unless the context requires otherwise, to the numbered paragraphs below. 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.*

The Notes are issued by Klépierre (the "**Issuer**") in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to 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 (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the "**Final Terms**").

The Notes are issued with the benefit of an amended and restated agency agreement dated 7 April 2017 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Société Générale Securities Services as fiscal agent, as principal paying agent, as calculation agent and as covenant and put agent and the other agents named therein. The fiscal agent, the paying agents, the calculation agent(s) and the covenant and put agent 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 "**Calculation Agent(s)**" and the "**Covenant and Put Agent**". The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the "**Talons**") for further Coupons relating to Materialised Notes are referred to below as the "**Couponholders**".

The provisions of Article 1195 of the French Code civil will not apply to these terms and conditions.

For the purposes 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 dated 21 April 2004 on financial instruments markets, as amended.

### 1. Form, Denomination, Title and Redenomination

#### (a) Form

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"), as specified in the relevant Final Terms.

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

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

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

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form ("**Definitive Materialised Notes**") are serially numbered and are issued with Coupons (and, where appropriate, a 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 *et seq.* and R.211-1 of the French Monetary and Financial Code (*Code monétaire et financier*), securities (such as Notes constituting *obligations* under French law) in materialised form and governed by French law must be issued outside the French territory.

Materialised Notes and Dematerialised Notes may also be cleared through one or more clearing system(s) other than or in addition to Euroclear France, Euroclear and/or Clearstream Luxembourg, as may be specified in the relevant Final Terms.

The Notes may be "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Zero Coupon Notes**", "**Inverse Floating Rate Notes**", "**Fixed/Floating Rate Notes**" or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in the relevant Final Terms in accordance with the applicable Conditions.

#### **(b) Denomination**

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 Notes will be, if the Notes are denominated in a currency other than euro, the amount in such currency 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.

Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one (1) year 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).

Dematerialised Notes shall be issued in one Specified Denomination only.

#### **(c) Title**

- (i) Title to Dematerialised Notes in bearer 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 maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Notes, including, where appropriate Coupons and/or a Talon attached, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), 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) Pursuant to Article L.228-2 of the French Commercial Code (*Code de commerce*), the Issuer may require the identification of the Noteholders unless such right is expressly excluded in the relevant Final Terms.

- (v) In these Conditions,

"**Noteholder**", "**holder of Notes**" or, as the case may be, "**holder of any Note**" means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (b) in the case of Definitive Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons or Talons relating to it.

**(d) Redenomination**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any date, without the consent of the holder of any Note, Coupon or Talon, by giving at least thirty (30) calendar days' notice in accordance with Condition 15 (*Notices*) and on or after the date on which (i) 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, as amended from time to time (the "**Treaty**")) or (ii) events have occurred which have substantially the same effects, redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as more fully 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 (*Notices*). 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, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14 (*Further Issues and Consolidation*), 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 (*Notices*) 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.

## 2. Conversions and Exchanges of Notes

### (a) Dematerialised Notes

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

### (b) Materialised Notes

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

## 3. Status

The Notes and, if applicable, any Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as may from time to time be mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

## 4. Negative Pledge

So long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding (as defined below), the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Debt (as defined below) incurred by it or any guarantee or indemnity assumed or granted by it in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Notes and Coupons are equally and rateably secured therewith.

For the purposes of this Condition:

**"outstanding"** means, in relation to the Notes of any Series, all the Notes issued other than (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid as provided in Condition 7 (*Payments and Talons*), (c) those which have become void or in respect of which claims have become prescribed under Condition 10 (*Prescription*), (d) those which have been purchased and cancelled as provided in the Conditions, (e) in the case of Definitive Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised 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 Notes, pursuant to its provisions; and

**"Relevant Debt"** means any present or future indebtedness for borrowed money, which is originally and solely in the form of, or represented by, bonds (*obligations*), notes or other securities (including *titres de créances négociables*) which are for the time being, or are likely to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.



## 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:

**"Benchmark"** means the reference rates set out in the relevant Final Terms among EURIBOR, LIBOR and CMS.

**"Business Day"** means:

- (i) in relation to any sum payable in Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer system or any successor thereto (TARGET 2) (the **"TARGET 2 System"**) is operating (a **"TARGET 2 Business Day"**), and/or
- (ii) in relation to any sum payable in Renminbi, a day 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 relation to any sum payable in a Specified 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 Specified Currency and/or one or more additional 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, the **"Calculation Period"**):

- (i) if **"Actual/365"**, **"Actual/365-FBF"** or **"Actual/Actual-ISDA"** is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by three hundred and sixty-five (365) (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of calendar days in that portion of the Calculation Period falling in a leap year divided by three hundred and sixty-six (366) and (B) the actual number of calendar days in that portion of the Calculation Period falling in a non-leap year divided by three hundred and sixty-five (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 calendar days in the Calculation Period divided by the product of (x) the number of calendar 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 (1) Determination Period, the sum of:
    - (x) the number of calendar days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (i) the number of calendar days in such Determination Period and (ii) the number of Determination Periods normally ending in any year; and
    - (y) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (i) the number of calendar days in such Determination Period and (ii) the number of Determination Periods normally ending in any year,

in each case 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 so specified, the Interest Payment Date;

- (iii) if **"Actual/Actual-FBF"** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of calendar days elapsed during such period and whose denominator is three hundred and sixty-five (365) (or three hundred and sixty-six (366) if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
  - (x) the number of complete years shall be counted back from the last day of the Calculation Period;
  - (y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (iv) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by three hundred and sixty-five (365);
- (v) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by three hundred and sixty (360);
- (vi) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the relevant Final Terms, the number of calendar days in the Calculation Period divided by three hundred and sixty (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 (1<sup>st</sup>) calendar day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the calendar 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 (1<sup>st</sup>) calendar day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the calendar 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 thirty-one (31), in which case D<sub>1</sub> will be thirty (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 thirty-one (31) and D<sub>1</sub> is greater than twenty-nine (29), in which case D<sub>2</sub> will be thirty (30);

- (vii) if **"30/360-FBF"** or **"Actual 30A/360 (American Bond Basis)"** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of calendar days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the thirty-first (31<sup>st</sup>) and the first (1<sup>st</sup>) day is neither the thirtieth (30<sup>th</sup>) nor the thirty-first (31<sup>st</sup>), the last month of the Calculation Period shall be deemed to be a month of thirty-one (31) days,

using the same abbreviations as for 30E/360-FBF, the fraction is:

If dd2 = 31 and dd1 ≠ (30,31)

then:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

or

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

- (viii) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of calendar days in the Calculation Period divided by three hundred and sixty (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:

"Y1" is the year, expressed as a number, in which the first (1<sup>st</sup>) calendar day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the calendar day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first (1<sup>st</sup>) day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the calendar day immediately following the last day included in the Calculation Period falls;

"D1" 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 thirty-one (31), in which case D1 will be thirty (30); and

"D2" 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 thirty-one (31), in which case D2 will be thirty (30);

- (ix) if "**30E/360-FBF**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of calendar days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days,

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

- (x) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of calendar days in the Calculation Period divided by three hundred and sixty (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 (1<sup>st</sup>) calendar day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the calendar 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 (1<sup>st</sup>) day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the calendar 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 thirty-one (31), in which case D<sub>1</sub> will be thirty (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 (as specified in the relevant Final Terms) or (ii) such number would be thirty-one (31), in which case D<sub>2</sub> will be thirty (30).

**"Effective Date"** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first calendar day of the Interest Accrual Period to which such Interest Determination Date relates.

**"Euro Zone"** means the region comprised of Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

**"FBF Definitions"** means the definitions set out in the 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française*, in their updated version applicable as at the date of issue of the first Tranche of the relevant Series (together the **"FBF Master Agreement"**).

**"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).

**"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 calendar day falling two (2) TARGET 2 Business Days prior to the first (1<sup>st</sup>) day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first (1<sup>st</sup>) calendar day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the calendar day falling two (2) 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(s)"** 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 (1<sup>st</sup>) 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.

**"ISDA Definitions"** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., in their updated version applicable as at the date of issue of the first Tranche of the relevant Series.

**"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 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).

**"Margin"** means, for an Interest Accrual Period, the percentage or number for the applicable Interest Accrual Period, as indicated in the relevant Final Terms, being specified that it may have a positive value, a negative value or equal zero.

**"Page"** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**"PRC"** means the People's Republic of China.

**"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 of these Conditions, as completed with the relevant Final Terms.

**"Reference Banks"** means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro Zone, if LIBOR is the relevant Benchmark, shall be London and if CMS is the relevant Benchmark, shall be the swap market of the Relevant Financial Centre).

**"Relevant Financial Centre"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro Zone, in the case of LIBOR, shall be London and in the case of CMS, shall be the relevant financial centre relating to the Specified Currency) or, if none is so connected, Paris.

**"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 (7) calendar 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 Rate"** means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**"Relevant Time"** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **"local time"** means, with respect to Europe and the Euro Zone as a Relevant Financial Centre, 11:00 a.m. (Brussels time).

**"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.

**"Representative Amount"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

**"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 CNY/US dollar exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter CNY 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 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADNDF. If such rate is not available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available CNY/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.

**"Specified Currency"** means the currency specified as such in the relevant Final Terms.

**"Specified Duration"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*).

**"US 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.

**(b) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including 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 amount of interest ("**Fixed Coupon Amount**") or a broken amount of interest ("**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 and including the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. 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 (1<sup>st</sup>) 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. Notwithstanding the foregoing, where the relevant Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted"

basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

- (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 provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

Where FBF 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 Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a notional interest rate swap transaction (*échange*) in the relevant Specified Currency incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the Floating Rate Determination Date is as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Agent**" and "**Floating Rate Determination Date**" are translations of the French terms "*Taux Variable*", "*Agent*" and "*Date de Détermination du Taux Variable*", respectively, which have the meanings given to those terms in the FBF Definitions.

In the relevant Final Terms, when the paragraph "Floating Rate (*Taux Variable*)" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate, one of which shall be determined as if the maturity for which rates are available were the period of time of next shorter length as compared to the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time of next longer length as compared to the length of the relevant Interest Period.

(B) 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 plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), "**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 calendar day of that Interest Accrual Period.

For the purposes of this sub-paragraph (B), "**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.

In the relevant Final Terms, when the paragraph "Floating Rate Option" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate Option, one of



which shall be determined as if the Designated Maturity for which rates are available were the period of time of next shorter length as compared to the length of the relevant Interest Period, and the other of which shall be determined as if the Designated Maturity were the period of time of next longer length as compared to the length of the relevant Interest Period.

(C) Screen Rate Determination for Floating Rate Notes

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 shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial center of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro Zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (d) Notwithstanding the provisions of sub-paragraphs (a) to (c) above, if the Primary Source for Floating Rate is a Page and the Benchmark specified in the relevant Final Terms is CMS, the Rate of Interest for each Interest Accrual Period shall be, subject as provided below, determined by the Calculation Agent based on the annual rate

applicable to a swap for a swap in the Specified Currency which maturity is the Specified Duration, expressed as a percentage, as it appears on the relevant Page at the Relevant Time on the relevant Interest Determination Date (the "**CMS Rate**") plus or minus, as the case may be (as specified in the relevant Final Terms) a Margin.

If the relevant Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as defined below) at approximately the Relevant Time on the Interest Determination Date. If at least three of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

For the purposes of this sub-paragraph (d):

**"Relevant Swap Rate"** means:

- (i) where the Specified Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount (as defined below) with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (ii) where the Specified Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on an Actual 30/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg is, in each case, calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Specified Duration is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a specified duration of six months or (B) if the Specified Duration is one year or less, to GBP-LIBOR-BBA with a specified duration of three months;
- (iii) where the Specified Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a specified duration of three months; and

- (iv) where the Specified Currency is any other currency or, if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the relevant Final Terms.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.

In the relevant Final Terms, when the paragraph "Benchmark" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Benchmark, one of which shall be determined as if the maturity for which rates are available were the period of time of next shorter length as compared to the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time of next longer length as compared to the length of the relevant Interest Period.

**(d) Inverse Floating Rate Notes**

Inverse Floating Rate Notes bear interest at a Fixed Rate (as determined in Condition 5(b) (*Interest on Fixed Rate Notes*)) minus a Floating Rate (as determined in Condition 5(c) (*Interest on Floating Rate Notes*)), as specified in the relevant Final Terms.

**(e) Fixed/Floating Rate Notes**

Fixed/Floating Rate Notes are Notes for which a change of interest basis (the "**Change of Interest Basis**") is specified to be Applicable in the relevant Final Terms.

Fixed/Floating Rate Notes may bear interest at a rate that:

- (i) the Issuer may elect to convert on the date set out in the Final Terms (the "**Switch Date**") from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate. The Issuer election to change of interest basis (the "**Issuer Change of Interest Basis**") should be deemed effective after a valid notification sent by the Issuer to the relevant Noteholders within the period specified in the relevant Final Terms; or
- (ii) will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the "**Automatic Change of Interest Basis**").

**(f) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount. 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) (*Zero Coupon Notes*)).

**(g) 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 (both before and after judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

**(h) Margin, Maximum/Minimum Rates of Interest, and Redemption Amounts and Rounding**

- (a) 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 to the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with Condition 5(c) (*Interest on Floating Rate Notes*) above by

adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

- (b) 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.
- (c) 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 (1/100,000) of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven (7) 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 of such currency.

**(i) Calculations**

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period in 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 (2) or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

**(j) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Restructuring Optional Redemption Amounts and Make-Whole Redemption Amounts**

As soon as practicable after the Relevant Time 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, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Restructuring Optional Redemption Amount or Make-Whole 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 Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Restructuring Optional Redemption Amount, or Make-Whole Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of Notes, 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 admitted to trading on a Regulated Market and the rules of 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 Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4<sup>th</sup>) Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(k) Calculation Agent and Reference Banks**

The Issuer shall use its best efforts to procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and 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). If any Reference Bank (acting through

its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. 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 Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Restructuring 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 admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15 (*Notices*).

**(I) 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 (4<sup>th</sup>) 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 extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 (*Events of Default*), 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 calendar 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 (the "**Maturity Date**") at its Final Redemption Amount.

**(b) Redemption at the Option of the Issuer**

**(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 fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 (*Notices*) to the holders of Notes redeem in relation to all or, if so provided, some of the Notes on any Optional Redemption Date (as specified in the relevant Final Terms). Any such redemption of Notes shall be at their Optional Redemption Amount (as specified in the relevant Final Terms) 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 as 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.

**(ii) Make-Whole Redemption**

If a Make-Whole Redemption is specified in the relevant Final Terms, the Issuer may, subject to compliance with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 (*Notices*) to the Noteholders, redeem the Notes then outstanding, in whole or in part, at any time or from time to time, prior to their Maturity Date (the "**Make-Whole Redemption Date**"). Any such redemption of Notes shall be made at their Make-Whole Redemption Amount. On or no later than the Business Day immediately following the date on which the Make-Whole Redemption Amount is calculated by the Calculation Agent, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-Whole Redemption Amount.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

The Make-Whole Redemption Rate will be published by the Issuer in accordance with Condition 15 (*Notices*).

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.

If the case of partial redemption, the redemption will be effected as set out in Condition 6(b)(v) (*Partial Redemption*) below.

For the purpose of this Condition 6(b)(ii):

**"Make-Whole Redemption Amount"** means an amount in the Specified Currency of the relevant Notes calculated by the Calculation Agent and equal to the greater of (rounded to the nearest cent, as the case may be (half a cent being rounded upwards)):

(x) the Final Redemption Amount of such Notes, and

(y) the sum of the present values as at the Make-Whole Redemption Date of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accrued on the Notes from, and including, the last Interest Payment Date (or, as the case may be, the Interest Commencement Date immediately preceding such Make-Whole Redemption Date) to, but excluding, the relevant Make-Whole Redemption Date) discounted from the Maturity Date to the relevant Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin,

plus in each case (x) or (y) above, any interest accrued on the Notes from, and including, the last Interest Payment Date (or, as the case may be, the Interest Commencement Date immediately preceding such Make-Whole Redemption Date) to, but excluding, the Make-Whole Redemption Date.

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

**"Make-Whole Redemption Rate"** means (i) the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security on the fourth Business Day preceding the Make-Whole Redemption Date at 11:00 a.m. (Central European Time ("CET")) ("**Reference Dealer Quotation**") or (ii) the Reference Screen Rate, as specified in the relevant Final Terms.

**"Reference Dealers"** means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues, or such other banks or method of selection of such banks as specified in the relevant Final Terms.

**"Reference Screen Rate"** means the screen rate specified as such in the relevant Final Terms.

**"Reference Security"** means the security specified as such in the relevant Final Terms, it being specified that if the Reference Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and published in accordance with Condition 15 (*Notices*).

**"Similar Security"** means a reference bond or reference bonds issued by the same issuer as the Reference Security having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

(iii) *Residual Maturity Call Option*

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Conditions 15 (*Notices*) to the Noteholders redeem all, but not some only, of the Notes at the Optional Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption, no earlier than three (3) months before the Maturity Date.

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

(iv) *Clean-up Call Option*

If a Clean-up Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 (*Notices*) to the Noteholders, redeem all, but not some only, of a particular Series of Notes (which for the avoidance of doubt include any additional outstanding Notes issued subsequently and forming a single series with the first Tranche of a particular Series of Notes), at any time prior to their Maturity Date, at the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption, as long as the aggregate principal amount outstanding of the Notes of that Series is equal to 20 per cent. or less of the aggregate principal amount of Notes issued on the Issue Date of all Tranches of the relevant Series.

(v) *Partial redemption*

In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, 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 Regulated Market requirements.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption shall be effected by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed in which case, with respect to partial redemption as per Condition 6(b)(ii) (*Make-Whole Redemption*), (a) any such redemption or exercise must relate to Notes of a minimal 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 (as specified in the relevant Final Terms) and (b) the Calculation Agent shall determine the Make-Whole Redemption Amount on the basis of the proportion of such aggregate nominal amount so redeemed. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published (i) as long as such Notes are admitted to trading on Euronext Paris and the rules applicable to such Regulated Market so permit, on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) or (ii) in a leading newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(c) **Redemption at the Option of Noteholders**

(i) *Restructuring Optional Redemption by Noteholders*

If at any time while any of the Notes remains outstanding (A) a Restructuring Event is deemed to occur and (B) within the Restructuring Period (i) (if at the time that Restructuring Event is deemed to have occurred there are Rated Securities or the Issuer has a corporate rating from a Rating Agency) a Rating Downgrade occurs or is deemed to occur as a result of that Restructuring Event and such Rating Downgrade has not been cured prior to the expiry of the Restructuring Period or (ii) (if at such time there are no Rated Securities and the Issuer does not have a corporate rating from a Rating Agency) a Negative Rating Event is deemed to occur as a result of that Restructuring Event (such Restructuring Event and Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period and, in the case of a Rating Downgrade, not having been cured prior to the expiry of the Restructuring Period, together called a "**Restructuring Put Event**"), the holder of any Note will have the option (unless, prior to the giving of the Restructuring Put Event Notice referred to below, the Issuer gives notice under Condition 6(e) (*Redemption for Taxation Reasons*) in respect of the Notes) to require the Issuer to redeem or, at the Issuer's option, procure the purchase of that Note on the Restructuring Optional Redemption Date (as defined below). Each Note shall be redeemed or purchased at its principal amount (the "**Restructuring Optional Redemption Amount**") together with (or where purchased, together with an amount equal to) interest accrued to (but excluding) the Restructuring Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Restructuring Put Event has occurred, the Issuer shall give notice to the Covenant and Put Agent and, upon receipt of such notice the Covenant and Put Agent shall, or at any time upon the Covenant and Put Agent becoming similarly so aware the Covenant and Put Agent may, or, if so requested by the Representative further to a General Meeting (both as defined in Condition 11 (*Representation of Noteholders*)), shall (subject to it being indemnified to its satisfaction), give notice (a "**Restructuring Put Event Notice**") to the Noteholders in accordance with Condition 15 (*Notices*) specifying the nature of the Restructuring Put Event and the procedure for exercising the option contained in this Condition 6(c)(i).



To exercise the option to require redemption or, as the case may be, purchase of its Notes under this Condition 6(c)(i), a Noteholder must, on any TARGET 2 Business Day falling within the period of forty-five (45) calendar days after a Restructuring Put Event Notice is given (the "**Restructuring Put Period**"), give notice to (x) in the case of Dematerialised Notes held through an Account Holder to the relevant Account Holder or (y) in the case of Dematerialised Notes held through Euroclear or Clearstream, Luxembourg to Euroclear or Clearstream, Luxembourg, as the case may be, and (z) in the case of Materialised Notes, to the Paying Agent at its specified office, in each case with a copy to the Covenant and Put Agent (the "**Restructuring Put Notice**") in or substantially in the form set out in the Agency Agreement duly completed and signed on its behalf. In the case of Dematerialised Notes, the Restructuring Put Notice shall include instructions for the transfer of such Noteholders' Notes to the specified account of the Covenant and Put Agent for redemption or purchase and cancellation of such Notes. In the case of Materialised Notes, the Restructuring Put Notice shall have attached to it the relevant Notes (together with all unmatured Coupons and unexchanged Talons).

Payment in respect of such Notes will be made on the Restructuring Optional Redemption Date (as defined below) by transfer to the bank account specified in the Restructuring Put Notice. A Restructuring Put Notice once given shall be irrevocable. The Issuer shall redeem or, at its option, procure the purchase of the relevant Notes on the Restructuring Optional Redemption Date unless previously redeemed or purchased.

For the purposes of this Condition 6(c)(i) :

"**Applicable Debt**" means any unsecured and unsubordinated debt securities of the Issuer (or any Subsidiary of the Issuer which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five (5) years or more;

A "**Negative Rating Event**" shall be deemed to have occurred if (i) the Issuer does not on or before the twenty-first (21<sup>st</sup>) Business Day after the relevant Restructuring Event, seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating of the Notes or a corporate rating or a rating of any Applicable Debt or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Restructuring Period and as a result, in whole or in part, of such Restructuring Event obtained such a rating of at least investment grade (BBB- (in the case of S&P and Fitch (as defined below)) or Baa3 (in the case of Moody's (as defined below)), or their respective equivalents for the time being), provided that a Negative Rating Event shall be deemed not to have occurred as a result of a particular Restructuring Event if (i) two members of the Executive Board of the Issuer certify to the Covenant and Put Agent that they have used all reasonable endeavours to obtain an investment grade rating of the Notes, the Issuer or any Applicable Debt within the Restructuring Period; and (ii) the Rating Agency does not (A) announce or publicly confirm or (B), having been so requested by the Issuer, inform the Issuer or the Covenant and Put Agent in writing that its declining to assign a rating of at least investment grade was the result, in whole or in part, of the applicable Restructuring Event;

"**Person**" means an individual, partnership, corporation, unincorporated organisation, trust or joint venture, or a governmental agency or political subdivision thereof;

"**Preferred Stock**" of any Person means any Share Capital of such Person that has preferential rights to any other Share Capital of such Person with respect to dividends or redemptions or upon liquidation. For the avoidance of any doubt, with respect to the Issuer and any other French *société par actions*, Preferred Stock means *actions de préférence*;

"**Rated Securities**" means the Notes so long as they shall have an effective rating from any Rating Agency and otherwise any Applicable Debt which is rated by one of the Rating Agencies; provided that if, after a Restructuring Event is deemed to occur (i) the Notes do not have an effective rating from a Rating Agency, (ii) there is no such rated Applicable Debt and (iii) the Issuer does not have a corporate rating from a Rating Agency, the Covenant and Put Agent may require the Issuer to obtain and thereafter update on an annual basis a rating of the Notes or a corporate rating from one Rating Agency. In addition, the Issuer may at any time

obtain and thereafter update on an annual basis a rating of the Notes or a corporate rating from a Rating Agency, provided that, except as provided above, the Issuer shall not have any obligation to obtain such a rating of the Notes or itself;

**"Rating Agency"** means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. and its successors ("**S&P**") or Moody's Investors Service, Inc. and its successors ("**Moody's**") or Fitch Ratings Ltd and its successors ("**Fitch**") or any other rating agency of equivalent standing specified by the Issuer from time to time in writing to the Covenant and Put Agent;

A **"Rating Downgrade"** shall be deemed to have occurred if within the Restructuring Period, the rating previously assigned to the Notes or to any Applicable Debt or to the Issuer by any Rating Agency, whether at the invitation of the Issuer or by its own volition, is reduced below an investment grade rating (that is to say, the rating becomes less than BBB- (in the case of S&P and Fitch) or Baa3 (in the case of Moody's)); provided that a Rating Downgrade shall be deemed not to have occurred as a result of a particular Restructuring Event if (i) two members of the Executive Board of the Issuer certify to the Covenant and Put Agent that the reduction in the rating is, in their opinion, unconnected with the Restructuring Event; and (ii) the Rating Agency making the reduction in rating to which this definition would otherwise apply does not (A) announce or publicly confirm or, (B) having been so requested by the Issuer, inform the Issuer or the Covenant and Put Agent in writing, that the reduction was the result, in whole or in part, of the applicable Restructuring Event;

A **"Restructuring Event"** shall be deemed to have occurred at each time (whether or not approved by the Executive Board of the Issuer) that any Person or group shall own, directly or indirectly, beneficially or of record, one-third (1/3) of the aggregate voting power represented by the outstanding Share Capital of the Issuer;

**"Restructuring Optional Redemption Date"** means the fifth (5<sup>th</sup>) TARGET 2 Business Day after the expiry of the Restructuring Put Period;

**"Restructuring Period"** means the period ending two hundred and seventy (270) calendar days after the public announcement of the Restructuring Event; and

**"Share Capital"** means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of ordinary share and Preferred Stock of such Person, and (ii) with respect to any Person that is not a corporation, any and all partnership or other equity interests of such Person, provided that, for the purposes of this definition, securities convertible into, exchangeable for or redeemable in capital stock shall not constitute Share Capital; for the avoidance of doubt, Share Capital means (i) with respect to the Issuer and any other French *société par actions*, any and all *actions* and (ii) with respect to any French *société de personnes*, any and all *parts sociales*.

The Covenant and Put Agent is under no obligation to ascertain whether a Restructuring Event, a Negative Rating Event, a Rating Downgrade or any event which could lead to the occurrence of or could constitute a Restructuring Event has occurred and until it shall have actual knowledge or express notice to the contrary, the Covenant and Put Agent may assume that no Restructuring Event, Negative Rating Event, Rating Downgrade or other such event has occurred.

(ii) *Other Put Option*

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 fifteen (15) nor more than thirty (30) calendar days' notice to the Issuer 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 give notice to (x) in the case of Dematerialised Notes held through an Account Holder to the relevant Account Holder or (y) in the case of

Dematerialised Notes held through Euroclear or Clearstream, Luxembourg to Euroclear or Clearstream, Luxembourg, as the case may be, and (z) in the case of Materialised Notes, to the Paying Agent at its specified office, in each case (in each case, the "**Exercise Notice**") in the form obtained during normal business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Dematerialised Notes, the Exercise Notice shall include instructions for the transfer of such Noteholders' Notes to the specified account of the Paying Agent for redemption or purchase and cancellation of such Notes. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Coupons and unexchanged Talons). 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 and Optional Redemption Amount**

**(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) (*Redemption for Taxation Reason*) or 7(h) (*Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), or the Optional Redemption Amount pursuant to Condition 6(b) (*Redemption at the Option of the Issuer*) or 7(c) (*Redemption at the Option of Noteholders*) in respect of such Notes, as the case may be, 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 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) (*Redemption for Taxation Reason*) or 6(h) (*Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), or the Optional Redemption Amount pursuant to Condition 6(b) (*Redemption at the Option of the Issuer*) or 6(c) (*Redemption at the Option of Noteholders*) in respect of such Notes as the case may be, is not paid when due, the Early Redemption Amount or the Optional Redemption Amount, as the case may be, 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 was 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 judgement) 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(g) (*Accrual of Interest*).

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction as provided in the relevant Final Terms.

**(ii) Other Notes**

- (A) 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) (*Redemption for Taxation Reason*) or 6(h) (*Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption.

- (B) The Optional Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(b)(i) (*Call option*), 6(b)(iii) (*Residual Maturity Call Option*), 6(b)(iv) (*Clean-up Call Option*) or 6(c)(ii) (*Other Put Option*) will be determined on the following basis:

**"Optional Redemption Amount"** = Y x Specified Denomination

Where:

"Y" means the ratio expressed as a percentage specified in the relevant Final Terms.

**(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 Condition 8(b) (*Additional Amount*) 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 sixty (60) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount 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 or, if such date is past, as soon as practicable thereafter.
- (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, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) (*Additional Amount*) 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 (7) calendar days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes then outstanding (as defined above) at their Early Redemption Amount 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) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

**(f) Purchases**

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise (including by tender offer) at any price, subject to the applicable laws and/or 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 of the French Monetary and Financial Code (*Code monétaire et financier*).

**(g) Cancellation**

All Notes purchased by or on behalf of the Issuer to be cancelled, will 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 Notes, by surrendering the relevant Temporary Global Certificate or the Definitive Materialised Notes in question, together with all unmatured

Coupons and all unexchanged Talons, if applicable, 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 Definitive 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 reissued 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 or interpretation of such law, becoming effective after the Issue Date, it would 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 forty-five (45) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount.

**7. Payments and Talons**

**(a) Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall (i) 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 holders of Notes and (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank (as defined in Condition 7(h) (*Bank*) below) designated by the relevant holder of Notes. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

**(b) Definitive Materialised Notes**

**(i) Method of Payment**

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a *chèque* in such Specified Currency drawn on, a Bank (as defined in Condition 7(h) (*Bank*) below).

**(ii) Presentation and Surrender of Definitive Materialised Notes and Coupons**

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (i) above only against presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Notes, and payments of interest in respect of Definitive Materialised Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date in respect of

such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unexchanged Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable prior to its Maturity Date, unmatured Coupons and unexchanged Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Materialised Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender (if appropriate) of the relevant Definitive Materialised Note.

**(c) Payments in the United States**

Notwithstanding the foregoing, if any Materialised 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 (i) to any applicable fiscal or other laws, regulations and directives but without prejudice to Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

**(e) Appointment of Agents**

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus relating to the Programme of the Notes of the Issuer. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent expert(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, Registration Agent, Calculation Agent or Covenant and Put Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s), Calculation Agent(s) or Covenant and Put Agent or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), 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) one or more Paying Agent(s) having specified offices in at least one (1) major European city (and ensuring the financial services of the Notes in Paris so long as the Notes are admitted to trading on Euronext Paris and in such other city where the Notes are admitted to trading, so long as the Notes are admitted to trading on any other Regulated Market), (iv) in the case of Dematerialised Notes in fully registered form, a Registration Agent, (v) a Covenant and Put Agent which shall be a reputable bank of good standing having

specified offices in at least one (1) major European city and (vi) such other agents as may be required by the rules applicable to any other Regulated Market on which the Notes may be admitted to trading.

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

Notice of any such change or any change of any specified office shall promptly be given to the holders of Notes in accordance with Condition 15 (*Notices*).

**(f) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised 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 (*Prescription*)).

**(g) Business Days for Payment**

If any date for payment in respect of any Note or Coupon is not a business day, the holder 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, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "**Financial Centre(s)**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, 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 2 Business Day.

**(h) Bank**

For the purpose of this Condition 7, "**Bank**" means a bank in the principal financial centre of the Specified Currency which, if the Specified Currency is Euro, in a city in which banks have access to the TARGET 2 System and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively.

**(i) Payment of U.S. Dollar Equivalent**

Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs and, as such, the Issuer is not able or it would be impracticable for it, after confirmation of such unavailability by a Renminbi Dealer, 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 (5) nor more than thirty (30) calendar days irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

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

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.

These provisions may be supplemented in the relevant Final Terms.

## 8. Taxation

### (a) Withholding Tax

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 or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future 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 Couponholder who is liable to such taxes or duties by reason of his having some connection with the Republic of France other than the mere holding of the Note or Coupon; or

#### (ii) *Presentation more than thirty (30) calendar days after the Relevant Date*

in the case of Definitive Materialised Notes, more than thirty (30) calendar days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on or before the thirtieth (30<sup>th</sup>) such day of such time period.

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 (*Redemption, Purchase and Options*) 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 (*Interest and Other Calculations*) 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.

### (c) Supply of Information

Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may be required by the latter in order for it to comply with the identification and reporting obligations imposed on it by Council Directives 2003/48/EC and 2015/2060/EU.

## 9. Events of Default

Any Noteholder may, upon written notice to the Issuer and the Fiscal Agent (with a copy to the Representative) given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable where upon they shall become immediately due and payable at their Early Redemption Amount without further formality, if any of the following events (each an "**Event of Default**") shall occur:

- (i) any amount of principal of, interest on, or any other amount due in respect of any Note is not paid on the due date thereof and such default is not remedied within a period of fifteen (15) calendar days from such due date; or



- (ii) any other obligation of the Issuer under the Notes is not complied with or performed within a period of thirty (30) calendar days after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in Condition 11 (*Representation of Noteholders*)) or a Noteholder as the case may be; or
- (iii) any other present or future indebtedness of the Issuer for borrowed monies in excess of Euro 40,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefore or any security in respect of any such indebtedness shall be enforced or any guarantee or indemnity given by the Issuer for, or in respect of, any such indebtedness for such amount of others shall not be honoured when due and called upon (subject to any originally applicable grace periods); or
- (iv) if the Issuer makes any proposal for a general moratorium in relation to its debt, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial 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 makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors.

## 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 (10) years (in the case of principal) or five (5) 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 Noteholders, the following shall apply:

Noteholders will, in respect of all Tranches in any Series be grouped automatically for the defense of their common interests in a *masse* (the "**Masse**"), provided that :

- (a) If the relevant Final Terms specifies "Full Masse", the Masse shall be governed by all the provisions of the French Commercial Code (*Code de commerce*), as amended.

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

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

Unless otherwise specified in the relevant Final Terms, the Representative appointed in respect of each Series of Notes is MASSQUOTE S.A.S.U. registered under number 529 065 880 RCS Nanterre, whose registered office is located at 7bis rue de Neuilly 92110 Clichy and whose mailing address is 33 rue Anna Jacquin, 92100 Boulogne Billancourt, France, represented by its Chairman.

Unless otherwise specified in the relevant Final Terms, the alternate representative in respect of each Series of Notes is Gilbert Labachotte, 8 Boulevard Jourdan 75014 Paris, France.

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

In the event of death, retirement, revocation of appointment or liquidation or dissolution of the Representative, such Representative will be replaced by the alternate Representative. In the

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

In accordance with Article R.228-71 of the French Commercial Code (*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 of for the meeting of the relevant General Meeting.

- (b) If the relevant Final Terms specify "Contractual Masse", all the provisions of the French Commercial Code (*Code de commerce*) relating to the Masse shall apply with the exception of articles L. 228-48, L. 228-59, L.228-65, 1, 1°, L. 228-71, R. 228-63, R. 228-67, R. 228-69 and R. 228-72 thereof and subject to the following provisions:

(i) Legal Personality

The Masse will be a separate legal entity and will act in part through the Representative and in part through the General Meeting.

The Masse alone, to the exclusion of all individual holders of Notes, 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. However, the following persons may not be chosen as Representatives:

- i. the Issuer, its executive board (*directoire*), its supervisory board (*conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouses; or
- ii. 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, employees and their ascendants, descendants and spouses; or
- iii. companies holding ten (10) per cent. or more of the share capital of the Issuer or companies having ten (10) per cent. or more of their share capital held by the Issuer; or
- iv. 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.

Unless otherwise specified in the relevant Final Terms, the Representative appointed in respect of each Series of Notes is MASSQUOTE S.A.S.U. registered under number 529 065 880 RCS Nanterre, whose registered office is located at 7bis rue de Neuilly 92110 Clichy and whose mailing address is 33 rue Anna Jacquin, 92100 Boulogne Billancourt, France, represented by its Chairman.

Unless otherwise specified in the relevant Final Terms, the alternative representative is, at the date hereof, Gilbert Labachotte, 8 Boulevard Jourdan, 75014 Paris, France.

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

In the event of death, retirement, revocation of appointment or liquidation or dissolution of the Representative, such Representative will be replaced by the alternate

Representative. In the event of the death, retirement, revocation of appointment or liquidation or dissolution 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 holders of Notes.

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 (1/30) 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 (2) 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, time, place and agenda of any General Meeting will be published as provided under Condition 15 (*Notices*) not less than fifteen (15) calendar days prior to the date of the General Meeting for a first convocation and not less than six (6) calendar days prior to the date of the General Meeting in the case of a second convocation.

Each Noteholder has the right to participate in a General Meeting in person or by proxy, by correspondence or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for Noteholders to participate in a General Meeting by videoconference or any other means of telecommunications allowing the identification of Noteholders. Each Note carries the right to one (1) vote or, in the case of Notes issued with more than one (1) Specified Denomination, one (1) vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

In accordance with Article R.228-71 of the French Commercial Code (*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 of for the meeting of the relevant General Meeting.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth (1/5) 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.

(v) Powers of the General Meeting

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, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14 (*Further Issue and Consolidation*).

(vi) Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the fifteen (15) calendar 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 and at any other place specified in the notice of the General Meeting.

(vii) Expenses

The Issuer will pay all reasonable and duly documented 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.

In respect of paragraphs (a) and (b) above, 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 (*Further Issue and Consolidation*), shall, for the defense of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 11, the expression "outstanding" shall not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-1 A of the French Monetary and Financial Code (*Code monétaire et financier*) which are held by the Issuer and not cancelled.

## **12. Final Terms**

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

## **13. Replacement of Definitive Materialised Notes, Coupons and Talons**

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, 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 this 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 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 Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised 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 (*assimilables* for the purpose of French laws) with the Notes provided such Notes and the further notes carry rights identical in all respects (or identical in all respects save for the aggregate principal amount thereof, the issue date and the first payment of interest) and that the terms of such notes provide for such assimilation, and references in these Conditions to "Notes" shall be construed accordingly.

##### **(b) Consolidation**

The Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), without the consent of the Noteholders, or Couponholders, consolidate the Notes of one Series denominated in Euro 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 (4<sup>th</sup>) Business Day (being a day other than a Saturday or a Sunday) after the mailing, or, at the option of the Issuer, (ii) they are published in a leading daily financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, notices shall be valid if published in a daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading is located which, in the case of Euronext Paris, is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.
- (b)** Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are admitted to trading on any Regulated Market and the applicable rules of that Regulated Market so require, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading is located which, in the case of Euronext Paris, is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.
- (c)** Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au nominatif* or *au porteur*) 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) and (b) above; except that so long as such Notes are listed on any Regulated Market and the applicable rules of that Regulated Market so require, notices shall also be published in a daily financial newspaper with general circulation in the city/ies where the

Regulated Market(s) on which such Notes are admitted to trading is/are located, which, in the case of Euronext Paris, is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.

- (d) If any such publication is not practicable, notice shall be validly given if published in a leading daily financial newspaper with general circulation in Europe, provided that, so long as such Notes are admitted to trading on any Regulated Market, notice shall be published as otherwise required by the applicable rules of that Regulated Market, as the case may be. 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. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

## **16. Governing Law and jurisdiction**

### **(a) Governing Law**

The Notes, Coupons and Talons 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.

## **USE OF PROCEEDS**

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

## TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

### Temporary Global Certificates

A Temporary Global Certificate, without interest coupons, (a "**Temporary Global Certificate**") will initially be issued in connection with each Tranche of Materialised Notes, which will be delivered on or prior to the issue date of the Tranche with a common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and for Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Upon the delivery of such Temporary Global Certificate with a Common Depositary, Euroclear or Clearstream, Luxembourg will credit 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 and Clearstream, Luxembourg, or other clearing systems.

### Exchange

Each Temporary Global Certificate issued in respect of Materialised 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 TEFRA C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for Definitive Materialised 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 the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") section 4701(b) containing rules identical to those applying under Code section 163(f)(2)(B)) as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised 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 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 Notes. In this Base Prospectus, "**Definitive Materialised Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised 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 Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Materialised Notes shall be available at the specified office of any of the Paying Agents.

### Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of forty (40) calendar days after its issue date, provided that, in the event any further



Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 13 (*Replacement of Definitive Materialised Notes, Coupons and Talons*), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) calendar days after the issue date of such further Materialised Notes.

In the case of Materialised Notes with an initial maturity of more than 365 calendar days (and that are not relying on the TEFRA C Rules), the Temporary Global Certificate shall bear the following legend:

ANY UNITED STATES PERSON (AS DEFINED IN THE CODE) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES FEDERAL INCOME TAX LAWS INCLUDING THE LIMITATION PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE CODE.

**FORM OF FINAL TERMS  
FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A SPECIFIED DENOMINATION OF  
LESS THAN €100,000**

**Final Terms dated [ ● ]**

[LOGO, if document is printed]

**KLEPIERRE**

Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Notes**]  
issued under the € 7,000,000,000 Euro Medium Term Note Programme of Klépierre

Issue Price: [ ● ] per cent.

Series no.: [ ● ]

Tranche no.: [ ● ]

[Name(s) of Dealer(s)]

*[Include the following legend where a non-exempt offer of Notes is anticipated]*

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a "Member State of the EEA") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State of the EEA, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].

*[Include the following legend where only an exempt offer of Notes is anticipated]*

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a "Member State of the EEA") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State of the EEA, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that relevant Member State of the EEA of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the base prospectus dated 7 April 2017 which received visa no.17-148 from the *Autorité des marchés financiers* ("AMF") in France on 7 April 2017 [, as supplemented by the supplement(s) to the base prospectus dated [●] which received visa no. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

This document constitutes the final terms of the Notes (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.klepierre.com](http://www.klepierre.com)), [and] during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition<sup>1</sup>, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

*[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.*

---

<sup>1</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") which are the [2010/2012/2014/2015/2016] Conditions which are incorporated by reference in the base prospectus dated 7 April 2017 which received visa no.17-148 from the *Autorité des marchés financiers* ("**AMF**") in France on 7 April 2017 [, as supplemented by the supplement(s) to the base prospectus dated [●] which received visa no. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

This document constitutes the final terms of the Notes (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus (including the [2010/2012/2014/2015/2016] Conditions incorporated by reference therein). Full information on the Issuer and the Notes is only available on the basis of the combination of these Final Terms, this Base Prospectus and the [2010/2012/2014/2015/2016] Conditions. The Base Prospectus and these Final Terms are available for viewing on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.klepierre.com](http://www.klepierre.com)), [and] during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition<sup>2</sup>, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

*[The following alternative language applies in respect of issues of Notes where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth under the section[s] entitled "Terms and Conditions of the Notes" in the Base Prospectus dated 7 April 2017 which received visa n° 17-148 from the *Autorité des marchés financiers* ("**AMF**") on 7 April 2017 [and the Supplement to the Base Prospectus dated [●] (together, the "**2017 Base Prospectus**")]] notwithstanding the approval of an updated base prospectus which will replace the 2017 Base Prospectus (the "**2018 Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and (i) prior to the approval date by the AMF of the 2018 Base Prospectus (the "**Approval Date**"), must be read in conjunction with the 2017 Base Prospectus, as supplemented, and (ii) on and after the Approval Date, must be read in conjunction with the 2018 Base Prospectus, save in respect of the Conditions which are extracted from the 2017 Base Prospectus, as supplemented. The 2017 Base Prospectus, as supplemented, constitutes, and the 2018 Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on Klépierre (the "**Issuer**") and the offer of the Notes is only available on the basis of the combination of these Final Terms and either (i) prior to the Approval Date, the 2017 Base Prospectus, as supplemented, or (ii) on or after the Approval Date, the 2017 Base Prospectus, as supplemented, and the 2018 Base Prospectus. [The Issuer has in the 2017 Base Prospectus given consent to the use of the 2017 Base Prospectus in connection with the offer of the Notes. Such consent will be valid until the date that is twelve months following the date of the 2017 Base Prospectus. The Issuer will in the 2018 Base Prospectus give consent to the use of the 2018 Base Prospectus in connection with the offer of the Notes.] [The 2017 Base Prospectus [and the supplement to the Base Prospectus] and the 2018 Base Prospectus [is] [are] [will be] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) Klépierre (the "**Issuer**") ([www.klepierre.com](http://www.klepierre.com)) and copies may be obtained from Klépierre, 26, boulevard des Capucines, 75009 Paris. [In addition<sup>3</sup>, the 2017 Base Prospectus [and the supplement to the Base Prospectus] and the 2018 Base Prospectus [is] [are] [will be] available for viewing [at/on] [●].]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

1. **Issuer:** Klépierre
2. (i) **Series Number:** [●]

<sup>2</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

<sup>3</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris

- (ii) **Tranche Number:** [●]
- (iii) **[Date on which the Notes become fungible:** The Notes will, upon listing, be assimilated (*assimilées*) and form a single series with the (*insert description of the relevant Series*) (the "**Existing Notes**") on [●]
3. **Specified Currency or Currencies:** [●]
4. **Aggregate Nominal Amount of Notes:**
- (i) **Series:** [●]
- (ii) **Tranche:** [●]
5. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. **Specified Denomination(s):** [●]<sup>4</sup>  
(*One (1) denomination only for Dematerialised Notes*) (*For Materialised Notes, attention should be paid to the rules and procedures of the relevant Stock Exchange(s) and/or clearing system(s)*)
7. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [*Specify*/Issue Date/Not Applicable]
8. **Maturity Date:** [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. **Interest Basis:** [[●] per cent. Fixed Rate]  
[[*EURIBOR, LIBOR, CMS*] +/- [●] per cent. Floating Rate]  
[Inverse Floating Rate]  
[Fixed/Floating Rate]  
[Zero Coupon]  
(*Further particulars specified below*)
10. **Redemption/Payment Basis:** [Redemption at par]  
(*Further particulars specified below*)
11. **Change of Interest or Redemption/Payment Basis:** [Applicable – Fixed Rate to Floating Rate]/[Applicable – Floating Rate to Fixed Rate]/[Not Applicable]  
  
[(*Further particulars specified below in "Fixed/Floating Rate Notes Provisions"*)]
12. **Put/Call Options:** [Noteholder Put]  
[Issuer Call]  
[Make-Whole Redemption]  
[Residual Maturity Call Option]

<sup>4</sup> Notes (including Notes denominated in sterling) 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 FSMA and having a maturity of less than one (1) year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

[Clean-up Call Option]  
[Not Applicable]

*(Further particulars specified below)*

**13. Date of corporate authorisations for issuance of Notes:**

Decision of [●] of the Issuer dated [●]

**14. Method of distribution:**

[Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

**15. Fixed Rate Notes Provisions:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Rate(s) of Interest: [●] per cent. *per annum* [payable [annually / semi-annually / quarterly / monthly] in arrear]

(ii) Interest Payment Date(s): [●] in each year  
[Adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/ Not adjusted]

(iii) Fixed Coupon Amount[(s)]<sup>5</sup>: [●] per [●] in Specified Denomination

(iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]*

(v) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-FBF / 30E/360(ISDA)]

*(Day count fraction should be Actual-Actual (ICMA) for all fixed rate issues other than those denominated in U.S. Dollars or RMB)*

(vi) Determination Date(s): [[●] in each year]/[Not applicable]

*(N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA) or for RMB Notes. In such case, insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.)*

[(vii) Party responsible for calculating Interest Amounts (if not the Calculation Agent):]<sup>6</sup> [●]/[Not Applicable]

---

5 Not applicable for RMB Notes.

6 RMB Notes only.

- 16. Floating Rate Notes Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [●]
  - (ii) Specified Interest Payment Dates: [●]
  - (iii) First Interest Payment Date: [●]
  - (iv) Interest Period Date: [Interest Payment Date]
  - (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]  
*[Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]*
  - (vi) Business Centre(s) (Condition 5(a)): [●]
  - (vii) Manner in which the Rate(s) of Interest is/are to be determined: [FBF Determination/ ISDA Determination/ Screen Rate Determination]
  - (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
  - (ix) FBF Determination: [Applicable/Not Applicable]
    - Floating Rate (*Taux Variable*): [●] *(specify Benchmark [EURIBOR, LIBOR, CMS] and months [e.g. EURIBOR 3 months]) (additional information if necessary)*  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
    - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
  - (x) ISDA Determination: [Applicable/Not Applicable]
    - Floating Rate Option: [●]  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
    - Designated Maturity: [●]
    - Reset Date: [●]

- (xi) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [●] (*specify Benchmark [EURIBOR, LIBOR, CMS] (additional information if necessary)*)
- [If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
- Relevant Time: [●]
- Interest Determination Date(s): [●]
- Primary Source: [Specify relevant screen page or "Reference Banks"]
- Reference Banks (if Primary Source is "Reference Banks"): [Specify four]/[Not applicable]
- Relevant Financial Centre: [The financial centre most closely connected to the Benchmark - specify if not Paris]
- Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
- Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
- Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (xii) Margin(s): [+/-] [●] per cent. *per annum*
- (xiii) Minimum Rate of Interest: [Not Applicable/[●] per cent. *per annum*]
- (xiv) Maximum Rate of Interest: [Not Applicable/[●] per cent. *per annum*]
- (xv) Day Count Fraction: [●]

**17. Inverse Floating Rate Notes Provisions:**

- [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Fixed Rate: [[●] per cent. *per annum* [payable [annually / semi-annually / quarterly / monthly] in arrear]
- (ii) Interest Period(s): [●]
- (iii) Specified Interest Payment Dates: [●]
- (iv) First Interest Payment Date: [●]
- (v) Interest Period Date: [Interest Payment Date]
- (vi) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day]



Convention]

*[Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]*

- (vii) Business Centre(s) (Condition 5(a)): [●]
- (viii) Manner in which the Rate(s) of Interest is/are to be determined: [Fixed Rate] minus [FBF Determination/ ISDA Determination/ Screen Rate Determination]
- (ix) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (x) FBF Determination: [Applicable/Not Applicable]
- Floating Rate (*Taux Variable*): [●] (*specify Benchmark [EURIBOR, LIBOR, CMS] and months [e.g. EURIBOR 3 months] (additional information if necessary)*)  
  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
  - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
- (xi) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [●]  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
  - Designated Maturity: [●]
  - Reset Date: [●]
- (xii) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [●] (*specify Benchmark [EURIBOR, LIBOR, CMS] (additional information if necessary)*)  
  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
  - Relevant Time: [●]
  - Interest Determination Date(s): [●]
  - Primary Source: [Specify relevant screen page or "Reference Banks"]

- Reference Banks (if Primary Source is "Reference Banks"): [Specify four]/[Not applicable]
  - Relevant Financial Centre: [The financial centre most closely connected to the Benchmark - specify if not Paris]
  - Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
  - Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
  - Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
  - (xiii) Margin(s): [+/-] [●] per cent. *per annum*
  - (xiv) Minimum Rate of Interest: [Not Applicable/[●] per cent. *per annum*]
  - (xv) Maximum Rate of Interest: [Not Applicable/[●] per cent. *per annum*]
  - (xvi) Determination Date(s): [[●] in each year]/[Not applicable]
- (N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA) or for RMB Notes. In such case, insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.)
- [(xvii) Party responsible for calculating Interest Amounts (if not the Calculation Agent):]<sup>7</sup> [●]/[Not Applicable]
- (xviii) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-FBF / 30E/360(ISDA)]

#### 18. Fixed/Floating Rate Notes Provisions:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Issuer Change of Interest Basis: [Applicable/Not Applicable]
- (ii) Automatic Change of Interest Basis: [Applicable/Not Applicable]
- (iii) Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded): Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate Note]/ [Condition

---

7 RMB Notes only.

5(c), as though the Note was a Floating Rate Note] with further variables set out in item [●] of these Final Terms

- (iv) Rate of Interest applicable to the Interest Periods following the Switch Date (included):  
Determined in accordance with [Condition -5(b), as though the Note was a Fixed Rate Note]/ [Condition 5(c), as though the Note was a Floating Rate Note] with further variables set out in item [●] of these Final Terms
- (v) Switch Date: [●]
- (vi) Minimum notice period required for notice from the Issuer: [[●] Business Days prior to the Switch Date] / [(for Automatic Change of Interest :)] [Not Applicable]

**19. Zero Coupon Notes Provisions:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Amortisation Yield: [●] per cent. *per annum*
- (ii) Reference Price: [●]
- (iii) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-FBF / 30E/360(ISDA)]

**PROVISIONS RELATING TO REDEMPTION**

**20. Call Option:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note:  
[Optional Redemption Amount: [●] with the component of the formula  $Y = [●]$  per cent.]
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [●]
  - (b) Maximum Redemption Amount: [●]

**21. Make-Whole Redemption:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Make-Whole Redemption Margin: [●] *per annum*
  - (ii) Make-Whole Redemption Rate: [Reference Dealer Quotation/Reference Screen Rate]
  - (iii) Reference Screen Rate: [●]/[Not Applicable]
  - (iv) Reference Security: [●]/[Not Applicable]
  - (v) Reference Dealers: [Not applicable/As set out in the Conditions]
  - (vi) Calculation Agent: [●]
  - (vii) If redeemable in part:
    - (a) Minimum Redemption Amount: [[●] per Note of [●] Specified Denomination] / [Not Applicable]
    - (b) Maximum Redemption Amount: [[●] per Note of [●] Specified Denomination] / [Not Applicable]
- 22. Residual Maturity Call Option:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) [As from [●]]
  - (ii) Optional Redemption Amount(s) of each Note: [Optional Redemption Amount: [●] with the component of the formula  $Y = [●]$  per cent.]
- 23. Clean-up Call Option:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Amount(s) of each Note: [Optional Redemption Amount: [●] with the component of the formula  $Y = [●]$  per cent.]
- 24. Put Option:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note: [Optional Redemption Amount: [●] with the component of the formula  $Y = [●]$  per cent.]
- 25. Final Redemption Amount of each Note:** [[●] per Note of [●] Specified Denomination/ Specified Denomination]
- 26. Early Redemption Amount:**

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:

[●]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 27. Form of Notes:** [Dematerialised Notes/Materialised Notes]  
(*Materialised Notes are only in bearer form*)
- [Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether bearer form (*au porteur*)/registered form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/if applicable give name and address]  
(*Note that a Registration Agent can be appointed in relation to Dematerialised Notes in fully registered form only*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- (iv) Option to request identification information of the Noteholders (Condition 1(c)(iv)): [Applicable/Not Applicable]
- 28. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 7(g):** [Not Applicable/Give details. *Note that this paragraph relates to the date and place of payment, and not interest period and dates, to which subparagraphs 15 (ii) and 16(v) relate*]
- 29. Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** [Yes/No/Not Applicable. *If yes, give details*] (*Only applicable to Materialised Notes*)
- 30. Purchase in accordance with Article L.213-1 A and D.213-1 A of the French Monetary and Financial Code (*Code monétaire et financier*):** [Not Applicable/ Applicable]
- 31. Redenomination provisions:** [Not Applicable/The provisions [in Condition 1(d)] apply]
- 32. Consolidation provisions:** [Not Applicable/The provisions [in Condition 14(b)] apply]
- 33. Masse (Condition 11):** [[Full Masse]/[Contractual Masse] shall apply]
- (*Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11(b) (Contractual*

*Masse) shall apply, 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:  
[MASSQUOTE S.A.S.U. RCS 529 065 880 Nanterre,  
33 rue Anna Jacquin, 92100 Boulogne Billancourt,  
France, represented by its Chairman]

Name and address of the alternate Representative:  
[Gilbert Labachotte, 8 Boulevard Jourdan, 75014  
Paris, France.]

[The Representative will receive no remuneration/The  
Representative will receive a remuneration of [ ● ]]

34. [Any applicable currency  
disruption/fallback provisions:]8 [Not Applicable/give details]

#### DISTRIBUTION

35. (i) If syndicated, names and  
addresses of Managers and underwriting  
commitments: [Not Applicable/give names, addresses and  
underwriting commitments]

*(Include names and addresses of entities agreeing to  
underwrite the issue on a firm commitment basis and  
names and addresses of the entities agreeing to place  
the issue without a firm commitment or on a "best  
efforts" basis if such entities are not the same as the  
Managers. In case of RMB Notes issues underwritten  
on a several and not a joint basis, include  
appropriate disclosure of underwriting commitments  
and arrangements.)*

- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
36. If non-syndicated, name and address of  
Dealer: [Not Applicable/give name and address]
37. Total commission and concession: [ ● ] per cent. of the Aggregate Nominal Amount
38. U.S. selling restrictions: [Reg. S Compliance Category 2; TEFRA C/ TEFRA  
D/ TEFRA not Applicable]
39. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made  
by the Managers [and [specify, if applicable]] other  
than pursuant to Article 3(2) of the Prospectus  
Directive in [specify relevant Member State(s) of the  
EEA- which must be jurisdictions where the Base  
Prospectus and any supplements have been  
passported] ("Public Offer Jurisdictions") during the  
period from [specify date] until [specify date] ("Offer  
Period"). See further Paragraph 9 of Part B below.]

---

8 In respect of RMB Notes, consider insertion of Payment of U.S. Dollar Equivalent provision.

[Consent of the Issuer to use the Base Prospectus during the Offer Period:

[Not Applicable / Applicable with respect to any Authorised Offeror specified below]

[Authorised Offeror(s) in the various countries where the offer takes place:]

[Not Applicable / *Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Base Prospectus"*]

[Conditions attached to the consent of the Issuer to use the Base Prospectus:]

[Not Applicable / *Where the Issuer has given a general consent to any financial intermediary to use the Base Prospectus, specify any additional conditions to or any condition replacing those set out in the Base Prospectus or indicate "See conditions set out in the Base Prospectus". Where Authorised Offeror(s) have been designated herein, specify any condition*]

## GENERAL

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

[Not Applicable/[ ● ]]

## [PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] admission to trading on [*specify relevant regulated market*] of the Notes described herein pursuant to the Euro 7,000,000,000 Euro Medium Term Note Programme of Klépierre.]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [*(Relevant third party information)* has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]<sup>9</sup>

Signed on behalf of Klépierre:

By: .....

Duly authorised

---

9 Include if third party information is provided.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/ other (*specify*)/ None]
- (ii) (a) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/other (*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 [Euronext Paris/other (*specify relevant regulated market*)] with effect from [●].] [Not Applicable]
- (Where documenting a fungible issue need to indicate that Existing Notes are already admitted to trading.)*
- (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Notes to be admitted to trading are already admitted to trading: [The Existing Notes are admitted to trading on [●] / Not Applicable] *(Where documenting a fungible issue need to indicate that the Existing Notes are already admitted to trading.)*

### 2. RATINGS

- Ratings: [The Notes to be issued have been rated/are expected to be rated:
- [S&P: [●]]  
[Moody's: [●]]  
[Fitch: [●]]  
[[Other]: [●]]
- [Each of S & P, Moody's and Fitch is established in the European Union, registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with CRA Regulation.]/
- [[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered the CRA Regulation unless the



rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.]/

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"), but is endorsed by [*insert credit rating agency*] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with CRA Regulation.]/

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009, as amended.]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. [NOTIFICATION]

The *Autorité des marchés financiers*, which is the French competent authority for the purpose of the Prospectus Directive [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

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

Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

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

### 5. 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 general corporate purposes 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: [●] *(Include breakdown of expenses)*

## 6. [Fixed Rate Notes only – YIELD

Indication of yield: [●]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

*(Only applicable for offer to the public in France) [yield gap of [●] per cent. in relation to tax free French government bonds (obligations assimilables au Trésor (OAT)) of an equivalent duration.].]*

## 7. [Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/CMS] rates can be obtained from [Reuters].]

## 8. TERMS AND CONDITIONS OF THE OFFER

### CONDITIONS, OFFER STATISTICS, EXPECTED TIMETABLE AND ACTION REQUIRED TO APPLY FOR THE OFFER

Offer Price: [Issue Price] *[specify the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser]*

Conditions to which the offer is subject: [Not Applicable/give details]

Description of the application process: [Not Applicable/give details]

The time period, including any possible amendments during which the offer will be open and description of the application process: [Not Applicable/give details]

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Method and time limits for paying up and delivering the Notes: [Not Applicable/give details]

Manner in and date on which results of the

offer are to be made public: [Not Applicable/give details]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]

## PLAN OF DISTRIBUTION AND ALLOTMENT

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche: [Not Applicable/give details]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [Not Applicable/give details]

## PLACING AND UNDERWRITING

Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place: [ ● ]

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Where not all of the issue is underwritten, a statement of the portion not covered: [ ● ]

When the underwriting agreement has been or will be reached: [ ● ]

Name and address of entities which have a firm commitment to act as intermediaries in secondary trading: [ ● ]

## 9. OPERATIONAL INFORMATION

ISIN Code: [ ● ]

Common Code: [ ● ]

Depositories:

(a) Euroclear France to act as Central Depository: [Yes/No]

(b) Common Depository for Euroclear Bank and Clearstream Banking, S.A.: [Yes/No]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s) and

*address(es)]*

Delivery:

Delivery [against/free of] payment

Names and addresses of initial Paying Agent:

Société Générale  
Société Générale Securities Services  
(affiliated with Euroclear France  
under number 042)  
CS 30812  
32, rue du Champ de Tir  
44308 Nantes Cedex 3  
France

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

[ ● ]

**[ANNEX - FORM OF ISSUE SPECIFIC SUMMARY]**

*(Issuer to annex form of issue specific summary to the Final Terms)*

**FORM OF FINAL TERMS  
FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A SPECIFIED DENOMINATION OF  
AT LEAST €100,000**

**Final Terms dated [ ● ]**

[LOGO, if document is printed]

**KLEPIERRE**

Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Notes**]  
issued under the € 7,000,000,000 Euro Medium Term Note Programme of Klépierre

Issue Price: [ ● ] per cent.

Series no.: [ ● ]

Tranche no.: [ ● ]

[Name(s) of Dealer(s)]

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the base prospectus dated 7 April 2017 which received visa no. 17-148 from the *Autorité des marchés financiers* ("**AMF**") in France on 7 April 2017 [, as supplemented by the supplement(s) to the base prospectus dated [●] which received visa no. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

This document constitutes the final terms of the Notes (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.klepierre.com](http://www.klepierre.com)), [and] during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition<sup>10</sup>, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

*[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 conditions which are the [2010/2012/2014/2015/2016] Conditions which are incorporated by reference in the base prospectus dated 7 April 2017 which received visa no. 17-148 from the *Autorité des marchés financiers* ("**AMF**") in France on 7 April 2017 [, as supplemented by the supplement(s) to the base prospectus dated [●] which received visa no. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

This document constitutes the final terms of the Notes (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus (including the [2010/2012/2014/2015/2016] Conditions incorporated by reference therein). Full information on the Issuer and the Notes is only available on the basis of the combination of these Final Terms, this Base Prospectus and the [2010/2012/2014/2015/2016] Conditions. The Base Prospectus and the Final Terms are available for viewing on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.klepierre.com](http://www.klepierre.com)), [and] during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition<sup>11</sup>, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

---

10 If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

11 If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

1. **Issuer:** Klépierre
2. (i) **Series Number:** [ ● ]  
(ii) **Tranche Number:** [ ● ]  
(iii) **[Date on which the Notes become fungible :** The Notes will, upon listing, be assimilated (*assimilées*) and form a single series with the (*insert description of the relevant Series*) (the "Existing Notes") on [●]
3. **Specified Currency or Currencies:** [ ● ]
4. **Aggregate Nominal Amount of Notes:**  
(i) **Series:** [ ● ]  
(ii) **Tranche:** [ ● ]
5. **Issue Price:** [ ● ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. **Specified Denomination(s):** [ ● ]<sup>12</sup>  
  
*(One (1) denomination only for Dematerialised Notes) (For Materialised Notes, attention should be paid to the rules and procedures of the relevant Stock Exchange(s) and/or clearing system(s)) (Not less than €100,000 or its equivalent in other currency at the Issue Date)*
7. (i) **Issue Date:** [ ● ]  
(ii) **Interest Commencement Date:** [*Specify*/Issue Date/Not Applicable]
8. **Maturity Date:** [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. **Interest Basis:** [[ ● ] per cent. Fixed Rate]  
[[*EURIBOR, LIBOR, CMS*] +/- [ ● ] per cent. Floating Rate]  
[Inverse Floating Rate]  
[Fixed/Floating Rate]  
[Zero Coupon]  
(*Further particulars specified below*)
10. **Redemption/Payment Basis:** [Redemption at par]  
[Other (*specify*)]  
(*Further particulars specified below*)

---

<sup>12</sup> Notes (including Notes denominated in sterling) 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 FSMA and having a maturity of less than one (1) year must have a minimum denomination of £100,000 (or its equivalent in other currencies).



- 11. Change of Interest or Redemption/Payment Basis:** [Applicable – Fixed Rate to Floating Rate]/[Applicable – Floating Rate to Fixed Rate]/[Not Applicable]
- [(Further particulars specified below in "Fixed/Floating Rate Notes Provisions")]*
- 12. Put/Call Options:** [Noteholder Put]  
[Issuer Call]  
[Make-Whole Redemption]  
[Residual Maturity Call Option]  
[Clean-up Call Option]  
[Not Applicable]
- (Further particulars specified below)*
- 13. Date of corporate authorisations for issuance of Notes:** Decision of [ ● ] of the Issuer dated [ ● ]
- 14. Method of distribution:** [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15. Fixed Rate Notes 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]
- (ii) Interest Payment Date(s): [ ● ] in each year
- [[Adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]/ Not adjusted]
- (iii) Fixed Coupon Amount[(s)]<sup>13</sup>: [ ● ] per [ ● ] in Specified Denomination
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]*
- (v) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-  
ISDA / Actual/Actual-FBF / Actual/Actual-  
ICMA / Actual/365(Fixed) / Actual/360 /  
30/360 / 360/360 / Bond Basis / 30/360-FBF /  
Actual 30A/360 (American Bond Basis) /  
30E/360 / Eurobond Basis / 30E/360-FBF /  
30E/360(ISDA)]
- (Day count fraction should be Actual-Actual (ICMA) for all fixed rate issues other than those denominated in U.S. Dollars or RMB)*

---

13 Not applicable for RMB Notes.

[(vi) Determination Date(s): ☐ in each year]/[Not applicable]

*(N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA) or for RMB Notes. In such case, insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.)*

[(vii) Party responsible for calculating Interest Amounts (if not the Calculation Agent):]14 ☐/[Not Applicable]

**16. Floating Rate Notes Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Interest Period(s): ☐

(ii) Specified Interest Payment Dates: ☐

(iii) First Interest Payment Date: ☐

(iv) Interest Period Date: [Interest Payment Date]

(v) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/ Modified  
Following Business Day Convention/  
Preceding Business Day Convention]

*(Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount)*

(vi) Business Centre(s) (Condition 5(a)): ☐

(vii) Manner in which the Rate(s) of Interest is/are to be determined: [FBF Determination/ ISDA Determination/  
Screen Rate Determination]

(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): ☐

(ix) FBF Determination: [Applicable/Not Applicable]

- Floating Rate (*Taux Variable*): ☐ (*specify Benchmark [EURIBOR, LIBOR, CMS] and months [e.g. EURIBOR 3 months] (additional information if necessary)*)

*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*

- Floating Rate Determination Date  
(*Date de Détermination du Taux*)

- Variable): [ ● ]
- (x) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ● ]  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
  - Designated Maturity: [ ● ]
  - Reset Date: [ ● ]
- (xi) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [ ● ] *(specify Benchmark [EURIBOR, LIBOR, CMS]) (additional information if necessary)*  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
  - Relevant Time: [ ● ]
  - Interest Determination Date(s): [ ● ]
  - Primary Source: *[Specify relevant screen page or "Reference Banks"]*
  - Reference Banks (if Primary Source is "Reference Banks"): *[Specify four]/[Not applicable]*
  - Relevant Financial Centre: *[The financial centre most closely connected to the Benchmark - specify if not Paris]*
  - Representative Amount: *[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]*
  - Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
  - Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*
- (xii) Margin(s): [+/-] [ ● ] per cent. *per annum*
- (xiii) Minimum Rate of Interest: [Not Applicable/[ ● ] per cent. *per annum*]
- (xiv) Maximum Rate of Interest: [Not Applicable/[ ● ] per cent. *per annum*]
- (xv) Day Count Fraction: *[Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-FBF /*

30E/360(ISDA)]

**17. Inverse Floating Rate Notes Provisions:**

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

- (i) Fixed Rate: [●]
- (ii) Interest Period(s): [●]
- (iii) Specified Interest Payment Dates: [●]
- (iv) First Interest Payment Date: [●]
- (v) Interest Period Date: [Interest Payment Date]
- (vi) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/ Modified  
Following Business Day Convention/ Preceding  
Business Day Convention]  
  
*[Insert "unadjusted" if the application of the  
relevant business day convention is not intended  
to affect the Interest Amount]*
- (vii) Business Centre(s) [●]  
(Condition 5(a)):
- (viii) Manner in which the Rate(s) of  
Interest is/are to be determined: [Fixed Rate] minus [FBF Determination/ ISDA  
Determination/ Screen Rate Determination]
- (ix) Party responsible for calculating  
the Rate(s) of Interest and/or  
Interest Amount(s) (if not the  
Calculation Agent): [●]
- (x) FBF Determination: [Applicable/Not Applicable]
  - Floating Rate (*Taux Variable*): [●] *(specify Benchmark [EURIBOR, LIBOR,  
CMS] and months [e.g. EURIBOR 3 months])  
(additional information if necessary)*  
  
*[If the Rate of Interest is determined by linear  
interpolation in respect of an interest period,  
insert the relevant interest period(s) and the  
relevant two rates used for such determination]*
  - Floating Rate Determination  
Date (*Date de Détermination  
du Taux Variable*): [●]
- (xi) ISDA Determination: [Applicable/Not Applicable]
  - Floating Rate Option: [●]  
*[If the Rate of Interest is determined by linear  
interpolation in respect of an interest period,  
insert the relevant interest period(s) and the  
relevant two rates used for such determination]*

- Designated Maturity: [ ● ]
- Reset Date: [ ● ]
- (xii) Screen Rate Determination: [Applicable/Not Applicable]
  - Benchmark: [ ● ] (*specify Benchmark [EURIBOR, LIBOR, CMS]) (additional information if necessary)*  
  
*[If the Rate of Interest is determined by linear interpolation in respect of an interest period, insert the relevant interest period(s) and the relevant two rates used for such determination]*
  - Relevant Time: [ ● ]
  - Interest Determination Date(s): [ ● ]
  - Primary Source: [Specify relevant screen page or "Reference Banks"]
  - Reference Banks (if Primary Source is "Reference Banks"): [Specify four]/[Not applicable]
  - Relevant Financial Centre: [The financial centre most closely connected to the Benchmark - specify if not Paris]
  - Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
  - Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
  - Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (xiii) Margin(s): [+/-] [ ● ] per cent. *per annum*
- (xiv) Minimum Rate of Interest: [Not Applicable/[ ● ] per cent. *per annum*]
- (xv) Maximum Rate of Interest: [Not Applicable/[ ● ] per cent. *per annum*]
- (xvi) Determination Date(s): [[ ● ] in each year]/[Not applicable]  
  
*(N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA) or for RMB Notes. In such case, insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.)*
- [(xvii) Party responsible for calculating Interest Amounts (if not the Calculation Agent):]<sup>15</sup> [ ● ]/[Not Applicable]

(xviii) Day Count Fraction:	[Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-FBF / 30E/360(ISDA)]
<b>18. Fixed/Floating Rate Notes Provisions:</b>	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Issuer Change of Interest Basis:	[Applicable/Not Applicable]
(ii) Automatic Change of Interest Basis:	[Applicable/Not Applicable]
(iii) Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded):	Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate Note]/ [Condition 5(c), as though the Note was a Floating Rate Note] with further variables set out in item [●] of these Final Terms
(iv) Rate of Interest applicable to the Interest Periods following the Switch Date (included):	Determined in accordance with [Condition -5(b), as though the Note was a Fixed Rate Note]/ [Condition 5(c), as though the Note was a Floating Rate Note] with further variables set out in item [●] of these Final Terms
(v) Switch Date:	[●]
(vi) Minimum notice period required for notice from the Issuer:	[[●] Business Days prior to the Switch Date] / [(for Automatic Change of Interest :)] [Not Applicable]
<b>19. Zero Coupon Notes Provisions:</b>	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Amortisation Yield:	[●] per cent. <i>per annum</i>
(ii) Day Count Fraction:	[Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-FBF / 30E/360(ISDA)]
(iii) Reference Price:	[●]

## PROVISIONS RELATING TO REDEMPTION

- 20. Call Option:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ● ]
- (ii) Optional Redemption Amount(s) of each Note: [Optional Redemption Amount: [ ● ] with the component of the formula  $Y = [ ● ]$  per cent.]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ● ]
- (b) Maximum Redemption Amount: [ ● ]
- 21. Make-Whole Redemption:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Make-Whole Redemption Margin: [ ● ] *per annum*
- (ii) Make-Whole Redemption Rate: [Reference Dealer Quotation/Reference Screen Rate]
- (iii) Reference Screen Rate: [ ● ]/[Not Applicable]
- (iv) Reference Security: [ ● ]/[Not Applicable]
- (v) Reference Dealers: [Not applicable/As set out in the Conditions]
- (vi) Calculation Agent: [ ● ]
- (vii) If redeemable in part:
- (a) Minimum Redemption Amount: [[ ● ] per Note of [ ● ] Specified Denomination]/[Not Applicable]
- (b) Maximum Redemption Amount: [[ ● ] per Note of [ ● ] Specified Denomination]/[Not Applicable]
- 22. Residual Maturity Call Option:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) [As from [ ● ]]
- (ii) Optional Redemption Amount(s) of each Note: [Optional Redemption Amount: [ ● ] with the component of the formula  $Y = [ ● ]$  per cent.]
- 23. Clean-up Call Option:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Amount(s) of each Note: [Optional Redemption Amount: [ ● ]]

with the component of the formula  $Y = [\bullet]$  per cent.]

**24. Put Option:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Optional Redemption Date(s):  $[\bullet]$

(ii) Optional Redemption Amount(s) of each Note: [Optional Redemption Amount:  $[\bullet]$  with the component of the formula  $Y = [\bullet]$  per cent.]

**25. Final Redemption Amount of each Note:**  $[[\bullet]$  per Note of  $[\bullet]$  Specified Denomination/Specified Denomination]

**26. Early Redemption Amount:**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(e)) or for illegality (Condition 6(h)) or on event of default (Condition 9) or other early redemption:  $[\bullet]$

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**27. Form of Notes:**

[Dematerialised Notes/Materialised Notes]  
*(Materialised Notes are only in bearer form)*

*(Delete as appropriate)*

(i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether bearer form (*au porteur*)/registered form (*au nominatif*)]

(ii) Registration Agent: [Not Applicable/if applicable give name and address] *(Note that a Registration Agent can be appointed in relation to Dematerialised Notes in fully registered form only)*

(iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on  $[\bullet]$  (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]

(iv) Option to request identification information of the Noteholders (Condition 1(c)(iv)): [Applicable/Not Applicable]

**28. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 7(g):**

[Not Applicable/Give details. Note that this paragraph relates to the date and place of payment, and not interest period and dates, to



which sub-paragraphs 15 (ii) and 16(v) relate]

**29. Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** [Yes/No/Not Applicable. *If yes, give details*]  
(Only applicable to Materialised Notes)

**30. Purchase in accordance with Article L.213-1 A and D.213-1 A of the French Monetary and Financial Code (*Code monétaire et financier*):** [Not Applicable/ Applicable]

**31. Redenomination provisions:** [Not Applicable/The provisions [in Condition 1(d)] apply]

**32. Consolidation provisions:** [Not Applicable/The provisions [in Condition 14(b)] apply]

**33. Masse (Condition 11):** [[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:  
[MASSQUOTE S.A.S.U. RCS 529 065 880  
Nanterre, 33 rue Anna Jacquin, 92100  
Boulogne Billancourt, France, represented by  
its Chairman.]

Name and address of the alternate Representative: [Gilbert Labachotte,  
8 Boulevard Jourdan, 75014 Paris, France]

[The Representative will receive no remuneration/The Representative will receive a remuneration of [ ● ]]

**34. [Any applicable currency disruption/fallback provisions:]<sup>16</sup>** [Not Applicable/give details]

## DISTRIBUTION

**35. (i) If syndicated, names of Managers:** [Not Applicable/give names]

(ii) Stabilising Manager(s) (if any): [Not Applicable/give name]

<sup>16</sup> In respect of RMB Notes, consider insertion of Payment of U.S. Dollar Equivalent provision.

**36. If non-syndicated, name of Dealer:**

[Not Applicable/*give name*]

**37. U.S. selling restrictions:**

[Reg. S Compliance Category 2; TEFRA C/  
TEFRA D/ TEFRA not Applicable]

## GENERAL

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

[Not Applicable/[ ● ]]

## [PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [*specify relevant regulated market*] of the Notes described herein pursuant to the Euro 7,000,000,000 Euro Medium Term Note Programme of Klépierre.]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]<sup>17</sup>

Signed on behalf of Klépierre:

By: .....

Duly authorised

---

17 Include if third party information is provided.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/ other (*specify*)/ None]
- (ii) (a) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/other (*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 [Euronext Paris/other (*specify relevant regulated market*)] with effect from [●].] [Not Applicable]
- (Where documenting a fungible issue need to indicate that Existing Notes are already admitted to trading.)*
- (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Notes to be admitted to trading are already admitted to trading: [The Existing Notes are admitted to trading on [●]/Not Applicable] *(Where documenting a fungible issue need to indicate that Existing Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings: [The Notes to be issued have been rated/are expected to be rated:
- [S&P: [●]]  
[Moody's: [●]]  
[Fitch: [●]]  
[[Other]: [●]]
- [Each of S & P, Moody's and Fitch is established in the European Union, registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with CRA Regulation.]/
- [[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory

purposes if such rating is not issued by a credit rating agency established in the European Union and registered the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.]/

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"), but is endorsed by [*insert credit rating agency*] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with CRA Regulation.]/

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009, as amended.]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]*

### 3. [NOTIFICATION]

The *Autorité des marchés financiers*, which is the French competent authority for the purpose of the Prospectus Directive [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]

Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

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

### 5. [Fixed Rate Notes only – YIELD]

Indication of yield:

[●] *per annum*.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6. OPERATIONAL INFORMATION

ISIN Code: [ ● ]

Common Code: [ ● ]

Depositories:

(a) Euroclear France to act as Central  
Depository: [Yes/No]

(b) Common Depository for Euroclear  
Bank and Clearstream Banking, S.A.:  
[Yes/No]

Any clearing system(s) other than Euroclear  
Bank S.A./N.V. and Clearstream Banking,  
S.A. and the relevant identification number(s):

[Not Applicable/give name(s) and number(s) and  
address(es)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent:  
Société Générale  
Société Générale Securities Services  
(affiliated with Euroclear France  
under number 042)  
CS 30812  
32, rue du Champ de Tir  
44308 Nantes Cedex 3  
France

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

## **DESCRIPTION OF THE ISSUER**

The description of the Issuer is set out in the 2016 Registration Document of the Issuer incorporated by reference herein (see section "Documents Incorporated by Reference").

## RECENT DEVELOPMENTS

### **Klépierre successfully placed a 10-year 500 million euro bond at a 1.375% coupon**

On 9 February 2017, the Issuer published the following press release:

Klépierre, the leading pure player in shopping mall property in Europe, announces that it successfully issued today a 10-year, 500-million-euro bond maturing February 16, 2027. The bond was priced at a 67-bp margin above the swap rate which translates into a coupon of 1.375%. Oversubscribed 2 times, the notes were quickly placed after launch with long-term, high-quality global investors. Investors from France, Germany and the United Kingdom represented 84% of the allocated book.

Compared to its spread on the secondary market for a comparable duration the new issue premium is limited to 4 bps. This illustrates Klépierre's strong credit quality and business profile.

The net proceeds will be used to reimburse debt falling due in 2017 and notably a 615-million-euro, 4%-coupon Euro bond maturing in April 2017. This new bond issue will contribute to further reducing Klépierre's average cost of debt, which is expected to fall below 2.0% by the end of 2017.

Last Monday, Klépierre released its 2016 earnings, with notably net current cash flow per share up 6.8%, its best performance since 2012. The proposed dividend to the next shareholders' meeting is 1.82 euros per share, up 7.1% (payment date is April 25). For the full year 2017, Klépierre expects its net current cash flow to reach between 2.35 and 2.40 euros per share, assuming a stable or lower level of debt<sup>18</sup>.

ABN AMRO, Barclays, BNP Paribas, HSBC, Natixis, NatWest Markets and SG-CIB acted as active bookrunners for the bond issue.

### **Klépierre announces a 500 million euro share repurchase program**

On 13 March 2017, the Issuer published the following press release:

Klépierre, the leading pure play shopping center property company in Europe, announced today that it has granted a mandate to an investment services provider with a view to repurchasing its own shares.

Pursuant to this mandate, the Company may buy back up to an aggregate amount of 500 million euros of its shares, from today onwards, as market conditions warrant. This mandate will be implemented in accordance with the authorization granted by the Company's shareholders at their general meeting of April 19, 2016, which provided for a share buyback program limited to 10% of the shares comprising the Company's capital, as well as, if relevant, with any renewed authorization approved at the next shareholder's general meeting, to be held on April 18, 2017.

All repurchased shares will be canceled.

The repurchase program does not affect the Company's objective to maintain its loan-to-value ratio in the 35 to 40% area.

---

<sup>18</sup> For more information please see Klépierre 2016 full-year earnings press release published February 6, 2017, available on Klépierre's website : [www.klepierre.com](http://www.klepierre.com)

**Klépierre issued €100,000,000 1.375%. Notes due 16 February 2027**

On 27 February 2017, the Issuer issued €100,000,000 1.375 per cent. Notes due 16 February 2027 to be assimilated (*assimilées*) and form a single series with the existing €500,000,000 1.375 per cent. Notes due 16 February 2027 issued on 16 February 2017 under the €7,000,000,000 Euro Medium Term Note Programme of the Issuer.



## TAXATION

*The following is an overview limited to certain tax considerations 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. This overview is based on the laws in force as of the date of this Base Prospectus and is subject to any changes in law. 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.*

*The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including, but not limited to, the legality of transactions involving the Notes.*

### FRANCE

*The descriptions below are intended as a basic overview of certain withholding tax consequences that may be relevant to holders of Notes who (i) do not hold the Notes in connection with a business or profession conducted in France as a permanent establishment or a fixed base, and (ii) do not concurrently hold shares of the Issuer. This overview is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, all of which are subject to change or to different interpretation. This overview is for general information and does not purport to address all French tax considerations that may be relevant to specific holders in light of their particular situation. Persons considering the purchase of Notes should consult their own tax advisers as to French tax considerations relating to the purchase, ownership and disposition of Notes in light of their particular situation.*

Pursuant to the 2013 Finance Law (*loi de finances pour 2013*, n° 2012-1509 du 29 décembre 2012) and subject to certain limited exceptions, interest and other revenues received under the Notes as from 1 January 2013 by individuals who are tax resident in France are subject to a 24% withholding tax, set out under Article 125 A I and III bis of the French *Code général des impôts*. This withholding tax is an advance payment made in respect of the personal income tax of the individual receiving the interest or revenue, which is deductible from his personal income tax liability in respect of the year during which the withholding has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of fifteen point five per cent. (15.5%) on interest and similar revenues paid by the Issuer under the Notes, to individuals who are tax resident in France.

Following the introduction of the French "*loi de finances rectificative pour 2009* n° 3" (no. 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a seventy-five per cent. (75%) withholding tax will be applicable (subject to certain exceptions and to the provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Notwithstanding the foregoing, the Law provides that the seventy-five per cent. (75%) withholding tax will not apply in respect the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20140211, no. 990, BOI-IR-DOMIC-10-20-20-60-20150320, no 10 and BOI-RPPM-RCM-30-10-20-40-20140211, no. 70, 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 the notes if such notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*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 Monetary and Financial Code (*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.

Furthermore, pursuant to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in 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 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of thirty per cent (30%) or seventy-five per cent. (75%) (subject to the provisions of any applicable double tax treaty).

However, neither the non-deductibility set out under Article 238 A of the French *Code général des impôts*, nor the withholding tax set out under article 119 *bis* 2 of the same *code* will apply in respect of the Notes solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove (i) that it can benefit from the Exception and (ii) that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20140211, no. 550 and BOI-RPPM-RCM-30-10-20-40-20140211, no. 80, the issue of the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if the Notes satisfy one of the three above-mentioned conditions.

## LUXEMBOURG

*The following overview is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

### Withholding Tax

#### 1. Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Savings Directive and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for

the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of thirty-five per cent. (35%).

In November 2014, the Luxembourg Government amended the Laws and abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

## **2. Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of ten per cent. (10%). Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of ten per cent. (10%).

## **BELGIUM**

*Set out below is an overview of certain Belgian tax consequences of acquiring, holding and selling the Notes. This overview is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive. In particular, it does not cover the situation of non-residents nor the tax treatment of securities which may be received upon repurchase or redemption of the Notes.*

*For the purpose of the Belgian tax consequences described herein, it is assumed that the Notes issued under the Programme will qualify as claim rights for Belgian tax law purposes.*

*This overview is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Base Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.*

## **1. Withholding tax**

Any payment of interest (as defined by Belgian tax law) on the Notes made through a paying agent in Belgium will in principle be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of twenty-one per cent. (21%). A gain arising on the repurchase or redemption of the Notes by the Issuer is taxable as interest.

If the repurchase or redemption by the Issuer is in full or in part settled by means of a delivery of securities or other assets, interest includes any positive difference between the market value of those assets on the date of their payment or attribution and the initial issue price of the Notes. In the event interest is paid in the form of delivery of securities, the market value of those securities will be deemed at least equal to their value (prior to the date of the payment or attribution) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar foreign stock exchange.

In addition, if the Notes qualify as fixed income securities in the meaning of Article 2, §1, 8° Belgian Income Tax Code ("**ITC**"), in case of a realisation of the Notes between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the detention period is taxable as interest. For the purposes of the following paragraphs, such gains and pro rata of accrued interest are therefore referred to as interest.

### *Belgian resident individuals*

For individuals subject to Belgian personal income tax (i.e., residents of Belgium who are subject to Belgian personal income tax) and who are not holding the Notes as a professional investment, all interest payments will be subject to a twenty-one per cent. (21%). Belgian withholding tax if the payment is made through a financial institution or other intermediary established in Belgium. In that case the investor does not need to report the interest income in its annual tax return, provided that it allows the Belgian intermediary to levy, in addition to the withholding tax, an "additional tax on investment income" at the rate of four per cent. (4%). If the Investor elects not to declare such interest income, the withholding tax and the "additional tax on investment income" are the final tax for the Investor, resulting in an aggregate tax rate of twenty-five per cent. (25%). If the Investor elects to declare the interest income, the withholding tax and the "additional tax on investment income" are credited against the Investor's final tax liability, and any excess can be refunded. In that case, the tax rate applicable to the interest income will depend on the Investor's annual income:

- if the taxpayer's Qualifying Investment Income (defined as i) taxable interest income, other than interest income on Government bonds issued and subscribed in the period between 24 November 2011 and 2 December 2011, and ii) taxable dividend income, other than liquidation bonuses) for the relevant tax year does not exceed the amount for income year 2013, the interest income generated by the Notes will be subject to personal income tax at a rate of twenty-one per cent. (21%). (without application of communal surcharges, according to statements made by the Minister of Finance, but this is currently not supported by the text of the law) or at the progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower.
- if the taxpayer's Qualifying Investment Income for the relevant tax year exceeds the amount for income year 2013, the interest income generated by the Notes will be subject to personal income tax at a rate of 21 per cent. (21%) (without application of communal surcharges, according to statements made by the Minister of Finance, but this is currently not supported by the text of the law), and to the "additional tax on investment income" at the rate of four per cent. (4%), it being understood that such "additional tax on investment income" is only due on the tranche of Qualifying Investment Income that exceeds such amount. To determine whether part or all of the interest income generated by the Notes is included in the first tranche of such amount, the taxable investment income which is exempt from the "additional tax on investment income" (such as i) taxable interest income from regulated saving deposits, ii) interest income on Government bonds issued and subscribed in the period between 24 November 2011 and 2 December 2011 and iii) dividends taxed at a rate of twenty-five per cent. (25%)) is counted first, except that liquidation bonuses are fully disregarded.

The taxpayer can avoid the levy by the Belgian intermediary of the four per cent. (4%) "additional tax on investment income" if the taxpayer allows the Belgian intermediary to communicate the taxpayer's identity and the amount of the taxpayer's interest income to a central contact point operated by the National Bank of Belgium, which in turn will automatically communicate this information to the Belgian income tax authorities if the total annual amount of Qualifying Investment Income communicated by the Belgian intermediary and other financial intermediaries with respect to that taxpayer exceeds the aforementioned threshold for income year 2013. The Belgian income tax authorities may also at any time request information on any investment income communicated to the central contact point with respect to a given taxpayer. If the taxpayer elects for the communication of the investment income to the central contact point, the twenty-one per cent. (21%) withholding tax does not discharge the taxpayer from the declaration of the interest income generated by the Notes in the taxpayer's personal income tax return. The taxpayer will need to declare this interest income, and the personal income tax rules applicable to such interest income will be identical to the rules set out above (ie personal income tax rate of twenty-one per cent. (21%) or twenty-five per cent. (25%), again without application of communal surcharges, according to statements made by the Minister of Finance, or progressive personal income tax rate taking into account the taxpayer's other declared income).

If the payment is not made through a financial intermediary established in Belgium and withholding tax is not withheld, the investors must report the interest income in their annual tax return. The personal income tax rules applicable to such interest income will be identical to the rules set out above (ie personal income tax rate of twenty-one per cent. (21%) or twenty-five per cent. (25%), again without application of communal surcharges, according to statements made by the Minister of Finance, or progressive personal income tax rate taking into account the taxpayer's other declared income) plus additional local taxes for interest received outside of the European Economic Area.

### *Belgian companies*

Interest paid through an intermediary established in Belgium to a Belgian company subject to corporate income tax will generally be subject to Belgian withholding tax (the current applicable withholding tax rate is twenty-one per cent. (21%)). However, an exemption may apply provided that certain formalities are complied with. For zero or capitalisation bonds, the above exemption will not apply, unless the Belgian company and the Issuer are associated companies within the meaning of Article 105, 6° RD/ITC. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

### *Belgian resident non-profit legal entities*

For Belgian legal entities subject to the non-profit legal entities income tax, all interest payments (as defined by the ITC) will be subject to withholding tax, currently at a rate of twenty-one per cent. (21%).

If this interest is paid through a Belgian intermediary, such intermediary will have to levy withholding tax, currently at the rate of twenty-one per cent. (21%). If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

## **2. Income tax**

For Belgian tax purposes, interest includes any interest paid on the Notes as well as any amount paid in excess of the initial price upon redemption or purchase by the Issuer.

### *Belgian resident individuals*

For Belgian resident individuals who hold the Notes as a private investment, the personal income tax rules applicable to such interest income will be identical to the rules set out above (ie personal income tax rate of twenty-one per cent. (21%). or twenty-five per cent. (25%), again without application of local surcharges, according to statements made by the Minister of Finance, or progressive personal income tax rate taking into account the taxpayer's other declared income).

Belgian resident individuals are not liable to income tax on capital gains realised upon the disposal of the Notes, provided that the Notes have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Notes held as a non-professional investment are in principle not tax deductible.

### *Belgian resident companies*

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the Notes will form part of that company's taxable profit. The current normal corporate income tax rate in Belgium is 33.99 per cent.

Capital losses realised upon the disposal of the Notes are in principle tax deductible.

### *Belgian resident non-profit legal entities*

For Belgian resident non-profit legal entities (i.e., residents of Belgium who are subject to Belgian non-profit legal entities tax), the twenty-one per cent. (21%) withholding tax levied on the interest will constitute the final tax burden in respect of such income.

Belgian non-profit legal entities are not liable to income tax on capital gains realised upon the disposal of the Notes to a party other than the Issuer.

Capital losses realised upon disposal of the Notes are in principle not tax deductible.

## **3. Tax on stock exchange transactions**

The sale and acquisition of the Notes will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09 per cent. on each sale and

acquisition separately, with a maximum of €650 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are no longer subject to the tax on stock exchange transactions.

## FEDERAL REPUBLIC OF GERMANY

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.*

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.*

### 1. Tax Residents

The section "Tax Residents" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

#### *Withholding tax on ongoing payments and capital gains*

Ongoing payments received by an individual holder of the Notes will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is twenty-five per cent. (25%) (plus solidarity surcharge at a rate of five point five per cent. (5.5%). thereon, the total withholding being 26.375 per cent.). Individuals subject to church tax may apply in writing for church tax to be levied by way of withholding also. Absent such application, such individuals have to include their investment income in their income tax return and will then be assessed to church tax. After 31 December 2014 an electronic information system for church withholding tax purposes will apply in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual holder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Notes are issued in a currency other than Euro any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or interest claims if the Notes have been disposed of separately.

In case of a physical settlement of certain Notes which grant the Issuer or the holder the right to opt for a physical delivery of underlying securities instead of a money payment, the acquisition costs of the Notes may be regarded as proceeds from the disposal, redemption, repayment or assignment of the Notes and hence as acquisition costs of the underlying securities received by the individual holder upon physical settlement; any consideration received by the holder of the Notes in addition to the underlying securities may be subject to withholding tax. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Notes into the underlying securities does not result in a taxable gain for the individual holder. However, withholding tax may then apply to any gain resulting from the disposal, redemption, repayment or assignment of the securities received in exchange for the Notes. In this case, the gain will be the difference between the proceeds from the disposal, redemption,

repayment or assignment of the underlying securities and the acquisition costs of the Notes (after deduction of expenses related directly to the disposal, if any).

To the extent the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition or if the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge) on thirty per cent. (30%) of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Savings Directive (e.g. Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual holder of the Notes via the Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual holder in the custodial account with the Disbursing Agent.

Individual holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) for all investment income received in a given year. Upon the individual holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

#### *Taxation of current income and capital gains*

The personal income tax liability of an individual holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process or if the withholding tax on disposal, redemption, repayment or assignment has been calculated from thirty per cent. (30%) of the disposal proceeds (rather than from the actual gain), the individual holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of twenty-five per cent. (25%) (plus solidarity surcharge and church tax thereon, where applicable). Further, an individual holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to the Notes can only be off-set with investment income of the individual holder of the Note realised in the same or the following years. Any losses realised upon the disposal of shares in stock corporations received in exchange for the Notes can only be offset against capital gains deriving from the disposal of shares.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Generally the deductibility of capital losses from the Notes which qualify for tax purposes as

contracts for difference is limited. These losses may only be applied against profits from other contracts for difference derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from contracts for difference in subsequent years.

In the case of physically settled Notes special limitations may apply to losses from the disposal of an underlying which is a share in a corporation.

## **2. Non-residents**

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under paragraph "1. *Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

## **3. Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

## **4. Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

## **5. Savings Directive**

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the Savings Directive into German law. These provisions apply from 1 July 2005.

# **THE NETHERLANDS**

## **1. General**

*The following overview outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This overview is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.*

*This overview is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.*

This overview does not address the Netherlands tax consequences for:

- (a) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a



person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of five per cent. (5%) or more of the total issued capital of the Issuer or of five per cent. (5%) or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

- (b) persons to whom the beneficial interest in the our common shares is attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch income tax act 2001 (*Wet inkomstenbelasting 2001*);
- (c) investment institutions (*fiscale beleggingsinstellingen*); and
- (d) pension funds, exempt investment institutions (*vrijgestelde fiscale beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

Where this overview refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

## **2. Netherlands Withholding Tax**

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

## **3. Netherlands Corporate and Individual Income Tax**

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of twenty-five per cent. (25%)).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of fifty-two per cent. (52%)) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of four per cent. (4%) of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The four per cent.(4%) deemed return on income from savings and investments will be taxed at a rate of thirty per cent. (30%).

#### **4. Netherlands Gift and Inheritance Tax**

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be a made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

#### **5. Netherlands Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

#### **6. Other Netherlands Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

### **UNITED KINGDOM**

*The comments below apply only to persons who are beneficial owners of the Notes and are of a general nature based on current United Kingdom law as applied in England and Wales and published HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) and are not intended to be exhaustive. Some aspects do not apply to certain classes of persons (such as dealers) to whom special rules may apply. They assume that the Issuer is not resident in the United Kingdom and that the Issuer does not act through a permanent establishment in the United Kingdom in relation to the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to changes in the future. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.*

#### **Interest on the Notes**

On the basis that interest on the Notes is not expected to have a United Kingdom source, there should be no United Kingdom withholding tax.

Persons in the United Kingdom (i) paying interest to or receiving interest on behalf of another person who is an individual, or (ii) paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person who is an individual, may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. Note, however, that if the reporting obligations in the Savings Directive apply to such a payment then information on the amounts payable on redemption of such Notes will have to be provided to HM Revenue & Customs.

### **AUSTRIA**

The following is a brief overview of certain Austrian tax aspects in connection with the Notes. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposal or redemption of the Notes. In some cases a different tax regime may apply. Further, this overview does not take into account or discuss the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances. Prospective investors are advised to consult their own professional advisers to obtain further information about the tax consequences of the acquisition, ownership, disposal or redemption of the Notes. Only

personal advisers are in a position to adequately take into account special tax aspects of the particular Notes in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor.

This overview is based on Austrian law as in force upon having the Debt Issuance Programme Prospectus approved. The Austrian tax laws have changed due to the entry into force of provisions included in the Austrian Federal Budget Supplement Act 2011, Federal Legal Gazette I 2010/111, in the Austrian Tax Amendment Act 2011, Federal Legal Gazette I 2011/76, in the Austrian Budget Supplement Act 2012, Federal Legal Gazette I 2011/112 and in the Austrian First Stability Act 2012, Federal Legal Gazette I 2012/22, on 1 April 2012. The Austrian Federal Ministry of Finance has moreover issued and published Guidelines on the Taxation of Investment Income dated 7 March 2012, relating to the application of the new tax laws.

Relating to the new tax laws, there is currently neither case law nor a secure practice applied by the paying agents and/or securities account keeping agents so that deviations may result from the factual implementation and practice as compared to the legal situation described herein. Prospective investors are therefore explicitly advised to consult their own professional advisers to obtain further information about the tax consequences of the acquisition, ownership, disposition, exchange, exercise, settlement or redemption of the Notes.

This overview does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into, shares or other securities or rights or which provide for physical settlement in any other way, of the exchange, exercise, physical settlement or redemption of such Notes and/or any tax consequences after exchange, exercise, physical settlement or redemption.

## **1. Austrian Resident Taxpayers**

Income derived by individuals having a domicile or habitual abode in Austria or corporations having their corporate seat or place of management in Austria is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuer-gesetz*).

### **1.1. Notes**

#### **1.1.1. Risk of re-qualification of Notes as investment fund units**

Certain Notes such as non-capital guaranteed basket or index linked notes, fund linked notes or credit linked notes may be re-qualified by the tax authorities as foreign investment fund units under certain conditions.

Pursuant to Section 188 of the Austrian Investment Fund Act 2011, a portfolio of assets which is subject to the laws of a foreign country and which is invested according to the principle of risk-spreading is qualified as a non-Austrian investment fund for tax purposes, without regard to its legal form (a substance over form approach). Pursuant to the Investment Fund Guidelines 2008 applying to index linked notes, a requalification of notes into fund units requires (i) that an investment is structured according to the principle of risk spreading and (ii) that the issuer (or a trustee mandated by the Issuer) factually and predominantly acquires the (underlying) securities or that the investment qualifies as an actively managed portfolio. This, *inter alia*, excludes capital guaranteed notes and notes with not more than six underlyings from reclassification. However, "directly held index linked certificates will in no case be reclassified as foreign investment fund units, irrespective, whether the underlying index is a recognised or individually composed, fixed or flexible index". The latter provision intends to immunise index linked notes against requalification.

*If a requalification of Notes into non-Austrian fund units took place, the following would apply on or after 1 April 2012 to Notes acquired before, on or after 1 April 2012:*

If no Austrian tax representative is appointed for the fund and the retained earnings of the fund deemed to be distributed to the investor are also not reported to the securities account keeping agent by the investors themselves, the non-Austrian fund will be qualified a "black fund" and the retained earnings of the fund deemed to be distributed each calendar year will be determined on a lump-sum basis which will result in a tax base of ninety per cent.(90%) of the difference between the first and the last redemption price of the fund units fixed in a calendar year, but will be minimum ten per cent. (10%) of the last redemption price of the fund units fixed in a calendar year. As the applicable tax rate is twenty-five per cent. (25%) for corporate investors as well as, in general, for individuals, this

minimum lump sum tax base results in a minimum tax of two point five per cent. (2.5%) per year on the last redemption price (NAV) in any calendar year before maturity.

In the case of sales or redemptions of black foreign investment fund units, the whole *difference* amount between the sale price of the fund unit on the one hand and its acquisition cost plus already taxed retained earnings of the fund deemed to be distributed to the investor on the other hand will be subject to Austrian withholding tax of twenty-five per cent. (25%).

In the following Section we assume that the Notes do not qualify as foreign investment funds for income tax purposes.

### 1.1.2. Individuals

Generally for Notes held as private assets, income arising from the Notes qualifies as investment income (*Einkünfte aus Kapitalvermögen*). Index linked Notes bearing interest or bearing index linked interest are treated as debt type claims (*Kapitalforderungen jeder Art*), whereas index (and other underlying) linked certificates without interest are treated as (securitised) derivatives (*verbriefte Derivate*) under the new Austrian income tax law. Investment income from the Notes comprises:

- (i) income from the provision of capital (*Überlassung von Kapital*) including interest payments on the Notes (*Zinserträge*),
- (ii) realised capital gains (*Einkünfte aus realisierten Wertsteigerungen*) derived from assets which may generate income from the provision of capital, and
- (iii) for Notes bearing no interest and structured as index (or other underlying) linked certificates, income from derivatives including income from the sale, pay-off or redemption of (securitised) index (or other underlying) linked Notes.

Hence, not only interest payments but also realised capital gains will, irrespective of the period of time the Notes have been held for, qualify as investment income (*Einkünfte aus Kapitalvermögen*) and be subject to income tax at a special rate of twenty-five per cent. (25%) provided that the realisation of capital gains or of income from derivatives does not form a focus of a business investor's activities. Investment income includes income derived from the sale, redemption or other pay-off of the Notes and, in the case of derivative financial instruments, from any other settlement of the Notes. The tax base is, in general, the difference between (a) the amount realised (e.g. the sale proceeds, or the redemption or other pay-off amount) and (b) the acquisition costs, in all cases including accrued interest, if any. Expenses which are directly connected with income subject to the special tax rate of twenty-five per cent. (25%) are nondeductible. For Notes held as private assets, the acquisition costs do not include incidental acquisition costs. For the calculation of the acquisition costs of Notes held within the same Notes account and having the same Notes identification number which are acquired at different points in time, an average price applies.

If an Austrian securities account keeping agent or an Austrian paying agent is involved and pays out or settles the realisation of the income or capital gain, income tax will be deducted by applying a twenty-five per cent. (25%) withholding tax. The twenty-five per cent. (25%) withholding tax deduction will result in a final income taxation for private investors (holding the Notes as private assets) provided that the investor has evidenced the factual acquisition costs of the Notes to the securities account keeping agent.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities account (including Notes acquired before 1 April 2012) will be treated as disposals (sales), unless specified exemptions are fulfilled like the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian bank, (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring bank to transmit the pertaining information to the competent tax office or has himself notified the competent Austrian tax office within a month; or like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the securities account keeping

agent or the agent has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month.

To the extent that no withholding tax deduction will be effected due to the lacking of an Austrian paying agent and of an Austrian securities account keeping agent, the investment income derived from the Notes will have to be included into the income tax return in line with the provisions of the Austrian Income Tax Act.

Taxpayers, whose regular personal income tax is lower than twenty-five per cent. (25%) may opt for taxation of the income derived from the Notes at such regular personal income tax rate. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special twenty-five per cent. (25%) tax rate. Expenses in connection with income subject to final taxation or to the special twenty-five per cent. (25%) income tax rate and incurred by the investor are also not deductible for persons having opted for taxation at the regular personal income tax rate.

Losses from Notes held as private assets may only be set off with other investment income (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not be set off with any other income. The Austrian Budget Implementation Act 2012 provides for a mandatory set-off of losses applied as of 1 January 2013 by the Austrian securities account keeping agent to investment income achieved in all securities accounts at the same agent qualifying as private assets. Also losses accrued in private assets between 1 April 2012 and 31 December 2012 will have to be set off by 30 April 2013 by the Austrian securities account keeping agents. A carry-forward of such losses is not permitted.

Income (including capital gains) derived from the Notes which are held as business assets will also be subject to the special tax rate of twenty-five per cent. (25%) deducted by way of a withholding tax provided that the realisation of capital gains or of income from derivatives does not form a focus of a business investor's activities. However, capital gains and income from derivatives, contrary to the income from the provision of capital (i.e. interest income), have to be included in the tax return (no final taxation). Write-downs and losses derived from the sale, redemption or other pay-off regarding the Notes held as business assets must primarily be set off against positive income from realised capital gains of financial instruments and only half of the remaining loss may be set off or carried forward against any other income.

For income derived from Notes which have upon issue not been offered to the public as referred to by in Austrian Tax Act, the general income tax rate (as opposed to the twenty-five per cent. (25%) special tax rate) will apply.

The formerly applicable provisions on the taxation of speculative transactions do not apply to any Notes acquired against consideration on or after 1 April 2012.

Further, with effect as of 1 April 2012, amended exit tax rules have entered into force.

### **1.1.3. Corporations**

Corporate investors deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklaerung*) with the Austrian entity obliged to deduct the Austrian withholding tax. Income including any capital gain derived from the Notes by corporate investors is subject to corporate income tax at the general rate of twenty-five per cent. (25%). There is, *inter alia*, a special tax regime for Private Foundations established under Austrian law (*Privatstiftungen*).

### **1.1.4. Certain aspects of the tax treatment of certain notes**

Any income and capital gain from the sale or redemption of Notes acquired against consideration will be subject to income tax of twenty-five per cent. (25%) and the tax will be deducted by way of a withholding tax, if an Austrian paying agent or an Austrian securities account keeping agent will be involved. The tax base is, in general, the difference between (a) the amount realised (e.g. the sale proceeds, or the redemption or other pay-off amount) and (b) the acquisition costs, in all cases

including accrued interest, if any. Please also refer to the above described tax laws applying to individuals (1.1.2).

Zero coupon Notes, index linked Notes bearing interest (including index linked interest), callable yield notes, convertible notes and cash or share-notes will qualify as notes under the new taxation rules but be subject to the taxation of the difference between (a) the amount realised (e.g. the sales price, the redemption amount) including accrued interest, if any and (b) the acquisition costs (including accrued interest) if paid out by an Austrian securities account keeping agent or an Austrian paying agent. If held as business assets, interest upon redemption of the Zero coupon Notes is not subject to final taxation, but taxed like capital gains.

Index certificates (not bearing interest), discount certificates leveraged certificates (*Hebelzertifikate*) and other derivative securities will qualify as (securitised) derivative financial instruments and be subject to the twenty-five per cent. (25%) withholding tax on capital gains and other income from such financial instruments. If the settlement of such Notes will be linked to an acquisition or receipt of shares and/or investment funds units, such receipt of shares and/or investment funds units will qualify as acquisition of the pertaining underlying. Any capital gains achieved upon the sale of the underlying will be subject to the special income tax rate of twenty-five per cent. (25%) for sales, which will be deducted by way of a withholding tax if an Austrian paying agent and or securities account keeping agent will be involved.

## **2. Non-Residents**

### **2.1. General**

Income including any capital gain derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria ("non-residents") is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria (for withholding tax under the EU Savings Directive see below; tax consequences of a requalification into a foreign investment fund are not discussed with regard to non-residents herein).

Income including any capital gain derived from the Notes by corporate investors who neither have their corporate seat nor their place of management in Austria ("non-residents") is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria.

Thus, non-resident investors – also in cases where they receive income from the Notes through a paying agent or a securities account keeping agent located in Austria – may avoid the application of Austrian withholding tax if they evidence their non resident-status vis-à-vis the Austrian entity obliged to deduct the Austrian withholding tax. The provision of evidence that the investor is not subject to Austrian withholding tax is the responsibility of the investor.

If any Austrian withholding tax is deducted by the coupon paying agent, the tax withheld shall be refunded to the non-resident investor upon his application, which has to be filed with the competent Austrian tax authority within five (5) calendar years following the date of the imposition of the withholding tax.

Where non-residents receive income from the Notes as part of business income taxable in Austria (permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

### **2.2. The Directive**

Austria has implemented the Directive by way of the EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provides for a withholding tax as an alternative to an exchange of information if the investor decides to remain anonymous. Such EU withholding tax is levied on interest payments within the meaning of the EU Withholding Tax Act made by a paying agent located in Austria to an individual resident in another member state of the European Union or of certain dependent associated territories. The EU withholding tax amounts to thirty-five per cent. (35%).

Withholding tax will be deducted upon actual or deemed interest payments as well as upon sale, refund or redemption of debt claims. Further, withholding tax will be deducted – on a *pro rata temporis* basis – in case of changes of the individual's withholding tax status such as changes of his country of residence or transfer of his securities to a non Austrian account.

Deduction of EU withholding tax can be avoided if the EU-resident investor provides the paying agent with a certificate drawn up in his name by the tax office of his member state of residence. Such certificate has to indicate, *inter alia*, the name and address, tax or other identification number or, if not available, the date and the city of birth of the investors, name and address of the paying agent as well as the account number of the investor or the identification of the Notes.

The scope of the definition of interest payments for EU withholding tax purposes may differ from the scope of interest payments for Austrian income and withholding tax purposes. For example, under certain conditions and subject to the guidelines and information issued by the Austrian Ministry of Finance income from share linked notes, index linked notes or fund linked notes may not be considered as interest for EU withholding tax purposes while being interest for Austrian tax purposes. Subject to the guidelines and information issued by the Austrian Ministry of Finance the treatment of structured notes (certificates) for EU withholding tax purposes depends on the underlying as well as whether or not the Notes are capital guaranteed. Generally, interest payments are subject to EU withholding tax, whereas the gains realised upon the redemption or sale are treated as follows:

Notes without capital guarantee (the term "capital guarantee" for such tax purposes is deemed to include guaranteed interest payments) are treated as follows: factually paid interest amounts are subject to EU withholding tax. Difference amounts from notes linked to shares, share indices, commodities, metals, currencies and the like which are not in advance guaranteed are not subject to EU withholding tax. Such difference amounts derived from notes linked to bonds or bond indices are not subject to EU withholding tax if the index or basket is comprised of a minimum of five differing bonds from differing issuers, if the portion of a single bond does not exceed eighty per cent. (80%). Of the index and, with regard to dynamic notes, the eighty per cent. (80%)-threshold is complied with throughout the entire term of the notes. With regard to notes linked to funds or fund indices, the difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index/fund is composed of a minimum of five differing funds and a portion of each fund does not exceed eighty per cent. (80%); in the case of dynamic notes the eighty per cent. (80%)-threshold must be complied with during the entire term of the notes. If notes are linked to mixed indices composed of funds as well as of bonds, difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index is composed of a minimum of five bonds and five funds of differing issuers and a portion of a single bond or a single fund does not exceed eighty per cent. (80%), of the pertaining index.

Relating to capital guaranteed notes, factually paid interest amounts, whether guaranteed or not, are subject to EU withholding tax. Guaranteed parts of difference amounts (between issue price and redemption price respectively sale price) are subject to EU withholding tax on the basis of the yield upon issue. Non-guaranteed income, like non guaranteed parts of difference amounts (difference amounts between issue price and redemption price respectively sale price) are treated as follows: if the underlying qualifies as bond, interest rate or inflation rate, then the difference amounts will qualify as interest within the meaning of the EU Withholding Tax Act and be subject to EU withholding tax; if shares, share indices, share baskets, metals, currencies and commodities are referred to as underlyings, the difference amounts are not subject to EU withholding tax; if funds and fund indices are referred to as underlying, the difference amounts are not subject to EU withholding tax, provided that the funds do not generate interest income within the meaning of the EU Withholding Tax Act; should the underlyings qualify as certificates or other securities the proceeds of which do not qualify as interest subject to EU withholding tax, then the difference amounts derived therefrom are not subject to EU withholding tax.

As far as Notes are linked to credit events or credit default swaps, such notes should be treated for EU withholding tax purposes, in a substance over form approach, by analogy to notes linked to bonds or bond indices.

### 3. Other Taxes

There is no transfer tax, registration tax or similar tax payable in Austria by holders of bearer Notes which are as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of bearer securities as well as the redemption of bearer Notes is in general not subject to Austrian stamp duty provided that no other transaction potentially taxable under the Austrian Stamp Duty Act (*Gebührengesetz*) such as an assignment agreement is entered into for which a document (*Urkunde*) within the meaning of the Stamp Duty Act is executed.

## IRELAND

*The following is an overview of the principal Irish withholding tax consequences of ownership of the Notes for individuals who are resident and ordinarily resident in Ireland for tax purposes and for companies that are resident in Ireland for tax purposes. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the date of this Base Prospectus and may be subject to change. The statements in this overview are based on the understanding that the Notes will be treated as debt for Irish tax purposes. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, including dealers in Notes and trusts. The overview does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes.*

### 1. Withholding Tax

Tax at the standard rate of income tax (currently twenty per cent. (20%)) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest paid on the Notes should not be treated as having an Irish source unless:

- (i) the Issuer is resident in Ireland for tax purposes; or
- (ii) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Notes; or
- (iii) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer will not have a branch or permanent establishment in Ireland; (iii) that bearer Notes will not be physically located in Ireland; and (iv) the Issuer will not maintain a register of any registered Notes in Ireland.

### 2. Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently twenty per cent. (20%)) from any interest paid on Notes issued by a company not resident in Ireland, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder who is Irish resident. Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

## NORWAY

The information provided below does not purport to be a complete overview of Norwegian tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

Payments of principal and interest on the Notes to persons or legal entities who have no connection with Norway other than the holding of Notes issued by the Issuer are, under present Norwegian law, not subject to any withholding or deduction for or on account of any Norwegian taxes, duties, assessments or Governmental charges.



Gains or profits realised on the sale, disposal or redemption of the Notes by persons or legal entities who have no connection with Norway other than the holding of Notes are under present Norwegian law, not subject to Norwegian taxes, duties, assessments or Governmental charges.

No Norwegian issue tax or stamp duties are payable in connection with the issue of the Notes.

Holders of Notes will not be subject to any Norwegian estate duties provided that, at the time of the death of any Noteholder, such Noteholder has no connection with Norway other than the holding of the Notes and provided that the Notes have not been used in or attached to any business activity operated through a permanent establishment situated in Norway.

Holders of Notes resident in Norway for tax purposes will be subject to Norwegian income taxation on interest and capital gains at the applicable rate. The same applies to other individuals or legal entities that are taxable in Norway (including, but not limited to individuals and legal entities having a permanent establishment in Norway provided that the Notes are used in or connected with any business activity operated through such permanent establishment). In such cases, interest and gains or profits realised by such persons or legal entities on the ownership, sale, disposal or redemption of the Notes will be subject to Norwegian taxation at the applicable rate.

Holders of Notes issued with a discount (compared to the nominal value) being resident in Norway for tax purposes, or otherwise subject to taxation in Norway as described above, may be taxed annually for a deemed interest element on such Notes.

Holders of Notes resident in Norway for tax purposes have an obligation to include the Notes in the computation of such Noteholder's taxable net wealth for municipal and state wealth tax purposes. Limited liability companies and similar entities are not subject to net wealth tax. Holders of Notes who have no connection with Norway other than the holding of Notes issued by the Issuer are, under present Norwegian law, not subject to net wealth tax.

Interests and capital gains are taxable as general income for both individual and corporate holders of Notes at a flat rate of twenty-eight per cent. (28%).

Investors are recommended to seek legal advice on their individual tax situation.

## **HONG KONG**

*The following is an overview of certain Hong Kong tax considerations relating to the purchase, ownership and disposition of the Notes by a beneficial owner of the Notes. This overview is based on the tax laws and regulations of Hong Kong as currently in effect and which is subject to change or to different interpretation. This overview is for general information only and does not address all of the Hong Kong tax considerations that may be relevant to specific holders in light of their particular circumstances.*

### **1. Withholding tax**

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

### **2. Profits tax**

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "**Inland Revenue Ordinance**"), as it is currently applied, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company, carrying on a trade, profession or business in Hong Kong; or

- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source.

The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

### **3. Stamp Duty**

Stamp duty will not be payable on the issue of the bearer Notes provided either:

- (i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance) (Cap. 117 of the Laws of Hong Kong) ("**Stamp Duty Ordinance**").

If stamp duty is payable, it is payable by the Issuer on the issue of bearer Notes at a rate of three per cent. (3%) of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of bearer Notes.

No stamp duty is payable on the issue of registered Notes. Stamp duty may be payable on the transfer of registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) the registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) the registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance)

If stamp duty is payable in respect of the transfer of registered Notes, it will be payable at the rate of an aggregate of zero point two per cent. (0.2%) (of which usually zero point one per cent.(0.1%) is payable by the seller and zero point one per cent. (0.1%) is payable by the purchaser) normally by reference to the value of the consideration or to the value on the contract notes for such sale (whichever is higher). If, in the case of either the sale or purchase of such registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for the late payment. If stamp duty is not paid on or before the due date (two (2) days after the sale or purchase if effected in Hong Kong or thirty (30) days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the registered Notes if the relevant transfer is required to be registered in Hong Kong.

### **4. Estate Duty**

No estate duty is payable in respect of the Notes in Hong Kong.

## **5. Capital gains tax**

There is no capital gains tax in Hong Kong and no capital gains tax is chargeable or payable on the transfer or disposal of the Notes.

## **PEOPLE'S REPUBLIC OF CHINA**

### **1. Enterprise Income Tax**

Under the PRC Enterprise Income Tax Law which was promulgated by the National People's Congress of the PRC on 16 March 2007 and became effective on 1 January 2008, the Noteholders that are enterprises established in the PRC or in foreign country with a "de facto management body" located with the PRC will be considered "PRC tax resident enterprises" and will normally be subject to the enterprise income tax at the rate of twenty-five per cent. (25%) on the profits related to the interests received and the capital gains derived from the transfer of the Notes.

If the Noteholders are not considered to be PRC tax resident enterprises, they will not be subject to enterprise income tax in the PRC in respect of Notes or any repayment of principal and payment of interests made thereon.

### **2. Individual Income Tax**

Under the PRC Individual Income Tax Law which was promulgated by the National People's Congress of the PRC on 10 September 1980, and the Sixth Amendment to the PRC Individual Income Tax Law promulgated by the National People's Congress on 30 June 2011 and became effective on 1 September 2011, the Noteholders that are PRC resident individuals will normally be subject to the individual income tax at the rate of twenty per cent. (20%) on the interests received and the capital gains derived from the transfer of the Notes.

If the Noteholders are not PRC resident individuals, they will not be subject to individual income tax in the PRC in respect of Notes or any repayment of principal and payment of interests made thereon.

### **3. Business Tax**

Under the PRC Business Tax Regulations which were promulgated by the State Council of the PRC on 13 December 1993 and amended by the State Council on 10 November 2008 (the amendment became effective as of 1 January 2009) and the related circulars, interests received by non-individual Noteholders located within the PRC territory and gains derived from transfer of Notes (i.e. the balance of the transfer value and the purchase value) realized by such non-individual Noteholders will be subject to Business Tax at the rate of five per cent. (5%).

Such non-individual Noteholders will additionally be liable for PRC Surtaxes, (i.e. the City Maintenance & Construction Fee, Educational Surcharge and Local Educational Surcharge), at a rate varying from six per cent. (6%) to twelve per cent. (12%) (according to their location in the PRC) on the amount of their Business Tax liability.

Non-individual Noteholders located outside the PRC territory are not subject to Business Tax and PRC Surtaxes in respect of Notes or any repayment of principal and payment of interests made thereon.

Individual Noteholders located within the PRC territory are tentatively exempt from Business Tax and PRC Surtaxes in respect of capital gains derived from the transfer of the Notes. Individual Noteholders located within the PRC territory are generally liable for Business Tax and PRC Surtaxes in respect of the interest derived from the Notes but the Business Tax and PRC Surtaxes are not levied currently in practice.

Individual Noteholders located outside the PRC territory are not subject to Business Tax and PRC Surtaxes in respect of Notes or any repayment of principal and payment of interests made thereon.

## **UNITED STATES OF AMERICA - FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (FATCA) impose a new reporting regime and potentially a thirty per cent. (30%) withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does

not become a Participating FFI by entering into an agreement with the U.S. Internal Revenue Service (IRS) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an IGA). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being FATCA Withholding) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the France have entered into an agreement (the U.S.-France IGA) based largely on the Model 1 IGA.

If the Issuer is characterized as an FFI for the purposes of FATCA, the Issuer expects to be treated as a Reporting FI pursuant to the U.S.-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA, or (ii) an investor is a Recalcitrant Holder.

While the Notes are held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and any common depositary and/or common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Materialised Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the US-France IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**

**All prospective Noteholders should seek independent advice as to their tax positions.**

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 7 April 2017 between the Issuer, the Arranger and the Dealers (as amended, the "**Dealer Agreement**"), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to other dealers that are not Permanent Dealers, as such term is defined in the Dealer Agreement. 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 for 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 (if any) as agreed between them in respect of Notes subscribed by such Dealer. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of 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 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**

#### **General**

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

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will 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 that it will obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale. None of the Issuer or any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Materialised Notes may only be issued outside France.

#### **United States of America**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold, within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only outside of the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and 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 or sell or, in the case of Materialised Notes, deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after completion of the distribution of the Tranche of which such Notes are a part (the "**Distribution Compliance Period**"), as determined and certified to the Fiscal Agent by such Dealer (or, in the case of a Tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Fiscal Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will send to each Dealer to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting out 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.

In addition, until forty (40) calendar days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Tranche) 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 to any U.S. person or to any other person within the United States is unauthorised and any disclosure without 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.

Any person who subscribes or acquires Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this Base Prospectus or delivery of the Notes, that it is subscribing or acquiring the Notes in compliance with Rule 903 of Regulation S in an "offshore transaction" as defined in Regulation S, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Materialised Notes having a maturity of more than one (1) year are subject to U.S. tax law requirements and may not be offered, sold, delivered or pay interest within the United States or its possessions or to a United States 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 of 1986, as amended, and regulations thereunder.

### **European Economic Area**

*Please note that, in relation to EEA Member States, additional selling restrictions may apply in respect of any specific EEA Member State, including those set out in relation to the United Kingdom and France in this section.*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State of the European Economic Area ("**EEA**") except that it may make an offer of such Notes to the public in that Member State of the EEA:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State of the EEA (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State of the EEA or, where appropriate, approved in another Member State of the EEA and notified to the competent authority in that Member State of the EEA, provided that (a) the Issuer has given its written consent and (b) any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (ii) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State of the EEA by any measure implementing the Prospectus Directive in that Member State of the EEA and the expression "**Prospectus Directive**" means

Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended and includes any relevant implementing measure in each relevant Member State of the EEA.

In addition to the foregoing, the following provisions shall apply in respect of the following Member States of the EEA:

#### **United Kingdom**

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

- (a) in relation to any Notes which have a maturity of less than one (1) year, (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 as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses 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;
- (b) 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
- (c) 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.

#### **France**

Each of the Dealers and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public (*offre au public*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the AMF, on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended, on the date of notification of such approval to the AMF, all in accordance with articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and the provisions of the *Règlement général* of the AMF, and ending at the latest on the date which is twelve (12) months after the date of approval of the Base Prospectus; or

(ii) **Private placement in France:**

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 that such offers, sales and distributions have been and shall only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) investing for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and other applicable regulations.

## Italy

Each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

(i) **Offer to the public in Italy:**

it will only make an offer of the Notes to the public, as defined under Article 1, paragraph 1, letter (t) of the Legislative Decree no. 58 of 24 February 1998, as amended (the "**Financial Services Act**"), in the Republic of Italy following recognition by the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") of the Base Prospectus approved by the AMF, in accordance with the passporting procedure set forth in the Prospectus Directive, as implemented by Article 98 of the Financial Services Act and Articles 11 and 12 of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the "**Issuers Regulation**").

(ii) **Placement in Italy:**

Prior to the passporting of a prospectus to CONSOB, pursuant to the Italian securities legislation, the Notes may not, and will not, be offered, sold, transferred or delivered, directly or indirectly, in an offer to the public in the Republic of Italy and copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes may not, and will not, be distributed in the Republic of Italy, unless an exemption applies. Accordingly, each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) not to effect any offering, marketing, solicitation or selling activity of the Notes in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined in Article 34-ter, paragraph 1(b) of the Issuers Regulation; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Financial Services Act and its implementing regulations, including article 34-ter, first paragraph, of the Issuers Regulation.

In addition, and subject to the foregoing, each of the Dealers and the Issuer has also represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that any offer, sale, transfer or delivery of the Notes or distribution of copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes in the Republic of Italy under (a) or (b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and in particular will be made:

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, the Issuers Regulation, CONSOB Regulation no. 16190 of October 29, 2007 and Legislative Decree no. 385 of September 1<sup>st</sup>, 1993 (the "**Banking Law**"), all as amended; and
- (ii) in compliance with any other applicable notification requirement and/or limitation which may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer and resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations. Article 100-bis of the Financial Services Act affects the transferability of the Notes in the Republic of Italy to the extent that the Notes are placed solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placing. Should this occur without the publication of a prospectus pursuant to Prospectus Directive in the Republic of Italy or outside of the application of one of the exemptions referred to above, purchasers of Notes who are acting outside of the course of their business or profession are entitled, under certain conditions, to have such purchase declared void and to claim damages from any authorised intermediary at whose premises the Notes were purchased.



This Base Prospectus, the Final Terms or any other document relating to the Notes, and the information contained herein are intended only for the use of its recipients and are not to be distributed to any third-party resident or located in the Republic of Italy for any reason.

## **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 "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, 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 (as defined under Item 5, Paragraph I, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) 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 FIEA and other applicable laws, regulations and governmental guidelines 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) ("**SFO**") other than (i) to "professional investors" as defined in the SFO 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 Ordinance (Cap. 32) of Hong Kong (Winding Up and Miscellaneous Provisions) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO 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 directly or indirectly 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 and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). 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 SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) 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 (6) months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## GENERAL INFORMATION

### (1) *Corporate authorisations*

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the update of the Programme.

Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires the prior authorisation of the executive board (*directoire*) of the Issuer, which may delegate its power to its *président* or, with the approval of the *président*, to any other member of the executive board (*directoire*) of the Issuer.

By a resolution adopted on 26 January 2017, the *Conseil de Surveillance* (Supervisory Board) of the Issuer has authorised the issue of obligations up to a maximum aggregate amount of €1,000,000,000 with a maturity between 7 and 15 years until 30 June 2017 and (ii) by a resolution adopted on 6 February 2017, the *Directoire* (Executive Board) of the Issuer has delegated to Mr. Jean-Marc Jestin, *Président* (Chairman) of the Issuer and, with the approval of the latter, to Mr. Jean-Michel Gault, member of the Executive Board of the Issuer, acting jointly or individually, the powers to proceed with the issue of obligations up to a maximum amount of €1,000,000,000 for the period starting 6 February 2017 and ending 30 June 2017.

### (2) *No significant change in the financial or trading position of the Issuer*

Except as disclosed on page 127 (section "*Recent developments*") of this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2016.

### (3) *Material adverse change in the prospects of the Issuer*

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2016.

### (4) *Legal and arbitration proceedings*

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during the period of twelve (12) months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

### (5) *Material contracts*

Except as disclosed on pages 48 to 51 (section "*Documents incorporated by reference*") of this Base Prospectus, there are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.

### (6) *Clearing systems*

Application may be made for Notes to be accepted for clearance through Euroclear France (66 rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg). The appropriate Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

(7) *Statutory auditors*

Deloitte & Associés, 185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France and Ernst & Young, 1-2 place des saisons, 92400 Courbevoie – Paris – La Défense 1, France have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2015 and 31 December 2016. Deloitte & Associés and Ernst & Young to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

(8) *Publication of the Base Prospectus and the Final Terms*

This Base Prospectus and any supplement to this Base Prospectus will be published on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.klepierre.com](http://www.klepierre.com)). The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Directive will be published, so long as such Notes are admitted to trading on any Regulated Market, on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.klepierre.com](http://www.klepierre.com)).

In addition, should the Notes be admitted to trading on a Regulated Market other than Euronext Paris, in accordance with the Prospectus Directive, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) the Regulated Market where the Notes have been admitted to trading or (y) the competent authority of the Member State of the EEA where the Notes have been admitted to trading.

(9) *Documents on display*

For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will, when published, be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s):

- (i) the *statuts* of the Issuer;
- (ii) the 2015 Registration Document and the 2016 Registration Document of the Issuer;
- (iii) any Final Terms relating to Notes admitted to trading on Euronext Paris or any other Regulated Market;
- (iv) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
- (v) any reports, letters and other documents, historical financial information, 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.

The Agency Agreement (which includes the form of the *Lettre comptable*, of the Temporary Global Certificates, of the Definitive Materialised Notes, of the Coupons and of the Talons) will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection free of charge, at the registered office of the Issuer and at the specified office of the Paying Agent(s).

(10) *Pricing of the Notes*

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

(11) *Yield*

The yield of the Fixed Rate Notes will be specified in the relevant Final Terms. The yield will be calculated at the time of issue on the basis of the Issue Price. It is not an indication of future yield.

(12) Representations

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference 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, the Arranger or any of the Dealers. 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.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Final Terms or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come are required by the Issuer, the Arranger and the Dealers to inform themselves about, and to observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes.

The Arranger and the Dealers have not separately verified the information or representations contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor any of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or completeness of any of the information or representations contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme (including any information incorporated by reference) is intended to provide the basis of any credit or other evaluation or should 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 information supplied in connection with the Programme (including any information incorporated by reference) should purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Arranger nor any of the Dealers has reviewed or undertakes to review the information contained or incorporated by reference in this Base Prospectus, the financial or general condition of the Issuer or the Group prior or during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor in the Notes of any information that may come to the attention of any of the Dealers or the Arranger.

(13) Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant 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, stabilisation may not necessarily occur. 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 is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the relevant Tranche and sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by

the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

(14) Forward-Looking Statements

Some sections of this Base Prospectus and, in particular, the section entitled "Description of the Issuer", and of the documents incorporated by reference referred to in the section entitled "Documents incorporated by Reference", contain forward-looking statements. The Issuer may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its offering circulars, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuer's beliefs and expectations, are forward looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events.

## PERSON RESPONSIBLE FOR THE BASE PROSPECTUS

The Issuer, after having taken all reasonable measures in this regard, confirms that the information contained or incorporated by reference in this Base Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 7 April 2017

**Klépierre**  
26, boulevard des Capucines  
75009 Paris  
France  
duly represented by  
**Jean-Michel Gault**, *membre du Directoire*



*In accordance with Articles L.412-1 and L.621-8 of the French Code monétaire et financier, and with the General Regulations (Règlement général) of the Autorité des marchés financiers (the "AMF"), particularly Articles 212-31 to 212-33, the AMF has given the visa no. 17-148 dated 7 April 2017 on this Base Prospectus. It has been prepared by the Issuer and its signatories may be held liable for it.*

*In accordance with the provisions of Article L.621-8-1-I of the French Code monétaire et financier, the visa was granted after an examination of whether the document is complete and comprehensible and that the information contained therein is consistent. It implies neither approval of the opportunity of the transaction, nor authentication by the AMF of the accounting and financial data that is presented herein.*

*In accordance with Article 212-32 of the Règlement général de l'AMF (AMF General Regulation), every issue or admission of Notes under this Base Prospectus will require the publication of final terms.*

**ISSUER**

**Klépierre**

26, boulevard des Capucines  
75009 Paris  
France

Tel. : +33 1 40 67 57 40

Email: KS\_BACK\_OFFICE\_FINANCE\_TRESORERIE@klepierre.com

**ARRANGER**

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**PERMANENT DEALERS**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
Netherlands

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Crédit Industriel et Commercial S.A.**

6, avenue de Provence  
75452 Paris cedex 09  
France

**DnB NOR Bank ASA**

Stranden 21  
N-0021 Oslo  
Norway

**ING Bank NV, Belgian Branch**

Avenue Marnix 24  
1000 Brussels  
Belgium

**Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Natixis**

30, avenue Pierre Mendès-France  
75013 Paris  
France

**Banca IMI S.p.A.**

Largo Mattioli 3  
20121 Milan  
Italy

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Crédit Agricole Corporate and  
Investment Bank**

12, place des Etats-Unis  
CS70052  
92547 Montrouge Cedex  
France

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Mizuho International plc**

Mizuho House  
30 Old Bailey  
London EC4M 7AU  
United Kingdom

**Oddo et Cie**

12, boulevard de la Madeleine  
75440 Paris Cedex 09  
France

**Banco Bilbao Vizcaya Argentaria, S.A.**

29, avenue de l'Opéra  
75001 Paris  
France

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**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

**Mediobanca Banca di Credito  
Finanziario S.p.A.**

Piazzetta E. Cuccia, 1  
20121 Milan  
Italy

**Morgan Stanley & Co. International  
plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**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

**UBS Limited**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

**FISCAL AGENT, PRINCIPAL PAYING AGENT, CALCULATION AGENT  
AND COVENANT AND PUT AGENT**

**Société Générale Securities Services**  
(affiliated with Euroclear France under number 042)  
CS 30812  
32, rue du Champ de Tir  
44308 Nantes Cedex 3  
France

**AUDITORS TO THE ISSUER**

**Deloitte & Associés**  
185, avenue Charles de Gaulle  
92200 Neuilly-sur-Seine  
France

**Ernst & Young**  
1/2, place des Saisons  
92400 Courbevoie – Paris-La Défense 1  
France

**LEGAL ADVISERS**

**To the Issuer**

**CMS Bureau Francis Lefebvre**  
2, rue Ancelle  
92522 Neuilly-sur-Seine Cedex  
France

**To the Dealers**

**Gide Loyrette Nouel A.A.R.P.I.**  
22, cours Albert 1<sup>er</sup>  
75008 Paris  
France