



(a société anonyme incorporated in France)

€5,000,000,000

**Euro Medium Term Notes Programme**

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this document (the “**Base Prospectus**”), EssilorLuxottica, (“**EssilorLuxottica**” or 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 €5,000,000,000 (or the equivalent in other currencies) and may be denominated in certain currencies. The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area in circumstances which require the publication of a Base Prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €100,000 (or the equivalent amount in any other currency).

This Base Prospectus supersedes and replaces the base prospectus dated 13 December 2018. This Base Prospectus shall be in force for a period of one year as of the date set out here above.

Application has been made to the Autorité des marchés financiers (the “**AMF**”) in France for approval of this Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général which implements Directive 2003/71/EC as amended or superseded (the “**Prospectus Directive**”).

Application may be made to Euronext Paris for the period of 12 months from the date of the approval of this Base Prospectus by the AMF for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris and/or to the competent authority of any other Member State of the European Economic Area (“**EEA**”) for Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended, appearing on the list of regulated markets issued by the European Commission and situated in a Member State of the EEA (a “**Regulated Market**”).

However, Notes that are not listed and admitted to trading on a Regulated Market may also be issued pursuant to the Programme.

The relevant final terms (the “**Final Terms**”) (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant Regulated Market in the EEA where the Notes will be listed and admitted to trading and will be published, if relevant, on the website of the Regulated Market where the admission to trading is sought.

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

Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (au porteur)

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

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

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

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

The Programme has been rated A by Standard & Poor's Ratings Services ("**S&P**") and A2 by Moody's Investors Services, Inc. ("**Moody's**"). The Issuer's long-term debt is currently rated A2 (stable outlook) by Moody's and A (stable outlook) by S&P. Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"). As such, each of Moody's and S&P 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/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) as of the date of this Base Prospectus. Notes to be issued under the Programme may be rated or unrated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. 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. 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.

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche based on the then prevailing market conditions and will be set out in the relevant Final Terms.

For as long as the Programme remains in effect or any Notes are outstanding, copies of this Base Prospectus, any document containing information incorporated by reference in this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to Notes that are listed and admitted to trading on any Regulated Market in the EEA will be available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), on the Issuer's website (<https://www.essilorluxottica.com/fr/information-reglementee>) and may be obtained, during normal business hours at the specified offices of the Fiscal Agent and each of the Paying Agents (as defined herein).

**Prospective investors should carefully review and consider the section of this Base Prospectus**

entitled “Risk Factors” prior to purchasing any Notes.

**Arranger**  
**HSBC**  
**Dealers**

**Banca IMI**  
**Citigroup**  
**CM-CIC Market Solutions**  
**J.P. Morgan**  
**NATIXIS**  
**Société Générale**  
**Corporate & Investment Banking**

**BNP PARIBAS**  
**Crédit Agricole CIB**  
**HSBC**  
**MUFG**  
**RBC Capital Markets**  
**UniCredit Bank AG**

*This document constitutes a base prospectus for the purpose of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*This Base Prospectus should be read and construed in conjunction with any supplement hereto and with any other documents incorporated by reference (see “**Documents Incorporated by Reference**”) and, each of which shall be incorporated in, and form part of this Base Prospectus in relation to any Series (as defined herein) of Notes, should be read and construed together with the Base Prospectus and the Final Terms being together, the “**Prospectus**”.*

*No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, or any of the Dealers or the Arranger (each as defined in the “**General Description of the Programme**”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or of 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. No Notes may be offered or sold, directly or indirectly, and none of this Base Prospectus, 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 comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Japan, France, Hong-Kong, PRC and Singapore. For a description of certain restrictions on offers and sales of Notes and distribution of this Base Prospectus, see “Subscription and Sale” below.*

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – *The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.*

*A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.*

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - *If the Final Terms in respect of any Notes include a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in*

point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

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

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

The Arranger and the Dealers have not separately verified the information or representations contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arranger 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 in this Base Prospectus or any responsibility for any acts or omissions of the Issuer or any other person in connection with the Base Prospectus. Neither this Base Prospectus nor any other information incorporated by reference in this Base Prospectus is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other information incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger has reviewed or undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

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

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## **RISK FACTORS**

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

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and 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 are currently believed to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and in any documents incorporated by reference 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 Notes prior to investing in Notes issued under the Programme.*

*Words and expressions defined under "Terms and Conditions of the Notes" shall have the same meanings in this section.*

### **RISK FACTORS RELATING TO THE ISSUER**

The risk factors relating to the Issuer and its activity are set out on pages 54 to 63 of the 2018 Reference Document as defined and further described under "Documents Incorporated by Reference" in this Base Prospectus, and include the following:

- Risks relating to the Combination
- Operating and industry risks
- Legal and compliance risks
- Financial and market risks

## RISK FACTORS RELATING TO THE NOTES

*The following paragraphs describe some risk factors that the Issuer believes are material to the Notes to be offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes. 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 investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.*

### **1 General Risks Relating to the Notes**

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

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

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments 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 the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

#### **1.2 Modification and Waivers**

The Conditions of the Notes contain provisions for calling General Meetings of Noteholders or consulting them by way of Consultation in Writing to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not participate in the relevant General Meeting or Consultation in Writing and Noteholders who voted in a manner contrary to the majority. General Meetings or Consultations in Writing may deliberate on any proposal relating to the modification of the conditions of the Notes.

#### **1.3 Exclusion of the consultation of the Noteholders for the modification of the Issuer's corporate purpose**

The Noteholders will not be consulted in relation to the modification of the Issuer's corporate purpose.

In Condition 11 relating to the representation of the Noteholders, Article L.228-65 I 1° of the French *Code de commerce* (only in respect of the modification of the Issuer's corporate purposes) is excluded. As a consequence, no General Meeting will be held nor a Consultation in Writing will be submitted and no early redemption of any Note by the Issuer shall be requested by the Noteholders in respect of such modification.



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

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be listed and admitted to trading on Euronext Paris and/or any other Regulated Market in the EEA, the Final Terms of the Notes will be filed with the AMF in Paris and/or with the competent authority of the Regulated Market of the EEA where the Notes will be listed and admitted to trading, there is no assurance that such filings will be accepted, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### **1.5** *Provision of Information*

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices (as defined herein). Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Inflation Indices that is or may be material in the context of Inflation Linked Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

#### **1.6** *Potential Conflicts of Interest*

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

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

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders (including where a Dealer acts as calculation agent), including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes. In particular, whilst a calculation agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the

maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

### **1.7** *Exchange Rates Risks and Exchange Controls*

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

Government and monetary authorities may impose (as some have done in the past or as more fully described in respect of RMB Notes in paragraph 2.9 (*Risks Relating to Renminbi-denominated Notes*)) 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 at all.

### **1.8** *Legality of Purchase*

None of the Issuer, the Dealer(s) or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

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

The Issuer has credit ratings which are subject to reviews from time to time by the independent credit rating agencies which assign such credit ratings.

One or more independent credit rating agencies may assign credit ratings to the Notes. 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. Any such revision, suspension or withdrawal of any such credit rating could adversely affect the value of the Notes.

### **1.10** *Taxation*

Potential 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 financial instruments such as the Notes. Potential investors are advised not to rely upon the tax section contained in this Base Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

### 1.11 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 the value of an index, including, but not limited to, the volatility of an index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes or the Inflation Indices 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. The historical level of the Inflation Index should not be taken as an indication of such index's future performance during the term of any Note.

### 1.12 Change of Law

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

### 1.13 Credit Risk

An investment in the Notes involves taking credit risk on the Issuer. If the credit worthiness 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.

### 1.14 French Insolvency Law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in case of the opening in France of a safeguard procedure (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

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

The Assembly deliberates on the draft safeguard (*projet de plan de sauvegarde*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), draft accelerated safeguard plan (*projet de plan de sauvegarde 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 due payments 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 majority (calculated as a proportion of the debt securities held by the holders casting a vote at the Assembly). No quorum is required on convocation of 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, to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

#### **1.15** *The proposed financial transaction tax (“FTT”)*

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

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

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

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

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

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

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

The Issuer has the option, if so specified in the relevant Final Terms, to redeem the Notes under a Residual Call Option as provided in Condition 6(c), a Make-Whole Redemption as provided in Condition 6(d), a Clean-up Call Option as provided in Condition 6(e) or a Call Option as provided in Condition 6(f). In particular, in case of a clean-up call option there is no obligation for the Issuer to inform investors if and when the percentage of 80 per cent. has been reached or is about to be reached, and the Issuer’s right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Notes may have been traded significantly above par, thus potentially resulting in a loss of capital invested.

Furthermore, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied,

collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

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

## **2.2** *Change of Control, Make-Whole Redemption by the Issuer and Redemption at the Option of the Issuer*

Exercise of Change of Control Put Option, Make-Whole Redemption by the Issuer or Redemption at the Option of the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised.

Depending on the number of Notes of the same Series in respect of which the Change of Control Put Option, the Make-Whole Redemption by the Issuer or the Redemption at the Option of the Issuer provided, if any, in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

## **2.3** *Fixed Rate Notes*

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

## **2.4** *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 definite 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 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. In addition, the Issuer's ability to also issue Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

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

## 2.5 *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the relevant Final Terms or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the relevant Final Terms. The conversion (whether it be automatic or optional) of the interest rate will affect the secondary market and the market value of the Notes may produce a lower overall cost of borrowing. If the Fixed Rate is converted to a Floating Rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new Floating Rate at any time may be lower than the rates on other Notes. In case of a conversion from a Floating Rate to a Fixed Rate, the Fixed Rate may be lower than then prevailing rates on its Notes.

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

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

## 2.7 *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.

## 2.8 *Inflation Linked Notes*

Inflation Linked Notes are debt securities which do not provide for predetermined interest payments and/or in respect of which the principal is indexed. Interest amounts and/or principal will be dependent upon the performance of either (i) the consumer price index (excluding tobacco) for all households in metropolitan France (the “CPI”), as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* (“INSEE”), or (ii) the harmonised index of consumer prices excluding tobacco, or the relevant substitute index, measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat (the “HICP”) (each an “Inflation Index” and together, the “Inflation Indices”). If the value of the relevant index calculated at any time prior to the maturity date is lower than the value of the relevant index at the time of the issue of the Notes or at the time of purchase by the Noteholders, then the amount of interest payable by the Issuer and/or the principal of Inflation Linked Notes may vary. Noteholders may receive no interest. However, if the nominal amount to be repaid at maturity is below par, the Inflation Linked Notes will be redeemed at par.

Neither the current nor the historical levels of any of the Inflation Indices should be taken as an indication of future performance of such index during the term of any Inflation Linked Notes.

Inflation Linked Notes are not in any way sponsored, endorsed, sold or promoted by the INSEE or Eurostat, as the case may be, and the INSEE or Eurostat, makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of any of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE or Eurostat,

as the case may be, without regard to the Issuer or the Notes. The INSEE or Eurostat, as the case may be, is not responsible for or has not participated in the determination of the timing of, prices of, or quantities of the Inflation Linked Notes to be issued or in the determination or calculation of the interest payable under such Notes.

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Inflation Indices that is or may be material in the context of Inflation Linked Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholder or any other party such information (whether or not confidential).

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

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

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

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

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

In respect of Renminbi foreign direct investments ("**FDI**"), the People's Bank of China ("**PBoC**") promulgated the Administrative Measures on Renminbi Settlement of Foreign Direct Investment (the "**PBoC FDI Measures**") on 13 October 2011 as part of PBoC's detailed Renminbi FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, PBoC issued a circular setting out the operational guidelines for FDI. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the "**MOFCOM Circular**"), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify "Renminbi Foreign Direct Investment" and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In

addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

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

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

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

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

Holders of beneficial interests in the 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 Singapore, Hong Kong and Taiwan.

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

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the PBoC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the “**Renminbi Clearing Banks**”), including but not limited to Hong Kong, Singapore and Taiwan, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (“**Settlement Arrangements**”) in various other markets, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC



enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

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

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

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

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

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

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

*The Issuer may make payments of interest and principal in U.S. Dollar in certain circumstances*

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

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

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

**2.10** *Notes issued as green, social and/or sustainability Notes may not be a suitable investment for all investors*

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to issue green, social or sustainability Notes and the net proceeds of the issuance of such Notes may be exclusively applied to finance or re-finance, in part or in full, new and/or existing (i) eligible green projects, (ii) eligible social projects or (iii) sustainability projects (being a combination of both green and social projects) which may be further described in the Issuer's relevant framework to be published on the Issuer's website on or before the issue of such Notes.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" "social" or "sustainable", and therefore no assurance can be provided to investors that the Eligible Projects (as defined in the "Reasons for the offer" paragraph in the relevant Final Terms) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply.

Any failure to use the net proceeds from such Notes on Eligible Projects or to meet or continue to meet the investment requirements of certain environmentally, socially or sustainably focused investors with respect to such Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green, social and/or sustainable assets.

No Dealer makes any representation as to the suitability of such Notes to fulfil green, social or sustainability criteria required by prospective investors. The Dealers have not undertaken, nor are responsible for, any assessment of the eligibility criteria, any verification of whether such Notes meet the eligibility criteria, or the monitoring of the use of proceeds. Each prospective investor of the Notes should determine for itself the relevance of the information contained in this Base Prospectus and the relevant Final Terms regarding the use of proceeds and its purchase of the Notes should be based upon such investigation as it deems necessary.

**2.11** *Reform and regulation of "benchmarks"*

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") was published in the European official journal on 29 June 2016 and most of provisions of the Benchmark Regulation apply since 1 January 2018.

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmark Regulation is wide and, in addition to so-called "critical

benchmark" indices, applies to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a systematic internaliser, financial contracts and investment funds.

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

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

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

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". For example, on 27 July 2017, the UK Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. Subsequent speeches by Andrew Bailey, Chief Executive Officer of the FCA and other FCA officials emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and although work continues on reforming their respective methodologies to make them more grounded in actual transactions, they may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any

Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, outstanding Notes linked to or referencing an IBOR may transition away from such IBOR in accordance with the particular fallback arrangements set out in their Conditions. The operation of these fallback arrangements could result in a different return for Noteholders, Receiptholders and Couponholders (which may include payment of a lower Rate of Interest) than they might receive under other similar securities which contain different or no fallback arrangements (including which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given IBOR to an alternative rate).

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

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

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

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

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions of the Notes provide that the Issuer may vary the Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

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

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

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

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

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

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

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a "LIBOR" Floating Rate Option or a "EURIBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of

quotations from certain banks. If LIBOR or EURIBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

## GENERAL DESCRIPTION OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

<b>Issuer:</b>	EssilorLuxottica (" <b>EssilorLuxottica</b> ")
<b>Description:</b>	Euro Medium Term Note Programme for the continuous offer of Notes (the " <b>Programme</b> ").
<b>Arranger:</b>	HSBC France
<b>Dealers:</b>	Banca IMI S.p.A. BNP Paribas Citigroup Global Markets Europe AG Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Crédit Industriel et Commercial S.A. HSBC France J.P. Morgan Securities plc MUFG Securities (Europe) N.V. NATIXIS RBC Europe Limited Société Générale UniCredit Bank AG

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

<b>Programme Limit:</b>	Up to €5,000,000,000 (or the equivalent in other currencies) aggregate nominal amount of Notes outstanding at any one time.
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The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Amended and Restated Dealer Agreement.

<b>Fiscal Agent, Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent:</b>	BNP Paribas Securities Services.
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<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " <b>Series</b> ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest),
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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 will be set out in the final terms to this Base Prospectus (the “**Final Terms**”).

**Maturities:**

Subject to compliance with all relevant laws, regulations and directives, any maturity from seven calendar days from the date of original issue.

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, US dollars, Japanese yen, Swiss francs, Sterling, CAD, RMB and in any other currency agreed between the Issuer and the relevant Dealers and specified in the relevant Final Terms.

**Denomination(s):**

The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a regulated market in a Member State (a “**Regulated Market**”) of the European Economic Area (“**EEA**”) in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

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

Dematerialised Notes will be issued in one denomination only.

**Status of the Notes:**

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

**Negative Pledge:**

There will be a negative pledge in respect of the Notes as set out in Condition 4. See “**Terms and Conditions of the Notes - Negative Pledge**”.

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

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



<b>Redemption:</b>	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
<b>Optional Redemption:</b>	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.
<b>Redemption by Instalments:</b>	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Early Redemption:</b>	Except as provided in “ <i>Optional Redemption</i> ” above, “ <i>Residual Call Option</i> ”, “ <i>Make-Whole Redemption by the Issuer</i> ” and a “ <i>Clean-up Call Option</i> ” below, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.
<b>Redemption at the option of Noteholders following a Change of Control:</b>	If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes, or, at the Issuer’s option, procure the purchase of their Notes. See “ <b><i>Terms and Conditions of the Notes - Redemption, Purchase and Options</i></b> ”.
<b>Residual Call Option:</b>	If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem, at any time as from the Call Option Date which shall be no earlier than 180 calendar days before the Maturity Date, until the Maturity Date, the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.
<b>Make-Whole Redemption by the Issuer:</b>	If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date at their Optional Redemption Amount. The Optional Redemption Amount will be an amount in Euro being the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate (as specified in the

relevant Final Terms) plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

**Clean-Up Call Option**

If so specified in the relevant Final Terms and if at least 80 per cent. of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, at its option, redeem the Notes in whole but not in part at their Clean-Up Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms). See “**Terms and Conditions of the Notes – Clean-up Call Option**”.

**Taxation in respect of the Notes:**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If such a withholding or deduction is required, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions.

See “**Taxation**”.

**Interest Periods and Interest Rates:**

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

**Fixed Rate Notes:**

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

**Floating Rate Notes:**

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

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency pursuant to the 2007 FBF Master Agreement relating to Transactions on Forward Financial Instruments, published by the *Fédération Bancaire Française* as supplemented by the relevant Technical Schedules; or
- (ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or
- (iii) by reference to LIBOR, EURIBOR or CMS Rate (or such

other benchmark as may be specified in the relevant Final Terms), in each case as adjusted for any applicable margin.

In no event shall the applicable rate of interest (including, for the sake of clarity, any applicable margin) be less than zero.

Interest periods will be specified in the relevant Final Terms.

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

**Fixed/Floating Rate Notes:**

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert, upon giving not less than fifteen (15) calendar days' prior notice in accordance with Condition 15, on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

**Zero Coupon Notes:**

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

**Inflation Linked Notes:**

Inflation Linked Notes may be issued by the Issuer where the interest and/or the principal in respect of such Notes will be calculated by reference to an inflation index ratio derived from either:

- (i) the consumer price index (excluding tobacco) for all households in metropolitan France, as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques*; or
- (ii) the harmonised index of consumer prices excluding tobacco, or the relevant substitute index, measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat.

**Redenomination:**

Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in "**Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination**".

**Consolidation:**

Notes of one Series may be consolidated with Notes of another Series as more fully provided in "**Terms and Conditions of the Notes - Further Issues and Consolidation**".

**Form of Notes:**

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

Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (*au porteur*) or in registered

dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either *au nominatif pur* or *au nominatif administré* form.

No physical documents of title will be issued in respect of Dematerialised Notes. See “**Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination**”.

The relevant Final Terms will specify whether Dematerialised Notes are to be issued in bearer form only or in registered (including both *nominatif pur* and *nominatif administré*) form only.

Materialised Notes will be in bearer form (“**Materialised Bearer Notes**”) only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.

**Governing Law:**

French law.

**Central Depositary:**

Euroclear France in relation to Dematerialised Notes.

**Clearing Systems:**

Clearstream, Euroclear or any other clearing system (provided proper clearing and settlement procedures have previously been put in place) that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.

**Initial Delivery of Dematerialised Notes:**

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

**Initial Delivery of Materialised Notes:**

On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

**Issue Price:**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Issue Price of the Notes will be specified in the relevant Final Terms.

**Listing and Admission to Trading:**

Euronext Paris or as otherwise specified in the relevant Final Terms. A Series of Notes may or may not be listed and admitted to trading.

**Method of Publication of this Base Prospectus and the Final Terms:**

This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the websites of the Issuer (<https://www.essilorluxottica.com/fr/information-reglementee>) and of the AMF ([www.amf-france.org](http://www.amf-france.org)). The Final Terms will indicate where the Base Prospectus may be obtained.

**Selling Restrictions:**

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

The Notes to be issued qualify under Category 2 for the purposes of Regulation S under the Securities Act.

Materialised Notes will be issued in compliance with US Treasury Regulations section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**D Rules**”) unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treasury Regulations section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**C Rules**”), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstance will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

**Rating:**

The Programme has been rated A by Standard & Poor's Ratings Services (“**S&P**”) and A2 by Moody's Investors Services, Inc. (“**Moody's**”). The Issuer's long-term debt is currently rated A2 (stable outlook) by Moody's and A (stable outlook) by S&P. Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “**CRA Regulation**”). As such, each of Moody's and S&P 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/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) as of the date of this Base Prospectus. Notes to be issued under the Programme may be rated or unrated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. 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. 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.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following pages identified in the cross-reference table below of the following documents which have been previously filed with the *Autorité des marchés financiers* (“**AMF**”) as competent authority in France for the purposes of the Prospectus Directive.

- (A) the pages referred to in the table below which are included in the Issuer's 2018 *Document de Référence* in the French language, filed with the AMF under no. D.19-0297 on 9 April 2019 (the “**2018 Reference Document**”), which includes the audited consolidated financial statements of the Issuer as at 31 December 2018 prepared in accordance with IFRS as adopted by the European Union;
- (B) the pages referred to in the table below which are included in the Issuer's Update to the 2017 Reference Document in the French language, filed with the AMF under no. D.18-0193-A-01 on 28 September 2018 (the “**Update of the 2017 Reference Document**”);
- (C) the pages referred to in the table below which are included in the Issuer's 2017 *Document de Référence* in the French language, filed with the AMF under no. D.18-0193 on 27 March 2018 (the “**2017 Reference Document**”), which includes the audited consolidated financial statements of the Issuer as at 31 December 2017 prepared in accordance with IFRS as adopted by the European Union; and
- (D) the section “Terms and Conditions of the Notes” of the base prospectus dated 12 December 2013 (pages 26 to 67) filed with the AMF under visa no.13-669, (the “**2013 EMTN Conditions**”), the section “Terms and Conditions of the Notes” of the base prospectus dated 9 May 2017 (pages 30 to 70) filed with the AMF under visa no. 17-189 (the “**2017 EMTN Conditions**”, together with the 2013 EMTN Conditions, the “**EMTN Previous Conditions**”).

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

The availability of the documents incorporated by reference into this Base Prospectus is described in section “*General Information*” under paragraph 7 “*Documents available*”.

The English translation of the 2018 Reference Document, the Update to the 2017 Reference Document and the 2017 Reference Document are available on the website of the Issuer (<https://www.essilorluxottica.com/fr/information-reglementee>).

Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus and may not be relied upon.

For the avoidance of doubt, “Not applicable” in the cross-reference table below means that the information is not relevant for the purposes of Annex IX of the Regulation.

Items of such Annex IX which are not listed in the cross-reference table below are also not relevant because included elsewhere in this Base Prospectus.

However, the information set out in sections “*Description of EssilorLuxottica*” or “*Recent Developments*” can complete, modify or supersede the information incorporated by reference.

Prospectus Regulation – Annex IX of the Regulation		2018 Reference Document	2017 Reference Document
A9.3	<b>RISK FACTORS</b>		
A9.3.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 54 to 63	
A9.4	<b>INFORMATION ABOUT THE ISSUER</b>		
A9.4.1	<b><u>History and development of the Issuer</u></b>		
A9.4.1.1	the legal and commercial name of the Issuer;	Page 411	
A9.4.1.2	the place of registration of the Issuer and its registration number;	Page 411	
A9.4.1.3	the date of incorporation and the length of life of the Issuer, except where indefinite; and	Page 411	
A9.4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office.	Page 411	
A9.4.1.5	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	Pages 5, 10-12 and 168	
A9.5	<b>BUSINESS OVERVIEW</b>		
A9.5.1	<b><u>Principal activities:</u></b>		
A9.5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed; and	Pages 19 to 37	
A9.5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Pages 5-6 and 12 to 16	
A9.6	<b>ORGANISATIONAL STRUCTURE</b>		
A9.6.1	If the issuer is part of a group, a brief description of the group and	Pages 38 and 243-246	

<b>Prospectus Regulation – Annex IX of the Regulation</b>		<b>2018 Reference Document</b>	<b>2017 Reference Document</b>
	of the issuer's position within it.		
	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Pages 5, 11-12, 38 and 39	
<b>A9.7</b>	<b>TREND INFORMATION</b>		
A9.7.1	<p>Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements.</p> <p>In the event that the issuer is unable to make such a statement, provide details of this material adverse change.</p>	Page 168	
<b>A9.8</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>		
A9.8.1	<p>A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.</p> <p>There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.</p>	Not applicable	
A9.8.2	Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer.	Not applicable	



Prospectus Regulation – Annex IX of the Regulation		2018 Reference Document	2017 Reference Document
A9.9	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>		
A9.9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  (a) members of the administrative, management or supervisory bodies;	Pages 71 to 78 and 138 to 153	
	(b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Not applicable	
A9.9.2	<b><u>Administrative, Management, and Supervisory bodies conflicts of interests</u></b> Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 10.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	Page 79	
A9.10	<b>MAJOR SHAREHOLDERS</b>		
A9.10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 5, 11-12, 38 and 39	
A9.10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	Not applicable	

Prospectus Regulation – Annex IX of the Regulation		2018 Reference Document	2017 Reference Document
<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>			
A9.11.1	<b><u>Historical Financial Information</u></b> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.	Pages 169-251	Pages 136 to 190
	(a) balance sheet;	Page 171	Pages 138-139
	(b) income statement;	Pages 169-170	Pages 136-137
	(c) cash flow statement; and	Page 175	Page 142
	(d) accounting policies and explanatory notes	Pages 176-246	Pages 143 to 186
A9.11.3	<b><u>Auditing of historical annual financial information</u></b>		
A9.11.3.1	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	Pages 247-251	Pages 187-190
A9.11.3.2	An indication of other information in the registration document which has been audited by the auditors.	Not applicable	Not applicable
A9.11.3.3	Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.	Not applicable	Not applicable
A9.11.5	<b><u>Legal and arbitration proceedings</u></b>	Pages 60 and 168	Pages 43-44, 182
A9.12	<b>MATERIAL CONTRACTS</b>		
A9.12	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could	Pages 11, 26 and 33	Pages 25 and 306

<b>Prospectus Regulation – Annex IX of the Regulation</b>	<b>2018 Reference Document</b>	<b>2017 Reference Document</b>
result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.		

*EssilorLuxottica acquisition: unaudited pro forma consolidated information*

<b>Prospectus Regulation – Annex II</b>	<b>2018 Reference Document</b>	<b>Update of the 2017 Reference Document</b>
A2.1 A description of the transaction, the businesses or entities involved and the period to which it refers		
(a) the purpose to which it has been prepared;	Page 252	Pages 55 to 58
(b) the fact that it has been prepared for illustrative purposes only;	Page 252	Page 55
(c) the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.	Page 252	Page 55
A2.3 (a) Historical unadjusted information; (b) pro forma adjustments; (c) resulting pro forma financial information; and	Pages 254 to 265	Page 59
(d) Sources of the pro forma financial information.	Pages 252 to 253	Pages 55 to 58
A2.4 (e) Basis upon which the pro forma information is prepared. (f) Source of each item of information and adjustment.	Pages 254 to 265	Page 55 Pages 55 to 58 and pages 60 to 68

Prospectus Regulation – Annex II	2018 Reference Document	Update of the 2017 Reference Document
<p>Report of the auditors stating that:</p> <p>(g) the pro forma financial information has been properly compiled on the basis stated; and</p> <p>(h) basis is consistent with the accounting policies of the issuer.</p> <p>A2.7</p>	Page 266	Pages 69 to 70

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

EMTN Previous Conditions	
2013 EMTN Conditions	Pages 26 to 67
2017 EMTN Conditions	Pages 30 to 70

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer is required to prepare a prospectus supplement pursuant to provisions of Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a further Base Prospectus which, in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Paris or on a Regulated Market for a Member State of the EEA, shall constitute a prospectus supplement as required by Article 16 of the Prospectus Directive.

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

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed 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 (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes. 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.*

*All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms.*

An amended and restated agency agreement dated 23 May 2019 (as amended or supplemented from time to time, the “**Amended and Restated Agency Agreement**”) has been agreed between EssilorLuxottica (“**EssilorLuxottica**” or the “**Issuer**”), BNP Paribas Securities Services as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”. The holders of Dematerialised Notes and Materialised Notes, 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 (the “**Couponholders**”) and the holders of the receipts (the “**Receipts**”) for the payment of instalments of principal (the “**Receiptholders**”) relating to Materialised Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Amended and Restated Agency Agreement applicable to them. References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Markets in Financial Instruments Directive 2014/65/EU, as amended from time to time.

### 1 Form, Denomination(s), Title and Redenomination

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

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

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

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

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

Materialised Notes are issued in bearer form (“**Materialised Bearer Notes**”). Materialised Bearer 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. Instalment Notes are issued with one or more Receipts attached.

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

(b) **Denomination(s):**

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

(c) **Title:**

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

and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holders of any Note, Receipt, Coupon or Talon, by giving at least 30 calendar days' notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union, as amended from time to time (the "**Treaty**")), or events have occurred which have substantially the same effects, redenominate all, but not some only, of the Notes of any Series (as defined below) into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
- (ii) The redenomination of the Notes pursuant to Condition 1d(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 €0.01 (with €0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than €0.01 shall be paid by way of cash adjustment rounded to the nearest €0.01 (with €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) In connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, the Issuer may without the consent of the holder of any Note, Receipt, Coupon or Talon but with the prior approval of the Redenomination Agent and the Consolidation Agent, 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, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holders of any Note, Receipt, 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 Conversion and Exchanges of Notes

### (a) Dematerialised Notes:

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

### (b) Materialised Notes:

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

## 3 Status of the Notes

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

## 4 Negative Pledge

So long as any of the Notes or, if applicable, any Receipts or Coupons relating to them, remain outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any Security, other than a Permitted Security, upon any of its undertakings, assets or revenues, present or future, to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Notes, Receipts and Coupons (a) are equally and rateably secured therewith or (b) have the benefit of any other security or other arrangement as shall be approved by the Masse (as defined in Condition 11) pursuant to Condition 11<sup>1</sup>.

For the purposes of this Condition:

**"Relevant Indebtedness"** means any present or future indebtedness for borrowed money in the form of, or represented or evidenced by bonds or notes (*obligations*) issued by the Issuer or any of its Principal Subsidiaries, which are for the time being, or are intended to be or capable of being, quoted, admitted to trading, listed or ordinarily dealt in on any stock exchange or on any other securities market.

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<sup>1</sup> For the avoidance of doubt, this undertaking by the Issuer relates exclusively to the Relevant Indebtedness and shall in no way affect the ability of the Issuer, under any other circumstances, to dispose any of its assets or to otherwise grant any Security over any of its assets or any guarantee.

**"Permitted Security"** means any Security over:

- (i) any office buildings or production facilities (or any equipment located therein) of the Issuer or a Principal Subsidiary in each case acquired or constructed after the Issue Date by the Issuer or a Principal Subsidiary in the ordinary course of their respective business for the sole purpose of financing or re-financing such acquisition or construction and securing a principal, capital or nominal amount not exceeding 100 per cent. of the cost of that acquisition or construction and provided that such Security shall not encumber any other assets or property of the Issuer; and
- (ii) any shares or stock acquired by the Issuer or a Principal Subsidiary after the Issue Date for the sole purpose of financing or re-financing such acquisition and securing a principal, capital or nominal amount not exceeding 100 per cent. of the cost of such acquisition.

For the purposes of this Condition 4:

**"Group"** means, at any particular time, the Issuer and all its Subsidiaries;

**"Principal Subsidiary"** means, at any particular time, a member of the Group (other than the Issuer) whose turnover represents at least 10 per cent. of the consolidated turnover of the Group. For this purpose:

- (a) in the case of a member of the Group which itself has Subsidiaries, the calculation shall be made by comparing the consolidated turnover of it and its Subsidiaries to those of the Group;
- (b) revenues which arise from transactions between members of the Group and which would be eliminated in the consolidated accounts of the Group shall be excluded;
- (c) the turnover of a member of the Group shall be calculated by reference to:
- (d) the financial statements of that member of the Group (or, as the case may be, a consolidation of the financial statements of it and its Subsidiaries (if any)) used for the purpose of the then latest audited consolidated financial statements of the Group;
- (e) if the person became a member of the Group after the end of the financial period to which those consolidated financial statements relate, the then latest audited financial statements of that member of the Group (or, as the case may be, a consolidation of the then latest audited financial statements of it and its Subsidiaries (if any));
- (f) the turnover of the Group shall be calculated by reference to the then latest audited consolidated financial statements of the Group, adjusted as appropriate to reflect the turnover of any person which has become or ceased to be a member of the Group after the end of the financial period to which those financial statements relate;
- (g) a member of the Group shall (if not already a Principal Subsidiary) become a Principal Subsidiary on completion of any other intra-Group transfer or reorganisation if it would fulfil the test in the first paragraph of this definition, were all relevant financial statements to be prepared as at the completion of that transfer or reorganisation on the basis of the then latest audited consolidated financial statements of the Group, adjusted as appropriate to reflect the matters referred to in (d) above and to reflect all such transfers or reorganisations after the date of those then latest audited consolidated financial statements of the Group; or
- (h) once a person has become a Principal Subsidiary, it shall remain one until it has ceased to fulfil the requirements of this definition.

**“Subsidiary”** means, in relation to a person, an entity from time to time of which that person has direct or indirect control (in the case of a company, within the meaning of Article L.233-3 I.1 and I.2 of the French *Code de commerce* (as the same is in force on the date of this Agreement)) or an entity, more than 50 per cent. of the voting rights in, or share capital of, which are owned by that person.

**“outstanding”** means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 6(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 6(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent and remain available for payment against presentation and surrender of Materialised Bearer Notes, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Bearer Notes that have been surrendered in exchange for replacement Materialised Bearer Notes, (ii) (for the purpose only of determining how many such Materialised Bearer Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Bearer Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Bearer Notes, pursuant to its provisions.

**“Security”** means any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or its equivalent under any applicable legislation.

## 5 Interest and other Calculations

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

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

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied);

- (iii) the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

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

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

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date, within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or
- (v) it has become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

For the avoidance of doubt, in respect of paragraphs (ii), (iii) and (iv) above, such public statement will not constitute a Benchmark Event before the date falling six months prior to the date specified in the relevant public announcement on which the Original Reference Rate is permanently or indefinitely discontinued or prohibited.

**“Business Day”** means:

- (i) in the case of euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer system (known as TARGET 2 system) or any successor thereto (the **“TARGET System”**) is operating (a **“TARGET Business Day”**); and/or
- (ii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any); and/or
- (iii) in the case of a Specified Currency other than euro and Renminbi, a day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (iv) in the case of a Specified Currency and/or one or more business centres specified in the relevant Final Terms (the **“Business Centre(s)”**), a day (other than a Saturday, a Sunday

or a public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

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

- (i) if **“Actual/Actual”** or **“Actual/Actual - ISDA”** or **“Act/Act”** or **“Act/Act (ISDA)”** is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of calendar days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of calendar days in that portion of the Calculation Period falling in a non-leap year divided by 365).
- (ii) if **“Actual/365 - FBF”** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of calendar days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual/365 - FBF shall mean the sum of (i) the fraction whose numerator is the actual number of calendar days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual calendar days elapsed during the leap year and whose denominator is 366.
- (iii) if **“Actual/Actual - FBF”** is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of calendar days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period).
- (iv) 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 Determination Period, the sum of:
    - the number of calendar days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of calendar days in such Determination Period and (2) 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 as such in the relevant Final Terms or, if none is specified, the Interest Payment Date.

- (v) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 365.
- (vi) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 360.
- (vii) 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 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 day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the 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 day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the 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 such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

- (viii) 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 (31st) and the first (1st) day is neither the thirtieth (30th) nor the thirty-first (31st), 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

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

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

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the 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 day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the 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 such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

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

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the 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 day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the 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 31, in which case D1 will be 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 31, in which case D2 will be 30.

- (xi) 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:

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

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

**“FBF”** means the *Fédération Bancaire Française*.

**“FBF Definitions”** means the definitions set out in the 2007 FBF Master Agreement relating to Transactions on Forward Financial Instruments as supplemented by the Technical Schedules (*Additifs Techniques*) published from time to time by the *Fédération Bancaire Française* (the **“FBF”**) (together the **“FBF Master Agreement”**), as may be supplemented or amended as at the Issue Date.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a

percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

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

(c) **Interest on Floating Rate Notes and Inflation Linked Notes:**

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

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the relevant Floating Rate Determination Date is the first calendar day of that Interest Accrual Period or such other date specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**” (*Taux Variable*), “**Floating Rate Determination Date**” (*Date de Détermination du Taux Variable*) and “**Transaction**” (*Transaction*) have the meanings given to those terms in the FBF Definitions.

**(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. 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 for a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

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.

**(C) Screen Rate Determination for Floating Rate Notes:**

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

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

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

Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

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

Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (d) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

If the Relevant Screen Page is not available at the Specified Time on the relevant Interest Determination Date: (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the relevant Interest Determination Date; (ii) if at least five of the CMS 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 quotations) and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any Interest Determination Date less than three or none of the CMS 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 the then prevailing standard market practice.

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

**“CMS Rate”** shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the relevant Interest Determination Date in question, all as determined by the Calculation Agent.

**“CMS Reference Banks”** means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is US dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

**“Reference Currency”** means the currency specified as such in the applicable Final Terms.

**“Relevant Financial Centre”** means, with respect to a Reference Currency, the financial centre specified as such in the applicable Final Terms.

**“Designated Maturity”, “Margin”, “Specified Time” and “Relevant Screen Page”** shall have the meaning given to those terms in the applicable Final Terms.

**“Relevant Swap Rate”** means:

- (i) where the Reference 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 Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount 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, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **“ISDA Definitions”**)) with a designated maturity determined by the Calculation Agent by reference to the then prevailing standard market practice or the ISDA Definitions;
- (ii) where the Reference 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 semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Reference Currency is US dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating US dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual 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 designated maturity of three months; and

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

**“Representative Amount”** means an amount that is representative for a single transaction in the relevant market at the relevant time, as determined by the Calculation Agent.

*(D) Benchmark discontinuation*

*(a) Independent Adviser*

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

An Independent Adviser appointed pursuant to this Condition 5(c)(iii)(D) shall act in good faith in a commercially reasonable manner as an independent expert and in consultation with the Issuer. The Issuer will not take any discretionary decision on the basis of such consultation. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, or the Noteholders, the Receiptholders or the Couponholders for any determination made by it, pursuant to this Condition 5(c)(iii)(D).

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

(b) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

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

(c) Adjustment Spread

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

(d) Benchmark Amendments

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

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

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c)(iii)(D) will be notified promptly by the Issuer, after receiving such information from the Independent Adviser, to the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative of the Masse and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.



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

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

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

(f) Survival of Original Reference Rate

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

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

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

(E) Linear Interpolation

Where Linear Interpolation is specified in the relevant Final Terms in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two (2) rate based on the relevant FBF Rate (if specified as applicable in the applicable Final terms), the relevant Reference Rate (where Screen Rate Determination is specified in the relevant Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified in the relevant Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period.

For the purposes of this sub-paragraph (E), “**Applicable Maturity**” means: (a) in relation to FBF Determination, the period of time specified in the relevant FBF Rate, (b) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (c) in relation to ISDA Determination, the Designated Maturity.

(iv) *Rate of Interest for Inflation Linked Notes:*

1. Consumer Price Index (CPI)

Where the consumer price index excluding tobacco for all households in metropolitan France, as calculated and published by the *Institut National de la Statistique et des Etudes Economiques* (the “**INSEE**”) (“**CPI**”) is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)1 shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)1 shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the CPI (the “**CPI Linked Interest**”) will be determined by the Calculation Agent on the following basis:

- (A) On the fifth Business Day before each Interest Payment Date (an “**Interest Determination Date**”) the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)1, the “**Inflation Index Ratio**” or “**IIR**” is the ratio between (i) the CPI Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the CPI Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the “**Base Reference**”). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

“**CPI Daily Inflation Reference Index**” means (A) in relation to the first day of any given month, the CPI Monthly Reference Index of the third month preceding such month, and (B) in relation to a day (D) (other than the first day) in any given month (M), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third month preceding such month (M - 3) and the second month preceding such month (M - 2) calculated in accordance with the following formula:

CPI Daily Inflation Reference Index=

$$\text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3})$$

With:

“**ND<sub>M</sub>**”: number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31;

“**D**”: actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25;

“**CPI Monthly Reference Index<sub>M-2</sub>**”: price index of month M - 2;

“**CPI Monthly Reference Index<sub>M-3</sub>**”: price index of month M - 3.

Notwithstanding Condition 5(g)(iii), the CPI Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such CPI Daily Inflation Reference Index appears on the *Agence France Trésor* Reuters page OATINFLATION01 or on Bloomberg TRESOR <GO> pages and on the website *www.aft.gouv.fr*. In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted by reference to the procedures selected by the French Treasury (*Trésor*) for its *obligations assimilables du Trésor indexées sur l'inflation*.

**“CPI Monthly Reference Index”** refers to the definitive consumer price index excluding tobacco for all households in metropolitan France, as calculated and published monthly by the INSEE as such index may be adjusted or replaced from time to time as provided herein.

- (B) The calculation method described below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire – www.cnofrance.org*) in its December 2010 Paper entitled “*Inflation Indexed Notes*” (*Obligations et autres instruments de taux d’intérêt en euro, Normes et usages des marchés de capitaux – Chapitre II: Les obligations indexées sur l’inflation*). In the case of any conflict between the calculation method provided below and the calculation method provided by the Bond Association (*Comité de Normalisation Obligataire*), the calculation method provided by the Bond Association (*Comité de Normalisation Obligataire*) shall prevail.

The CPI Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

(C)

- (1) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the **“Substitute CPI Monthly Reference Index”**) shall be determined by the Calculation Agent in accordance with the following provisions:
- (x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading “*indice de substitution*”. Once the definitive CPI Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.

- (y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index<sub>M</sub>=

$$\text{CPI Monthly Reference Index}_{M-1} \times \frac{\text{CPI Monthly Reference Index}_{M-1}^{\frac{1}{12}}}{\text{CPI Monthly Reference Index}_{M-13}}$$

- (2) In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the CPI Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the new basis}}}{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{CPI Monthly Reference Index}_{\text{New Basis}}^{\text{Date D}} = \text{CPI Monthly Reference Index}_{\text{Previous Basis}}^{\text{Date D}} \times \text{Key}$$

## 2. Harmonised Index of Consumer Prices (HICP)

Where the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat (the “**HICP**”) is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)2 shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(2) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the HICP (the “**HICP Linked Interest**”) will be determined by the Calculation Agent on the following basis:

- (A) On the fifth Business Day before each Interest Payment Date (an “**Interest Determination Date**”) the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)2, the “**Inflation Index Ratio**” or “**IIR**” is the ratio between (i) the HICP Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the HICP Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the “**Base Reference**”). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

“**HICP Daily Inflation Reference Index**” means (A) in relation to the first day of any given month, the HICP Monthly Reference Index of the third month preceding such month, and (B) in relation to a day (D) (other than the first day)

in any given month (M), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third month preceding such month (M - 3) and the second month preceding such month (M - 2) calculated in accordance with the following formula:

HICP Daily Inflation Reference Index =

$$\text{HICP Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{HICP Monthly Reference Index}_{M-2} - \text{HICP Monthly Reference Index}_{M-3})$$

With:

“**ND<sub>M</sub>**”: number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31;

“**D**”: actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25;

“**HICP Monthly Reference Index<sub>M-2</sub>**”: price index of month M - 2;

“**HICP Monthly Reference Index<sub>M-3</sub>**”: price index of month M - 3.

Notwithstanding Condition 5(g)(iii), the HICP Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such HICP Daily Inflation Reference Index appears on the *Agence France Trésor* Reuters page OATEI01, on the website [www.aft.gouv.fr](http://www.aft.gouv.fr) and on Bloomberg page TRESOR.

“**HICP Monthly Reference Index**” refers to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein.

- (B) The HICP Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).
- (C)
  - (1) If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index (the “**Substitute HICP Monthly Reference Index**”) shall be determined by the Calculation Agent in accordance with the following provisions:
    - (x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.
    - (y) If no provisional HICP Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute HICP Monthly Reference Index<sub>M</sub> =

$$\text{HICP Monthly Reference Index}_{M-1} \times \frac{\text{HICP Monthly Reference Index}_{M-1}^{\frac{1}{12}}}{\text{HICP Monthly Reference Index}_{M-13}}$$

- (2) In the event Eurostat decides to proceed with one or more base changes for the purpose of calculating the HICP Monthly Reference Index, the two HICP Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December HICP Monthly Reference Index of the last year of joint publications, which corresponds to the HICP Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{HICP Monthly Reference Index}_{\text{pertaining to December calculated on the new basis}}}{\text{HICP Monthly Reference Index}_{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{HICP Monthly Reference Index}_{\text{New Basis}}^{\text{Date D}} = \text{HICP Monthly Reference Index}_{\text{Previous Basis}}^{\text{Date D}} \times \text{Key}$$

- (d) **Fixed/Floating Rate Notes:** Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert, upon giving not less than fifteen (15) calendar days' prior notice in accordance with Condition 15, on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate (the "**Optional Change of Interest Date**") or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the "**Automatic Change of Interest Date**").
- (e) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon 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 of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(h)(i)).
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, and Rounding:**
- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) 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.

- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. In no event shall the applicable rate of interest (including, for the sake of clarity, any applicable margin) be less than zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (h) **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 (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. 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.

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be 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 in Condition 4). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (k) **RMB Notes:** Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

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

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

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



## 6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Residual Call Option:** If a Residual Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, at any time as from the Call Option Date (as specified in the Final Terms) which shall be no earlier than 180 calendar days before the Maturity Date, until the Maturity Date, the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

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.

- (d) **Make-Whole Redemption by the Issuer:** If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date (the "**Optional Redemption Date**") at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

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

The “**Redemption Rate**” is the average of the five quotations (eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or, in the event of equality, one of the lowest quotations)) given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth business day preceding the Optional Redemption Date at 11.00 a.m. (Central European time (CET)).

“**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 as specified in the relevant Final Terms.

If the Reference Security is no longer outstanding, a Similar Security (as specified in the relevant Final Terms) will be chosen by the Calculation Agent at 11.00 a.m. (Central European time (CET)) on the third business day in London preceding the Optional Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 15.

The Redemption Rate will be notified by the Issuer in accordance with Condition 15.

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.

In the case of a partial redemption, the relevant provisions of Condition 6(f) shall apply *mutatis mutandis* to this Condition 6(d).

- (e) **Clean-up Call Option:** If a Clean-up Call Option is specified in the relevant Final Terms and if at least 80 per cent. of the initial aggregate nominal amount of the Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may on giving not less than 15 nor more than 30 calendar days’ notice to the Noteholders redeem the Notes, in whole but not in part, at their Clean-Up Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms).
- (f) **Redemption at the Option of the Issuer and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days’ irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided in the relevant Final Terms, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption, if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

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

In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other

relevant authority requirements of the Regulated Market on which the Notes are listed and admitted to trading.

In the case of a partial redemption in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the Code, subject to compliance with any other applicable laws and stock exchange or other relevant authority requirements.

So long as the Notes are listed and admitted to trading on Euronext Paris or on any Regulated Market and the rules of such Regulated Market so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the “**AMF**”) and on the website of any other competent authority and/or Regulated Market where the Notes are listed and admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (g) **Redemption at the Option of Noteholders:** If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 calendar days’ notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

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

- (h) **Redemption of Inflation Linked Notes:** If so specified in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked Notes will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x nominal amount of the Notes

“**IIR**” being for the purpose of this Condition 6(h) the ratio determined on the fifth Business Day before the Maturity Date between either (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index, on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms.

If the Final Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

(i) **Early Redemption:**

(i) *Zero Coupon Notes:*

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

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

(ii) *Inflation Linked Notes:*

- (A) If the relevant Final Terms provides that Condition 6(h) shall apply in respect of Inflation Linked Notes, the Early Redemption Amount upon redemption of such Notes pursuant to Condition 6(j) or Condition 6(n) or upon it becoming due and payable as provided in Condition 9, the Put Amount, the Optional Redemption Amount in respect of such Notes will be determined by the Calculation Agent on the following basis:

Early Redemption Amount/Put Amount = IIR x nominal amount of the Notes

“IIR” being for the purposes of this Condition the ratio determined on the fifth Business Day before the date set for redemption between either (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index or (ii) if the HICP is specified as the Index applicable in the

Final Terms, the HICP Daily Inflation Reference Index on the date set for redemption and the Base Reference specified in the relevant Final Terms.

If the Early Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

- (B) If the Inflation Linked Notes (whether or not Condition 6(h) applies) fall to be redeemed for whatever reason before the Maturity Date, the Issuer will pay the Early Redemption Amount together with interest accrued to the date set for redemption. Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the date set for redemption of such Notes at a rate per annum on the basis of the provisions of Condition 5 (iv) above except that, for such purposes the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Early Redemption Date.

(iii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described paragraphs “Zero Coupon Notes” and “Inflation Linked Notes” above), upon redemption of *such* Note pursuant to Condition 6(j) or Condition 6(n), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount.

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

- (i) If, by reason of any change in, or any change in the official application or interpretation of, French law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes or Coupons, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 calendar days’ notice to the Noteholders or, if applicable, to the holders of Coupons (the “**Couponholders**”) (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for such French taxes.
- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes or Coupons, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 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 calendar days’ prior notice to the Noteholders or, if applicable, the Couponholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as described in Condition 6(i) above) together with any interest accrued to the date set for redemption on 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 or, if applicable, Receipts or Coupons, or, if that date is passed, as soon as practicable

thereafter, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders or, if applicable, the Couponholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 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, Receipts or Coupons.

(k) **Early redemption of the Notes at the option of Noteholders following a Change of Control:**

If Change of Control Put Option is specified in the relevant Final Terms and if, at any time while any Note remains outstanding, there occurs a Change of Control and within the Change of Control Period, a Rating Downgrade occurs or has occurred as a result of such Change of Control (the **"Put Event"**), the holder of each Note will have the option, (the **"Change of Control Put Option"**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 6 (j)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note, on the Optional Redemption Date at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

For the purpose of this Condition 6(k):

**"Change of Control"** shall be deemed to have occurred each time that any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (a **"Relevant Person"**) in each case come(s) to own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights exercisable at a general meeting of the Issuer.

**"Change of Control Period"** means pursuant to a Change of Control:

- (i) the period starting the earlier of (x) the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control or (y) the date of the first public announcement by the Issuer of the relevant Change of Control; and in each case (x) and (y), ending on the date which is 120 calendar days thereafter (inclusive); or
- (ii) the period commencing 180 calendar days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control and ending on the date of such announcement (inclusive).

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if:

- (i) within the Change of Control Period:
  - (A) the investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better) previously assigned to the Notes by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a **"Non-Investment**

**Grade Rating**") or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

- (B) the Non-Investment Grade Rating (Ba1/BB+, or their respective equivalents, or worse) assigned to the Notes by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch or such similar lowering) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
- (C) the Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes, unless the Issuer has a credit rating from a Rating Agency, in which case paragraphs (A) and (B), as the case may be, shall apply to the credit rating assigned to the Issuer by any Rating Agency; and

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade; the sub-paragraph (A) will apply and

- (ii) in making the relevant decision(s) referred to in (A) and (B) above, the Relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or mainly from the occurrence of the Change of Control, provided that if the rating designations employed by the Rating Agencies are changed from those in force at the time of the Issue Date, the Issuer shall determine the rating designations of the Rating Agencies as are most equivalent to the prior rating designations of the Rating Agencies and this Condition 6 shall be read accordingly.

**"Rating Agency"** means S&P Global Ratings or Moody's Investors Service Limited or any other rating agency of equivalent international standing solicited by the Issuer to grant a corporate credit rating to the Issuer or to the Notes and, in each case, their respective successors or affiliates.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **"Put Event Notice"**) to the Noteholders in accordance with Condition 15 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 6(k).

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of the Notes following a Put Event, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period of 45 calendar days after the Put Event Notice is given (the **"Put Period"**) together with a duly signed and completed notice of exercise (a **"Put Option Notice"**) and in which the holder shall specify a bank account to which payment is to be made under this Condition 6(k).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Notes in respect of which the Change of

Control Put Option has been validly exercised as provided above and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer, on the date which is the fifth (5th) business day in Paris following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 7.<sup>2</sup>

- (l) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Unless the possibility of holding and reselling is expressly excluded in the relevant Final Terms, all Notes so purchased by or on behalf of the Issuer may be cancelled or held and resold in accordance with applicable laws and regulations.
- (m) **Cancellation:** All Notes purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and 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.
- (n) **Illegality:** If, by reason of any change in French law or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 calendar days’ notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

## 7 Payments and Talons

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

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<sup>2</sup> For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder’s exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising there from or otherwise).



- (b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(e)(vi)), as the case may be, (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank and (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of Renminbi in Hong Kong, and in the case of euro, in a city in which banks have access to the TARGET System.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in US 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 Materialised 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.

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

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

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

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 15, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

**(e) Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Upon the due date for redemption of Materialised Bearer Notes which comprise Fixed Rate Notes (other than Index Linked Notes), should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10) provided that, if any Materialised Bearer Note should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Note without any unmaturing Coupons attached thereto or surrendered therewith, the amount required to be deducted in respect of such unmaturing Coupons would be greater than the relevant Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmaturing Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the foregoing provisions in respect of such Coupons as have not so become void, the amount required by this paragraph to be deducted would not be greater than the relevant Redemption Amount otherwise due for payment. Where the application of the foregoing provisions requires some but not all of the unmaturing Coupons relating to a Materialised Bearer Note to become void and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.
- (ii) Upon the due date for redemption of any Materialised Bearer Note comprising a Floating Rate Notes, Index Linked Notes, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

- (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (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 Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (g) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day, nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “*Financial Centres*” in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro and Renminbi, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day, or (iii) in the case of a payment in Renminbi, on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.
- (h) **Payment of US Dollar Equivalent:** Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30 calendar day irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in US dollars on the due date at the US Dollar Equivalent of any such Renminbi denominated amount.

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

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

For the purposes of this Condition 7(h):

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

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

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

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

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

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

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

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

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

**“RMB Spot Rate”** for a RMB Rate Calculation Date means the spot RMB/US dollar exchange rate for the purchase of US dollars with RMB in the over-the-counter RMB exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3 or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither such rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available RMB/US 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.

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

## 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, Receipts or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional amounts:** If French law should require that payments of principal, interest and other revenues in respect of any Note, Receipt 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 Receiptholders and 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, Receipt or Coupon, as the case may be:
  - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with France other than the mere holding of the Note, Receipt or Coupon; or
  - (ii) **Presentation more than 30 calendar days after the Relevant Date:** in the case of Materialised Notes, more than 30 calendar days after the Relevant Date except to the extent that the Noteholder or, if applicable, the Receiptholder or

Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

- (iii) **Non-cooperative State or territory:** if the Notes do not benefit from any exception provided in the *Bulletins officiels des Finances Publiques-Impôts*, BOI-INT-DG-20-50-20140211, BOI-IR-DOMIC-10-20-20-60-20150320, and BOI-RPPM-RCM-30-10-20-40-20140211 of the French tax authorities and when such withholding or deduction is required to be made by reason of that interest, Receipt or Coupon being (x) paid to an account opened in a financial institution established in, or (y) paid or accrued to a person established or domiciled in, a non-cooperative State or territory (*Etat ou territoire non-coopératif*) as defined in Article 238-0 A of the French *Code général des impôts* pursuant to Articles 125 A III, 119 *bis* and 238 A of the same code.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or 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 calendar days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

- (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 in order to comply with the identification and reporting obligations imposed on it by Article 242 *ter* of the French *Code général des impôts* and Article 49 I *ter* to 49 I *sexies* of Annex III to the French *Code général des impôts*.

## 9 Events of Default

The Representative (as defined under Condition 11(b)), upon request of any Noteholder, shall, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all the Notes (but not some only), held by all Noteholders to become immediately due and payable at their principal amount, together with accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an “**Event of Default**”) occurs:

- (i) the Issuer defaults in any payment when due of principal or interest on any Note (including the payment of any additional amounts pursuant to the provisions set forth under “*Taxation*” above) if such default shall not have been cured within 15 calendar days; or
- (ii) there is a default by the Issuer in the due performance or compliance with of any other material provision of the Notes and such default shall not have been cured within

30 calendar days after receipt by the Fiscal Agent of written notice of default given by the Representative upon request of the Noteholder; or

- (iii) any other present or future financial indebtedness of the Issuer or any Principal Subsidiary for or in respect of monies borrowed equal or in excess of €350,000,000 (or its equivalent in any other currency), whether individually or in aggregate, becomes due and payable prior to its stated maturity, or any such financial indebtedness shall not be paid when due and payable or, as the case may be, within any applicable grace period under the relevant contract in force prior to the date on which that financial indebtedness fell due or any guarantee or indemnity in excess of such aforesaid amount given by the Issuer or any Principal Subsidiary for, or in respect of, any such financial indebtedness of others shall not be honoured when due and called upon, or, as the case may be, within any applicable grace period unless the Issuer or such Principal Subsidiary, as the case may be, has disputed in good faith that such borrowed money is due or such guarantee is callable, and such dispute has been submitted to a competent court in which case such event shall not constitute, an Event of Default hereunder so long as the dispute shall not have been finally adjudicated; this Condition 9(iii) shall not apply (a) when it relates to any financial indebtedness owed by a Principal Subsidiary to a member of the Group and (b) if the failure to pay is caused by an error or omission or impediment of an administrative, operational, legal or regulatory nature, and the funds were otherwise available to such Principal Subsidiary to enable it to make the relevant payment when due; or
- (iv) 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 any of its Principal Subsidiaries (or any equivalent proceedings under any applicable law, as the case may be) or the Issuer or any of its Principal Subsidiaries makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, its respective creditors due to financial difficulties; or
- (v) the Issuer sells or otherwise disposes of all or substantially all of its assets or ceases or threatens to cease to carry on the whole or substantially all of its business or an order is made or an effective resolution passed for its winding up, dissolution or liquidation, unless such winding up, dissolution, liquidation or disposal is made in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination (a "**Restructuring**") with or to, any other corporation which is a Subsidiary (a) on terms approved by the General Meeting to the extent that French law requires such Restructuring to be approved by the General Meeting and (b) the liabilities under the Notes are transferred to and assumed by such other Subsidiary.

"**General Meeting**" shall have the meaning given to in Condition 11.

"**Principal Subsidiary**" shall have the meaning given to it in Condition 4.

## 10 Prescription

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

## 11 Representation of Noteholders

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

### (a) **Masse:**

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “**Masse**”) which will be subject to the below provisions of this Condition 11.

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 I, 1° (only in respect of the modification of the Issuer’s corporate purposes), L.228-72 (only in respect of the modification of the Issuer’s corporate purposes) and the second sentence of Article L.228-65 II, subject to the following provisions:

### (i) **Legal Personality:**

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

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

### (ii) **Representative:**

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

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- the Issuer and the members of its board of directors (*conseil d’administration*), its general managers (*directeurs généraux*), its statutory auditors and its employees as well as their ascendants, descendants and spouses;
- 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*), of their management board (*directoire*) and of their supervisory board (*conseil de surveillance*), their statutory auditors and their employees as well as their ascendants, descendants and spouses;
- companies holding 10 per cent. or more of the share capital of the Issuer and companies having 10 per cent. or more of their share capital held by the Issuer; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

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

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



event of the death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate will be elected by Collective Decision.

All interested parties will at all times have the right to obtain the names and addresses of the initial 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 the Representative:**

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

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

The Representative may not interfere in the management of the affairs of the Issuer.

(iv) **General Meeting:**

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

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

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

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

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

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

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

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

Decisions of General Meetings and Consultations in Writing once approved must be published in accordance with the provisions set forth in Condition 15.

(vi) **Consultation in Writing:**

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

Notice seeking the approval of a Consultation in Writing (including by way of Electronic Consent) will be published as provided under Condition 15 not less than 15 days prior to the date fixed for the passing of such Consultation in Writing (the “**Consultation Date**”) on first notice and 10 days prior to the Consultation Date on second notice. Notices seeking the approval of a Consultation in Writing will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Consultation in Writing. Noteholders expressing their approval or rejection before the Consultation in Writing Date will undertake not to dispose of their Notes until after the Consultation Date.

A Consultation in Writing will be deemed to have been approved if, on first notice, (i) Noteholders expressing their approval or rejection of such proposed Consultation in Writing hold at least one fifth of the principal amount of the Notes then outstanding and (ii) Noteholders expressing their approval hold at least 66.6 per cent. of such quorum.

If such quorum is not met, a Consultation in Writing will be deemed to have been approved if, on second notice, Noteholders expressing their approval represent at least 66.6 per cent. of principal amount of the Notes held by Noteholders expressing their approval or rejection of such proposed Consultation in Writing.

(b) **Information to Noteholders:**

Each Noteholder or Representative thereof will have the right, during the 15-calendar day period preceding the holding of each General Meeting on first convocation and Consultation Date on first notice, and during the 10-calendar day period preceding the holding of each General Meeting on second convocation and Consultation in Writing on second notice, to consult or make a copy of the text of the resolutions which will be

proposed and of the reports prepared in connection with such resolutions, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours or at any other place specified in the notice of the General Meeting or Consultation in Writing.

(c) **Expenses:**

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

(d) **Single Masse:**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

(e) **One Noteholder:**

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

(f) **Benchmark Discontinuation:**

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

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

## **12 Final Terms**

These Conditions may 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 Notes, Receipts, Coupons and Talons**

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange 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 the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to

evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### 14 Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may, without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilables*) and form a single series with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest specified in the relevant Final Terms) 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 Consolidation Agent, may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 calendar days’ prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

#### 15 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any stock exchange and the rules of such stock exchange(s) so require, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located, and on the website of any other competent authority or Regulated Market where the Notes are listed and admitted to trading.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if (a) published so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are listed and

admitted to trading on any stock exchange and the rules of such stock exchange(s) require, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located or on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading.

- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 15(a) and (b) above; except that so long as such Notes are listed and admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market(s) or other stock exchange so require, notices shall also be published in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s) or other stock exchange on which such Notes are listed and admitted to trading is located.
- (e) Notices relating to the convocation, decision(s) of the General Meetings and Consultations in Writing pursuant to Condition 11 or to any decision taken by the Issuer following a General Meeting or a Consultation in Writing or pursuant to Article R.236-11 of the French *Code de commerce* shall be given by publication of such notices on the website of the Issuer and, (i) in respect of Dematerialised Notes in bearer form (*au porteur*), by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared, (ii) in respect of Dematerialised Notes in registered form (*au nominatif*), by mail to the Noteholders at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing and (iii) in respect of Materialised Bearer Notes, in accordance with Condition 15(b) above. Condition 15(c) is also applicable to such notices, if any such publication under Condition 15(b) is not practicable.

## 16 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes (and, where applicable, the Receipts, the Coupons and the 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, Receipts, Coupons or Talons may be brought before any competent court within the jurisdiction of the registered office of the Issuer.

## TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

### Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream (the “**Common Depository**”), Euroclear or Clearstream 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 Depository may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream may similarly be credited to the accounts of subscribers with Euroclear or Clearstream.

### Exchange

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

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for Definitive Materialised Bearer Notes; and
- (ii) otherwise, in whole but not in part, for Definitive Materialised Bearer Notes upon certification in the form set out in the Amended and Restated Agency Agreement (and which shall be available at the specified offices of the Paying Agents) as to non-US beneficial ownership.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Bearer Notes before interest or any amount payable in respect of the Notes will be paid.

### Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Base Prospectus, “**Definitive Materialised Bearer Notes**” means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal requirements of the Regulated Market in, or substantially in, the form set out in Schedule 2 Part A to the Amended and Restated Agency Agreement (and which shall be available at the specified offices of the Paying Agents).

### Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the next day succeeding the day that is 40 calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14, the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 calendar days after the issue of such further Materialised Notes.

## USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer either:

- for the Issuer's general corporate purposes; or
- as stated in the relevant Final Terms, in the case of issue of green, social or sustainability Notes, to finance or re-finance, in part or in full, new and/or existing (i) eligible green projects, (ii) eligible social projects or (iii) sustainability projects (being a combination of both green and social projects); or
- as stated in the relevant Final Terms, in respect of any particular issue of Notes for which there is a particular identified use of proceeds.

In respect of green, social or sustainability Notes, the Issuer will make available the relevant framework on its website on or before the issue of such Notes. Such framework will further describe the above-mentioned projects. The Issuer will apply processes for project evaluation and selection, management of proceeds and reporting consistent with guidelines set out in the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines published by the International Capital Markets Association (as they may be further updated).

In that context and in relation to green Notes, and as further described in the relevant Final Terms, the Issuer will allocate the proceeds of the issuance of the Notes, directly or indirectly, to finance or refinance, in whole or in part, eligible green projects as defined in the relevant Final Terms with reference to the relevant framework or sections thereof published on the Issuer's website.

The framework will describe, in addition to the eligibility criteria, the management of proceeds, the reporting and the external reviews (second party opinion and verification) applicable for the relevant Notes.

In relation to social Notes, and as further described in the relevant Final Terms, the Issuer will allocate the proceeds of the issuance of the Notes, directly or indirectly, to finance or refinance, in whole or in part, eligible social projects as defined in the relevant Final Terms with reference to the relevant framework or sections thereof published on the Issuer's website.

The framework will describe, in addition to the eligibility criteria, the management of proceeds, the reporting and the external reviews (second party opinion and verification) applicable for the relevant Notes.

In relation to sustainable Notes, and as further described in the relevant Final Terms, the Issuer will allocate the proceeds of the issuance of the Notes, directly or indirectly, to finance or refinance, in whole or in part, eligible sustainable projects as defined in the relevant Final Terms with reference to the relevant framework or sections thereof published on the Issuer's website.

The framework will describe, in addition to the eligibility criteria, the management of proceeds, the reporting and the external reviews (second party opinion and verification) applicable for the relevant Notes.

For the avoidance of doubt, the relevant Final Terms of green, social or sustainable Notes will provide the relevant details such as references to the applicable framework and methodology note (defining inter alia the selection criteria for eligible assets or loans) under which such Notes are issued. The Final Terms may direct at a relevant section of the website of the Issuer to provide such information.

## DESCRIPTION OF ESSILORLUXOTTICA

For a general description of EssilorLuxottica, its activities and its financial condition, please refer to the sections of the 2018 Reference Document, the Update to the 2017 Reference Document and the 2017 Reference Document identified in the cross-reference table of the “***Documents Incorporated by Reference***” section of this Base Prospectus.



## RECENT DEVELOPMENTS

On 8 March 2019, EssilorLuxottica has published the following press release:

**“2018 pro forma<sup>1</sup> results  
Solid growth, sound profitability and cash flow  
A robust foundation for EssilorLuxottica**

- Pro forma<sup>1</sup> revenue: +3.2% at constant exchange rates<sup>3</sup>
- Pro forma<sup>1</sup> adjusted<sup>2</sup> operating profit: 15.9% of revenue
- Pro forma<sup>1</sup> adjusted<sup>2</sup> net profit: 11.6% of revenue
- Combined free cash flow<sup>8</sup>: Euro 1.8 billion
- Dividend recommendation: Euro 2.04 per share
- Confirmation of Euro 420 to Euro 600 million net synergy target at operating profit level within five years

**Charenton-le-Pont, France (March 8, 2019)** - The Board of Directors of EssilorLuxottica met on March 7, 2019 to approve the financial statements for 2018. The 2018 IFRS consolidated financial statements were audited by the Statutory Auditors whose certification report is in the process of being issued. The Board of Directors has also approved the unaudited pro forma<sup>1</sup> consolidated financial information, which has been prepared for illustrative purposes only.

*“We are proud to present strong Luxottica and Essilor combined results. The contribution of Luxottica is significant: net sales, profitability and free cash flow all show positive growth, excluding the exchange rate effect. From a qualitative standpoint, its simplicity, entrepreneurial spirit and speed of execution continued to pay off. Today, Luxottica is well organized and energized for its future as part of EssilorLuxottica. We come to the integration process in the best possible way, bringing with us the most beloved brands, excellent operations capabilities and a digitized business inside and out. Our legacy will continue to grow in this way for years to come. Once we are fully integrated with Essilor and our synergies have taken effect, together we will redefine a revolutionary service model for the benefit of wholesale partners and consumers everywhere,”* commented Leonardo Del Vecchio, Executive Chairman of EssilorLuxottica.

*“Since EssilorLuxottica was formed on October 1, 2018, it has fully embraced its mission to help people see more, be more and live life to its fullest. To reach this powerful goal, the Group can rely on an outstanding performance from Essilor, which delivered strong business growth at all its divisions in 2018 and surpassed its growth targets for the year while continuing to work on numerous innovations that will benefit the entire ophthalmic optics and eyewear industries. These achievements reflect the vibrant culture of entrepreneurship within Essilor and the creativity of its employees, whose interests are fully aligned with those of shareholders thanks to employee share ownership at every level of the company. This powerful value creation model will facilitate the generation of synergies going forward and will be rolled out across the entire EssilorLuxottica Group,”* said Hubert Sagnières, Executive Vice Chairman of EssilorLuxottica.

## 2018 pro forma<sup>1</sup> adjusted<sup>2</sup> operating and net income

In million of Euros	2018	2017	Change %
Revenue	16,160	16,349	-1.2%
<b>Adjusted<sup>2</sup> gross profit</b>	<b>10,172</b>	<b>10,314</b>	<b>-1.4%</b>
% of revenue	62.9%	63.1%	
<b>Adjusted<sup>2</sup> operating profit</b>	<b>2,572</b>	<b>2,703</b>	<b>-4.8%</b>
% of revenue	15.9%	16.5%	
<b>Adjusted<sup>2</sup> net profit</b>	<b>1,871</b>	<b>1,904</b>	<b>-1.7%</b>
% of revenue	11.6%	11.6%	

EssilorLuxottica reported pro forma<sup>1</sup> revenues of Euro 16,160 million, up 3.2% at constant exchange rates<sup>3</sup>. Essilor and Luxottica both contributed to the positive performance. Business improved across all regions, proof that the strategic initiatives and growth projects are paying off. The pro forma<sup>1</sup> gross margin on an adjusted<sup>2</sup> basis was slightly down to 62.9%. The pro forma<sup>1</sup> operating profit on an adjusted<sup>2</sup> basis reached Euro 2,572 million in 2018, an increase of 1.2% at constant exchange rates<sup>3</sup>. Pro forma<sup>1</sup> adjusted<sup>2</sup> operating margin ended the year at 15.9% almost flat at constant exchange rates<sup>3</sup>. The pro forma<sup>1</sup> net profit on an adjusted<sup>2</sup> basis was down by 1.7% to Euro 1,871 million. Adjusted<sup>2</sup> net margin held at 11.6%.

Net debt as of December 31, 2018 was Euro 1.9 billion, a testament to the Group's ability to generate significant cash flow.

## 2018 pro forma<sup>1</sup> revenue by operating segment

In millions of Euros	2018	2017	Change at constant rates <sup>3</sup>	Currency effect	Change (reported)
Lenses & Optical Instr. (Essilor)	6,283	6,257	+4.8%	-4.4%	+0.4%
Sunglasses & Readers (Essilor)	787	765	+7.6%	-4.7%	+2.9%
Equipments (Essilor)	210	199	+9.1%	-3.8%	+5.3%
Wholesale (Luxottica)	3,145	3,315	-1.0%	-4.1%	-5.1%
Retail (Luxottica)	5,735	5,813	+3.0%	-4.4%	-1.4%
<b>Total</b>	<b>16,160</b>	<b>16,349</b>	<b>+3.2%</b>	<b>-4.4%</b>	<b>-1.2%</b>

## 2018 pro forma<sup>1</sup> revenue by geographical area

In millions of Euros	2018	2017	Change at constant rates <sup>3</sup>	Currency effect	Change (reported)
North America	8,400	8,556	+2.6%	-4.4%	-1.8%
Europe	4,040	4,063	+1.3%	-1.9%	-0.6%
Asia, Oceania and Africa	2,691	2,638	+6.6%	-4.6%	+2.0%
Latin America	1,028	1,092	+6.5%	-12.4%	-5.9%
<b>Total</b>	<b>16,160</b>	<b>16,349</b>	<b>+3.2%</b>	<b>-4.4%</b>	<b>-1.2%</b>

## **Essilor: 2018 results and highlights**

Essilor forged ahead with its mission to “improve lives by improving sight” in 2018 while pursuing a growth strategy focused on three key drivers: product and service innovation across all ranges; geographic expansion and multi-channel distribution through eyecare professionals, directly operated stores and online sales; and a targeted acquisitions and partnerships policy.

Thanks to this strategy, sales growth accelerated with each quarter in 2018. Revenue ended the year at Euro 7,459 million, up 4.6% from the previous year on a like-for-like<sup>4</sup> basis, including 5.7% in the fourth quarter. This was well above the initial target of delivering like-for-like<sup>4</sup> growth of around 4%. The additional growth allowed the company to continue to invest for the future, for instance in very promising projects in the areas of myopia and digitalization, and to bolster initiatives relating to Essilor’s mission and its “2.5 New Vision Generation™” activities.

Other highlights of the year included:

- Dynamic growth at the Lenses & Optical Instruments division, where revenue rose 4.2% like-for-like<sup>4</sup>, notably thanks to the momentum of new products in the Transitions®, Varilux® and Eyezen™ ranges
- A sharp acceleration in sales growth for Sunglasses & Readers, where revenue surged 8.1% like-for-like<sup>4</sup>. This good result notably reflected strong growth in China, fueled by Xiamen Yarui Optical (Bolon™) and the MJS stores, and in the United States, where the Costa® brand powered ahead
- Double-digit growth in online sales with particularly good performances in India as well as in corrective lenses and mid-tier products, illustrating Essilor’s ability to identify the most promising segments year after year
- Revenue growth at constant exchange rates<sup>3</sup> of more than 10% in fast-growing countries<sup>5</sup>, which now account for a quarter of Essilor’s total revenue
- A gradual resumption of the acquisitions and partnerships policy with the completion of eight transactions representing full-year revenue of close to Euro 68 million
- A healthy financial position that allowed the company to substantially reduce its net debt

Gross margin expanded from 58.2% to 58.6%, as gross profit reached Euro 4,372 million. It was boosted by efficiency gains, by a favorable trend in the product mix, particularly thanks to solid growth in sales of Transitions®, Varilux®, Crizal® and Eyezen™ lenses, and by new products, including the launch of the Crizal® Sapphire 360°™ antireflective lens and the completion of the Varilux® X Series™ progressive lens rollout.

Adjusted<sup>2</sup> contribution from operations<sup>6</sup>, the company’s previous key performance indicator of profitability, reached 18.1% of revenue even as investments in new and buoyant segments were stepped up.

On a pro forma<sup>1</sup> basis, the adjusted<sup>2</sup> operating profit reached 16.5% of revenue.

The effective tax rate on an adjusted basis<sup>2</sup> decreased by 90 basis points, to 21.6%, thanks to the elimination of the tax on dividends and to a favorable geographic mix.

Adjusted<sup>2</sup> net profit came to Euro 923 million compared with Euro 942 million in 2017.

## **Luxottica: 2018 results and highlights**

2018 was another year of growth for Luxottica with consolidated sales over Euro 8,929 million, up 1.5% at constant exchange rates<sup>3</sup> (-2.8% at current exchange rates, due to currency headwinds driven by the devaluation of the US and Australian dollars and the Brazilian Real). The second half of the year showed an acceleration in sales growth compared to the first six months of the year, helped by a progressive improvement in wholesale’s performance in Europe.

Both Luxottica’s divisions contributed to the positive sales performance of the year, with the Wholesale segment showing a strong acceleration in the second part of the year and Retail confirming solid growth.

In 2018, Luxottica revenues were driven by North America, Asia-Pacific and Latin America. Europe reported sales down by 0.8% at constant exchange rates<sup>3</sup> due to a tough comparison with 2017 where sales were up 13.4% at constant exchange rates<sup>3</sup>, and with the cumulative growth of the last three years which was 27% at constant exchange rates<sup>3</sup>.

Once again, Ray-Ban led the performance in every segment and region thanks to a strong global communication strategy and integrated omnichannel brand management.

While Wholesale sales were Euro 3,194 million, down 1.1% at constant exchange rates<sup>3</sup> (-5.2% at current exchange rates), they showed a sequential improvement throughout the year, driven by solid growth in North America, Japan and Korea. The Wholesale results in the first part of the year were negatively impacted by the implementation of the new commercial policies for European online operators and wholesale customers, as well as the restructuring of the distribution network in China. Wholesale sales, including sales in Europe, returned to growth in the third quarter and accelerated to +3.4% at constant exchange rates<sup>3</sup> (+2% at current exchange rates) in the last three months of the year, confirming the value of the initiatives undertaken. Luxottica continued its expansion of direct distribution with the opening of new wholesale subsidiaries in the Middle East in 2018 and in Taiwan in early 2019.

In 2018, the Retail division grew by 3% at constant exchange rates<sup>3</sup> (-1.4% at current exchange rates), primarily fueled by Sunglass Hut, the optical retail business in Australia, Target Optical and the e-commerce platforms. The solid sales performance confirmed the effectiveness of strategic initiatives aimed at improving the operating model and the ability of the group's retail brands to execute them, while offering an improved consumer experience. Comparable store sales<sup>7</sup> (which do not include e-commerce sales) were up 0.5%, growing in all regions excluding North America, where they were flat.

Sunglass Hut's strong offering worldwide drove global sales up by 5.7% at constant exchange rates<sup>3</sup> with a positive contribution from all geographies. LensCrafters sales in North America were in line with last year.

In 2018, sales from Luxottica's e-commerce platforms, representing approximately 5% of total sales, were up 14% at constant exchange rates<sup>3</sup>. Ray-Ban.com confirmed it is the main driver of the group's online business.

Net profit for the fiscal year 2018 on an adjusted basis<sup>2</sup> was down by 2.0% to Euro 951 million (+6.7% to over Euro one billion at constant exchange rates<sup>3</sup>) due in part to the tough comparison over last year's record level. In 2017, net profit results benefited from non-recurring income related to Luxottica's Italian Patent Box agreement covering 2015 and 2016 and from the impact of US tax reform. Excluding the Euro 159 million impact of these non-recurring items on 2017 results, 2018 net profit<sup>3</sup> would have been 90 bps accretive, benefiting from effective business and financial management. For the second consecutive year, net margin was over the 10% threshold in 2018.

Free cash flow<sup>8</sup> was Euro 923 million and, net of exchange rate headwinds, would have been around Euro 1.1 billion<sup>3</sup>, while net debt decreased by 42%, driving further improvement of the group's net debt/adjusted EBITDA<sup>2</sup> ratio to 0.2x.

For further details on Luxottica's strategic initiatives and disclosure of its standalone FY2018 results as well as fourth quarter sales, please refer to the appendix.

### **Synergies, integration and governance**

EssilorLuxottica has the opportunity for significant value creation through revenue and cost synergies which, with the current set up, are expected to range from Euro 420 to Euro 600 million as a net impact on operating profit per annum within the next five years. Revenue synergies are expected in the Euro 200-300 million range, as a result of the capability of EssilorLuxottica to develop innovative and high-quality products optimizing the interaction between frames and lenses, serve the industry better through a broader distribution and a more efficient logistics platform. Cost synergies are expected to come in the range of Euro 220-300 million from the combined supply chain optimization, G&A rationalization and sourcing savings. EssilorLuxottica expects synergies to further accelerate once the Group is operating as a fully integrated structure.

Strategic and business integration matters, along with governance topics, are being considered and worked upon by the management teams of Essilor International and Luxottica, in order to ensure a seamless execution of the synergy plan and the growth strategy of EssilorLuxottica.

### **Mandatory exchange offer for Luxottica shares**

On October 11, 2018, EssilorLuxottica launched a mandatory exchange offer pursuant to the Italian law, for all remaining outstanding Luxottica shares. As a result of the acquisition of Luxottica shares tendered in the offer, on December 5, 2018, EssilorLuxottica reached a stake of more than 90% but less than 95% of Luxottica's share capital. As a result, EssilorLuxottica initiated a sell-out procedure for the remaining outstanding Luxottica shares. Having crossed the 95% threshold in the share capital of Luxottica at the settlement of the "sell-out" procedure on January 18, 2019, EssilorLuxottica then initiated a "squeeze-out" procedure that was completed on March 5, 2019. In accordance with the rules of the Italian stock exchange, Borsa Italiana ordered the delisting of Luxottica shares from the MTA on that settlement date.

### **Dividend recommendation**

The Board of Directors will recommend that shareholders at the Annual Meeting to be held on May 16, 2019 approve the payment of a dividend of Euro 2.04 per share.

### **Outlook for 2019**

In 2019, the Group is projecting the following, including synergies and at constant exchange rates<sup>3</sup>:

- Sales growth: +3.5-5%
- Adjusted<sup>2</sup> operating profit growth: 0.8-1.2x sales
- Adjusted<sup>2</sup> net profit growth: 1-1.5x sales

### **Conference call**

A conference call in English will be held today at 10:30 am CET.

The meeting will be available live and may also be heard later at:

<https://hosting.3sens.com/EssilorLuxottica/20190308-2690365F/en/webcast/startup.php>

### **Forthcoming investor events**

- May 7, 2019: Q1 2019 sales
- May 16, 2019: Shareholders' General Meeting in Paris
- July 31, 2019: H1 2019 results
- September 18, 2019: Capital Market Day
- October 30, 2019: Q3 2019 sales

### **Notes to the press release**

**1 Pro forma:** The unaudited pro forma consolidated financial information has been prepared for illustrative purposes only and does not take into account the results of operations and financial condition that EssilorLuxottica would have achieved if the contribution of Luxottica shares by its majority shareholder had actually been realized on January 1, 2018 or January 1, 2017. There can be no assurance that the assumptions used to prepare the unaudited pro forma consolidated financial information are accurate in all respects or that the trends disclosed in the unaudited pro forma consolidated financial information are indicative of the future performance of EssilorLuxottica. As a result, EssilorLuxottica's performance in the future may differ materially from that presented in the unaudited pro forma consolidated financial information.

**2 Adjusted measures:** Adjusted from the expenses related to the EssilorLuxottica Combination and other transactions that are unusual, infrequent or unrelated to the normal course of business as the impact of these events might affect the understanding of the Group's performance. See detailed amounts in the appendix.

**3 Figures at constant exchange rates** have been calculated using the average exchange rates in effect for the corresponding period in the previous year.

**4 Like-for-like growth:** Growth at constant scope and exchange rates. See definition provided in Note 2.4 to the consolidated financial statements in the Essilor 2017 Registration Document.

**5 Fast-growing countries** include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America.

**6 Contribution from operations:** Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).

**7 Comparable store sales** reflect the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area.

**8 Free cash flow** is defined in the appendix.”

On 17 April 2019, EssilorLuxottica has published the following press release:

**“EssilorLuxottica Nomination and Compensation Committee initiates the search of a future Chief Executive Officer with the support of two international executive search firms**

**Charenton-le-Pont, France (April 17, 2019)** - In line with the agreement reached between Delfin and Essilor prior to the closing of the business combination between Essilor and Luxottica, the EssilorLuxottica Nomination and Compensation Committee has retained – after consultation with the Executive Chairman and the Executive Vice-Chairman – two recruitment agencies to assist in finding candidates – according to the “best fit for the job” principle – to serve as Chief Executive Officer and to be appointed by the end of 2020.

Pursuant to the existing agreements, the future CEO will be agreed and proposed to the Board of Directors for joint appointment by both the Executive Chairman and the Executive Vice-Chairman and recommended by the Nomination and Compensation Committee.

The selected candidate shall initially be appointed as “Directeur Général Délégué” and shall be in charge of coordinating the activities of EssilorLuxottica as a pure holding and assisting the Executive Chairman and the Executive Vice-Chairman in their efforts to facilitate the integration of Essilor and Luxottica. Its powers shall be defined by the Board based on the joint recommendation of the Executive Chairman and the Executive Vice-Chairman. In the meantime, both the operating companies, Luxottica and Essilor, shall remain separate legal entities fully empowered to run their own business autonomously and under their own leaderships and CEOs with certain exceptions.

The mandate was given to Russell Reynolds Associates and Eric Salmon & Partners and includes evaluations of both internal and external candidates. Russell Reynolds Associates will coordinate the process.”

On 7 May 2019, EssilorLuxottica has published the following press release:

**“Solid revenue growth in the first quarter  
Full-year objectives confirmed**

- **Revenue growth of 7.5% (+3.7% at constant exchange rates<sup>3</sup>)**
- **Sustained momentum in Essilor’s Lenses & Optical Instruments and in Luxottica’s Retail**
- **Successful launches of new collections and strong innovation pipeline**
- **Activation of synergies**

**Charenton-le-Pont, France (May 7, 2019 – 7:00am)** – EssilorLuxottica today announced that consolidated revenue for the first quarter of 2019 totalled Euro 4,210 million, representing a year-on-year increase of 7.5% compared to Q1 2018 pro forma<sup>1</sup> revenue (+3.7% at constant exchange rates<sup>3</sup>).

*“I am very satisfied with the results of the first quarter of EssilorLuxottica, with all its business areas growing. Luxottica contributed with an excellent performance that recorded accelerating sales, confirming the power of the strategic choices and the commercial policies undertaken. In the near future, we will continue to build our success on the strength of our brands, operational excellence and ever-increasing digitalization of the Group,”* commented Leonardo Del Vecchio, Executive Chairman of EssilorLuxottica.

*“2019 is off to a good start and Essilor’s contribution has been robust in terms of business, new product developments and acquisitions as well as in the ramp up of the first synergy work streams with Luxottica. Joint integration work is now solidly underway in many key areas such as the complete pair, leveraging the Company’s own retail, cross-selling in wholesale, optimizing the supply chain, enhancing efficiency and growing the market. Together, this should help us to improve the Company’s performance further in the next few quarters and to fulfill our common mission: ‘Helping people to see more, be more and live life to its fullest”,* said Hubert Sagnières, Executive Vice Chairman of EssilorLuxottica.



Every division of the Company contributed to growth, headed by Essilor's Lenses & Optical Instruments (+7.8%) and Luxottica's Retail (+10.7%), as well as every region, with the largest gains in North America (+9.1%), Asia-Oceania-Africa (+8.0%) and Latin America (+8.1%).

Essilor's robust sales growth of 7.6% (+4.3% at constant exchange rates<sup>3</sup>) was driven by 3.3% like-for-like<sup>4</sup> growth. The scope effect of 1.0% improved compared to 2018 as the acquisition strategy is gathering steam across the regions.

Luxottica delivered solid growth of 7.5% (+3.2% at constant exchange rates<sup>3</sup>), showing an acceleration versus last year and recent quarters. Sales results were led by the Retail division, which confirmed a winning omnichannel model coupled with strong retail brands and a positive consumer environment in the key regions. Europe and emerging markets led the growth at constant exchange rates<sup>3</sup>.

#### First-quarter 2019 revenue by operating segment

In millions of Euros	1Q 2019	1Q 2018 pro forma <sup>1</sup>	Change at constant rates <sup>3</sup>	Currency effect	Change (reported)
Lenses & Optical Instruments	1,674	1,554	+4.6%	+3.2%	+7.8%
Sunglasses & Readers	200	189	+1.7%	+3.7%	+5.4%
Equipment	44	40	+4.9%	+5.3%	+10.2%
<b>Essilor revenue</b>	<b>1,918</b>	<b>1,783</b>	<b>+4.3%</b>	<b>+3.3%</b>	<b>+7.6%</b>
Wholesale	838	819	+0.9%	+1.4%	+2.3%
Retail	1,454	1,314	+4.7%	+6.0%	+10.7%
<b>Luxottica revenue</b>	<b>2,292</b>	<b>2,133</b>	<b>+3.2%</b>	<b>+4.3%</b>	<b>+7.5%</b>
<b>Total revenue</b>	<b>4,210</b>	<b>3,916</b>	<b>+3.7%</b>	<b>+3.8%</b>	<b>+7.5%</b>

**Lenses & Optical Instruments** sales were up 7.8% to Euro 1,674 million (+4.6% at constant exchange rates<sup>3</sup>), 3.6% of which in like-for-like<sup>4</sup> terms. Efforts to develop key lens categories bore fruit, with solid gains for Varilux®, Crizal®, Transitions® and Eyezen™ lenses. Online sales growth remained at double-digit levels. Fast-growing countries<sup>5</sup> delivered close to 10% growth in like-for-like<sup>4</sup> terms, buoyed by China and Latin America, where the division's retail networks performed especially well. Developed markets showed strong momentum in Europe and a steadier performance in North America ahead of major product launches in the next few quarters, especially for the Transitions® brand.

The **Sunglasses & Readers** division posted revenue of Euro 200 million, up by 1.7% at constant exchange rates<sup>3</sup>. Strong gains at Xiamen Yarui Optical (Bolon™) in China and in the European businesses offset a lacklustre performance in the United States, marked by a slower start to the sunwear season for Costa and the impact of a demanding comparison basis on FGX International.

**Equipment** sales rose by 10.2% to Euro 44 million (+4.9% at constant exchange rates<sup>3</sup>), of which 5.0% in like-for-like<sup>4</sup> terms, as surfacing solutions saw more robust sales growth than coating machines. Demand was notably strong for the VFT-Orbit 2™ digital generator, the Multi-FLEX™ polisher and Alloy Replacement Technology (ART) blocking machines. The order book is at a good level.

**Wholesale** sales were up by 2.3% to Euro 838 million (+0.9% at constant exchange rates<sup>3</sup>) in the first quarter. The success of the strategic initiatives undertaken over the last few years in North America, China and Europe countered the unseasonal weather in some regions of the United States. The latest eyewear collections launched for the upcoming sun season, along with the ongoing implementation of new digital tools in stores, showrooms and online, are also proving to be drivers for consumer engagement. In fact, the digital initiatives unveiled by Luxottica in the first quarter are expected to accelerate the digital transformation not only for

consumers, but for the entire eyewear industry. Another wholesale innovation introduced in the first quarter is an evolution of the STARS program. It is a new modular assortment project that offers a higher level of product customization for customers. During the quarter, STARS recorded double digit growth thanks to its geographical expansion and the addition of over 1,000 doors in the last 12 months, mostly in Europe and Brazil. As Luxottica continued to enforce its policies to protect brand equity, its distribution network grew even stronger. Sales to third-party e-commerce platforms declined, mainly for timing reasons between quarters.

**Retail** sales accelerated in the first quarter and grew 10.7% to Euro 1,454 million (+4.7% at constant exchange rates<sup>3</sup>). This was driven by the optical retail business in North America where a strong performance by LensCrafters and Target Optical largely offset a decline in Sears Optical, the adverse weather conditions and the calendar shift of the Easter holidays. In addition, both the optical and sun retail businesses in Australia continued to post comparable store sales<sup>6</sup> close to mid-single digits and the Retail division in Europe posted 17.8% sales growth at constant exchange rates<sup>3</sup> thanks to Sunglass Hut and Salmoiraghi & Viganò in Italy. Sunglass Hut, with global sales up by 4.1% at constant exchange rates<sup>3</sup>, continued to excel in Europe, Brazil and Southeast Asia. Overall, comparable store sales<sup>6</sup> (which do not include e-commerce) were up 1.7%, an acceleration versus the fourth quarter of 2018.

E-commerce was up mid-single digit, driven by Ray-Ban.com and SunglassHut.com.

As of March 31, 2019 Luxottica's retail network consisted of 9,052 stores, of which 7,066 directly operated (the store count by region is available on EssilorLuxottica's website under the Investors tab)

#### First-quarter 2019 revenue by geographical area

In millions of Euros	1Q 2019	1Q 2018 pro forma <sup>1</sup>	Change at constant rates <sup>3</sup>	Currency effect	Change (reported)
North America	2,189	2,007	+1.2%	+7.9%	+9.1%
Europe	1,054	1,014	+5.3%	-1.3%	+3.9%
Asia, Oceania and Africa	707	655	+5.9%	+2.1%	+8.0%
Latin America	259	240	+11.7%	-3.6%	+8.1%
<b>Total</b>	<b>4,210</b>	<b>3,916</b>	<b>+3.7%</b>	<b>+3.8%</b>	<b>+7.5%</b>

In **North America** revenue grew by 9.1% (+1.2% at constant exchange rates<sup>3</sup>) in the first quarter.

The relative strength of Essilor's US lens and e-commerce businesses was temporarily offset by mixed factors elsewhere. US lens revenue showed modest improvement as the company continued to execute on its key strategic priorities: key brands and innovation, partnerships with Independent Eyecare Professionals (ECP) and key accounts. Notably, engagement alongside Luxottica has supported efforts with select key accounts, already resulting in some business expansion. E-commerce sales again showed robust overall growth as the company executed a rebalancing between online platforms. Transitions<sup>®</sup> sales to other lens casters declined in advance of upcoming product launches slated for later in the year. Sunglasses & Readers sales in the US were down mainly due to attrition in certain key accounts of FGX International against an elevated comparison base in the prior year. Lens sales in Canada also declined during the quarter.

The solid performance of Luxottica's Retail division in the region largely offset the deceleration of its wholesale business mainly driven by the price mix, while eyewear volumes were substantially flat compared to the first quarter of 2018.

In Retail, LensCrafters overall sales results and comparable store sales<sup>6</sup> growth confirmed the effectiveness of its transformation journey. Together with the strong performance of Target Optical and EyeMed in the Managed Vision Care business, this counterbalanced a decline at Oakley and Sunglass Hut, which were both impacted by unseasonal wet and cold weather in January and February as well as the Easter shift. In addition, Sunglass Hut

had an exceptionally challenging comparison base with the first quarter of 2018, where it achieved its best ever comparable store sales<sup>6</sup>. On a two-year basis comparable store sales<sup>6</sup> were positive for Sunglass Hut in North America.

E-commerce continued to climb in the first quarter, with Ray-Ban.com and SunglassHut.com delivering another quarter of double-digit growth.

In **Europe** revenue increased by 3.9% (+5.3% at constant exchange rates<sup>3</sup>).

All Essilor businesses contributed to this strong performance. In Lenses & Optical Instruments, Russia, Eastern Europe and Turkey (now reported in the region) achieved double-digit growth. The main driver was a sharp rise in sales of value-added lenses (progressive, antireflective and photochromic lenses among others), fuelled in turn by consumer marketing campaigns and point-of-sale commercial events. Business in the United Kingdom was boosted by stronger trends with key accounts and a surge in online sales. In France, the company continued to roll out its multi-network and multi-brand strategy in a supportive market environment, and sales of Nikon® lenses continued to rise quickly. Growth at the Instruments business was powered by the first deliveries to opticians of the company's new phoropter, the Vision-RTM 800. Its popularity with users resulted in a significant expansion of the backlog. The Sunglasses & Readers and Equipment divisions also delivered healthy gains.

In the first quarter of the year, Europe continued to be a bright spot for Luxottica, with positive contributions from both the Retail and Wholesale divisions. Company sales were driven by the double-digit growth of the Retail division thanks to strong execution and favourable weather. Retail sales were strong in every market in the region, with Sunglass Hut up double-digits in comparable store sales<sup>6</sup> across the continent and Salmoiraghi & Viganò in Italy and David Clulow in the United Kingdom up double-digits as well.

The Wholesale division showed solid growth compared to the prior year, reaping the first benefits of the recent commercial policy realignment and the sound contribution of STARS. The annualization of the realignment with the key accounts and the roll-out of the RFID to the vast majority of Ray-Ban collections delivered the expected benefits.

In **Asia, Oceania and Africa** the Company achieved solid growth, with revenue up 8.0% (+5.9% at constant exchange rates<sup>3</sup>) in the first quarter.

Essilor contributed strongly to this increase. In the Lenses & Optical Instruments division, domestic sales growth in Mainland China was well above 10%, marking an acceleration from the previous quarter. Transitions®, Crizal® and Eyezen™ lenses, myopia management solutions and blue-light-filtering lenses turned in particularly good performances. Southeast Asia and Korea delivered solid gains, thanks notably to plans to boost sales of progressive lenses. In India, a rise in sales over the Internet and through inclusive distribution channels for base-of-pyramid consumers more than offset mixed results in conventional distribution channels. Transitions® photochromic lenses were popular with consumers across the region. This success, combined with effective key account development efforts, helped sustain business levels in the region's developed countries. The Sunglasses & Readers division contributed strongly to the regional performance, thanks mainly to a robust performance of Xiamen Yarui Optical (Bolon™), which has seen its expansion into optical frames prove extremely successful.

Both the Wholesale and Retail businesses supported Luxottica's regional growth during the first quarter of the year. In the Retail division, performance in Australia and New Zealand once again confirmed the strength of OPSM and Sunglass Hut, and a solid execution of a successful new refurbishment program. The sun specialty chain also achieved sustained growth in Southeast Asia, where it has expanded its footprint in recent years. The acquisition of the Spectacle Hut retail brand in Singapore also contributed to the overall performance.

In Greater China, wholesale sales were back to growth, proving the effectiveness of the distribution restructuring in Mainland China, with the business benefitting from a stronger foundation. After the transition phase, which led to the opening of the local subsidiary in Dubai, wholesale sales were back to positive in the Middle East as well.

Performance in Japan was strong (+8.4% at constant exchange rates<sup>3</sup>), driven by Ray-Ban all across wholesale channels and the incorporation of Fukui Megane. Korea grew double-digit (+16.1% at constant exchange rates<sup>3</sup>), mostly fuelled by travel retail (Chinese tourists) and luxury brands.

In **Latin America** EssilorLuxottica reported revenue up by 8.1% (+11.7% at constant exchange rates<sup>3</sup>) in the first quarter.

Essilor's businesses saw very robust like-for-like<sup>4</sup> revenue growth of 12.4% in the region, with Brazil and Spanish-speaking countries making similar contributions. A consolidation scope effect resulting from new local partnerships lifted growth at constant exchange rates<sup>3</sup> to +17.9%. Revenue growth in Brazil was driven by all prescription laboratory networks (Essilor labs plus those of partners and independent ones), strengthening the company's positions. The core businesses continued to be buoyed by the "Varilux® em Dobro" promotion, which is backed by outstanding service quality. The gradual rollout of new technological advances (digital surfacing and Crizal® coatings) and product ranges (Kodak brand lenses) to independent laboratories also helped Essilor build closer ties to certain regional chains. Solid growth in Mexico was fueled by good performances at the different ophthalmic lens sales networks and strong momentum at the Sunglasses & Readers division. Trends were also positive for distribution, especially in Costa Rica, where new client marketing programs helped boost sales growth at the Grupo Vision optical chain.

In the first quarter of the year, Latin America continued to be a growing region for Luxottica. Luxottica's businesses posted a sound performance in Brazil, where the Wholesale division gained strong momentum with double-digit growth, benefiting from last year's reorganization of the commercial organization, the material contribution of Óticas Carol and the growth of STARS, which almost doubled sales versus last year. In Retail, Sunglass Hut Brazil and GMO posted sound growth in sales and comparable stores sales<sup>6</sup>.

### **Eradicating poor vision around the world**

EssilorLuxottica forged ahead with its initiatives to eradicate poor vision from the world in one generation. These initiatives prepare future consumers by increasing their awareness of, and their access to, eye care and eyewear. During the first quarter, Essilor helped deliver vision solutions to 2 million new wearers. In China, it joined forces with Alibaba Rural Taobao to allow those in rural communities without access to conventional distribution channels to purchase eyeglasses over the Internet after obtaining a prescription from an optometrist visiting by van. In India, the Essilor Vision Foundation helped offer eye exams to 300,000 participants in the Kumbh Mela pilgrimage. It is also working with the government of Maharashtra and a non-governmental organization to screen 2.5 million children by 2022. The Foundation provided eyeglasses to the athletes taking part in the Special Olympics World Games held in Abu Dhabi, as it has done every year for more than two decades.

Luxottica continued to deliver on its promise to provide quality vision care to those in underserved regions of the world. Through its support to OneSight, an independent non-profit organization of which Luxottica is the founding sponsor, the company has provided eye exams and glasses to over 10 million people through 1,420 clinics and 131 Sustainable Vision Centers. In the first quarter alone, OneSight served over 9,000 patients across five charitable clinics located in Jordan, Puerto Rico, Australia and the United States and opened brand new Sustainable Vision Centers in Rwanda, China and the United States. Each clinic is staffed with Luxottica employees and doctors – and over 200 Luxottica employees had an opportunity to volunteer in the first quarter of 2019. In recent months, Essilor employees have also participated in programs organized by OneSight, further strengthening the cultural ties between the two organizations.

### **Synergies and integration**

The Integration Committee, led by the Chairman and the Vice Chairman and supported by two integration leaders with deep knowledge of the Essilor and Luxottica organizations, has started the integration to deliver the revenue and cost synergies identified by the Company. These synergies are expected to range from Euro 420 to Euro 600 million as an impact on adjusted<sup>2</sup> operating profit per annum within the next three to five years.

Over the last few months, the Integration Committee has met every two weeks and has identified a first wave of 20 priority work streams. To date, the vast majority of them have already been effectively launched under the leadership of key executives and with the full commitment from dedicated teams.

These work streams have various time horizons and cover the following areas:

- Supporting the “complete pair” model with new prescription offers for sunglasses and flagship brands of optical frames, as well as joint innovation through common R&D projects
- Leveraging the Company's extensive retail networks to increase the penetration of all its products (major lens categories, optical instruments, equipment, sunglass frames and optical frames)
- Cross-selling in wholesale to achieve better product assortments, service levels and logistics at key accounts and independent eye care professionals
- Optimizing the supply chain by leveraging all the cutting-edge technologies of Essilor and Luxottica
- Enhancing efficiencies in terms of sourcing and procurement
- Growing the market through better awareness and access to vision solutions in targeted geographies

## Outlook

Over the next few quarters, the Company should benefit from its robust innovation pipeline, sound organic growth, the initial benefits of synergy work streams and the progressive ramp up of bolt-on acquisitions.

EssilorLuxottica confirms its financial objectives for 2019. Including synergies and at constant exchange rates<sup>3</sup>, it is projecting the following:

- Sales growth: +3.5-5%
- Adjusted<sup>2</sup> operating profit growth: 0.8-1.2x sales
- Adjusted<sup>2</sup> net profit growth: 1-1.5x sales

## Conference call

A conference call in English will be held today at 10:30 am CET.

The meeting will be available live and may also be heard later at: <http://view-w.tv/985-1396-21597/en>

## Forthcoming investor events

- May 16, 2019: Shareholders' General Meeting in Paris
- July 31, 2019: H1 2019 results
- September 18, 2019: Capital Market Day
- October 30, 2019: Q3 2019 sales

## Notes to the press release

**1 Pro forma:** The unaudited pro forma consolidated revenue for the first quarter 2018 was prepared for illustrative purposes only and with the aim to provide comparative information as if the combination between Essilor and Luxottica had occurred on January 1st, 2018. It reflects consolidated revenue of both groups after elimination of intercompany transactions between Essilor and Luxottica.

**2 Adjusted measures:** Adjusted from the expenses related to the combination between Essilor and Luxottica and other transactions that are unusual, infrequent or unrelated to the normal course of business as the impact of these events might affect the understanding of the Company's performance.

**3 Figures at constant exchange rates** have been calculated using the average exchange rates in effect for the corresponding period in the previous year.

**4 Like-for-like growth:** Growth at constant scope and exchange rates.

**5 Fast-growing countries** include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America.

**6 Comparable store sales or comps** reflect, for comparison purposes, the change in sales from one period to another by taking into account in the more recent period only those stores already open during the comparable prior period. For each geographic area, the calculation applies the average exchange rate of the prior period to both periods.

## APPENDICES

### 1Q 2018: Reconciliation of pro forma Revenue

In millions of euros	1Q 2018 restated <sup>(1)</sup>	Intercompany elimination <sup>(2)</sup>	1Q 2018 pro forma
Lenses & Optical Instruments	1,592	-38	1,554
Sunglasses & Readers	190	0	189
Equipment	44	-4	40
<b>Essilor Net Sales</b>	<b>1,825</b>	<b>-42</b>	<b>1,783</b>
Wholesale	830	-11	819
Retail	1,314	0	1,314
<b>Luxottica Net Sales</b>	<b>2,144</b>	<b>-11</b>	<b>2,133</b>
<b>Total EssilorLuxottica</b>	<b>3,970</b>	<b>-54</b>	<b>3,916</b>

(1) 1Q 2018 Essilor group's revenues as published and 1Q 2018 Luxottica group's revenues restated to reflect IFRS 16 application

(2) Elimination of intercompany transactions between Essilor group and Luxottica group"

On 13 May 2019, EssilorLuxottica has published the following press release:

**“EssilorLuxottica and Delfin sign settlement agreement to solve EssilorLuxottica’s governance issues and unlock the Group’s potential to accelerate the integration process**

- **Leonardo Del Vecchio and Hubert Sagnières empowered Francesco Milleri and Laurent Vacherot to immediately focus on integration process, accelerating the simplification of the new Group**
- **All current disputes to be waived and terminated, including Delfin’s arbitration**
- **Key executives jointly appointed to staff in order to lead the Group’s central functions**
- **Confirmation of the search for CEO**
- **Valoptec will withdraw its proposed additional resolution and will vote against the remaining additional proposals to appoint new Board members**

**Charenton-le-Pont, France (May 13, 2019 – 8.40 am)** – EssilorLuxottica announced today that EssilorLuxottica and Delfin S.à.r.l. agreed upon a settlement agreement to overcome the governance issues and set the basis for a renewed start of profound collaboration between Essilor and Luxottica. The agreement settles any existing dispute among the parties.

The Board of Directors of EssilorLuxottica unanimously supported and approved this agreement aimed at immediately making the Group’s structure more efficient and effective from an operational standpoint.

The equal-powers governance, set forth in the Combination Agreement and the Board Rules, is remaining in place until the date of the shareholders’ general meeting to be called in 2021 to approve the financial statements for the year ended December 31, 2020.

According to the agreement:

- Leonardo Del Vecchio and Hubert Sagnières empowered Francesco Milleri (Deputy Chairman - CEO of Luxottica Group) and Laurent Vacherot (CEO of Essilor International) with the responsibility to develop and implement the EssilorLuxottica strategy and integration process, accelerating the simplification of the new Group by integrating the two operating companies within the next 12 to 24 months
- Mr Milleri and Mr Vacherot approved the appointment of key executives for the Group’s central functions
- Mr Vacherot has been appointed as a Director of EssilorLuxottica, replacing Bernard Hours, who has asked to be relieved of his office. He will also become a member of the Board’s Strategy Committee
- The Board confirmed the search for a new CEO. Francesco Milleri and Laurent Vacherot have informed the Board that they are not candidates for this position.

As a result of this agreement, all existing claims will be waived and legal proceedings will be terminated, including the request for arbitration filed by Delfin before the International Court of Arbitration of the International Chamber of Commerce on March 27, 2019.

In light of this agreement, Valoptec decided that it will withdraw the proposal submitted on April 18, 2019 for the appointment, at the Shareholders’ Meeting convened for May 16, 2019, of one additional Director of EssilorLuxottica and will vote against the proposals submitted by certain institutional investors for the appointment of two additional Directors. The representative of Valoptec at the Board of EssilorLuxottica will integrate the Strategic and the Integration Committees of the Company.

As previously stated, the Board recommends that the shareholders vote against all the remaining proposed additional resolutions which, if approved, would result in a clear breach of the Combination Agreement and in a potential disruption for the activities of the Board.



*"I'm very pleased of this outcome. The industrial rationale of the combination is even stronger when looking at all the opportunities raised during the meetings of the Integration Committee. Today, respecting the equal power and the Combination Agreement, we have found a solution to better execute such strategic combination,"* commented Leonardo Del Vecchio, Executive Chairman of EssilorLuxottica.

*"With these decisions driving to a more unified company, EssilorLuxottica is well positioned to accelerate its growth in order to achieve its mission: to help people around the world to see more, be more and live life to its fullest by addressing their evolving vision needs and personal style aspirations,"* added Hubert Sagnières, Executive Vice-Chairman of EssilorLuxottica."

On 16 May 2019, EssilorLuxottica has published the following press release:

**“EssilorLuxottica 2019 Annual General Meeting**

- **Adoption of all Board's resolutions at ordinary and extraordinary General Meeting**
- **Rejection of the two additional resolutions proposed by certain shareholders**
- **Dividend payment of Euro 2.04 per share**

**Charenton-le-Pont, France (May 16, 2019 – 8:00 pm)** – EssilorLuxottica's Annual General Meeting was held today at the Maison de la Mutualité in Paris, chaired by Leonardo Del Vecchio, Executive Chairman, and Hubert Sagnières, Executive Vice-Chairman, of EssilorLuxottica.

EssilorLuxottica shareholders approved all 18 resolutions, at the ordinary and extraordinary General Meeting, which had been submitted by the Board of Directors (and published in compliance with the provisions of the law).

This especially includes the approval of the payment of a dividend of Euro 2.04 per ordinary share for the 2018 fiscal year. Ex-date: May 21, 2019. Date of payment: May 23, 2019.

Furthermore, EssilorLuxottica shareholders rejected two additional resolutions, which had been added on the agenda of the Annual General Meeting following requests from some of the Company's shareholders received on April 18, 2019.

EssilorLuxottica shareholders have been informed of the appointment of Laurent Vacherot, CEO of Essilor International, as a Director of EssilorLuxottica, replacing Bernard Hours, who has asked to be relieved of his office. The Group would like to extend its thanks to Bernard Hours for his contribution to the work of EssilorLuxottica's Board of Directors. Laurent Vacherot's appointment will be submitted for ratification by the shareholders at the next Annual General Meeting.

Additionally, the Board of Directors held yesterday made the following decisions regarding the composition of the Board's Committees. Cristina Scocchia, Juliette Favre and Laurent Vacherot enter the Strategic Committee, the latter replacing Bernard Hours. Finally, Annette Messemer replaces Bernard Hours in the Nominations Committee.

*“We want to thank all shareholders who are supporting our project, including the funds that brought to the attention of the General Meeting additional resolutions and issues that will serve as a stimulus to improve and to act in the best interests of EssilorLuxottica. The agreement we have signed goes in this direction. From today's General Meeting, we move forward strengthened with the belief that this combination is destined to redefine the entire industry for the benefit of all its stakeholders.”* commented Leonardo Del Vecchio, Executive Chairman of EssilorLuxottica.

*“With the second shareholders' meeting held today, we are further consolidating the basis of EssilorLuxottica's integration, and we are moving forward with the simplification of the combined Group. Together with the recently announced agreement, we are now in a better position to ramp up our growth, take advantage of emerging opportunities and deliver on our mission,”* stated Hubert Sagnières, Executive Vice-Chairman of EssilorLuxottica.”

## TAXATION

### LUXEMBOURG

*The following is a general description of certain withholding tax considerations relating to the Notes as in effect and as applied by the relevant tax authorities as at the date hereof and does not purport to be a comprehensive discussion of the tax treatment of the Notes.*

*Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Notes and the receipt of interest with respect to such Notes under the laws of the countries in which they may be liable to taxation.*

#### Withholding tax

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

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

### FRANCE

*The description below is intended as a basic summary of certain withholding tax consequences in France that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer. It is based on the laws in force in France and/or any interpretation thereof as of the date of this Base Prospectus and is subject to any changes in law and/or any interpretation thereof (potentially with a retroactive effect). 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.*

Payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non-coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order, which is updated at any time and at least once a year. The law n°2018-898 dated 23 October 2018 to strengthen the fight against tax, social and customs fraud expands (i) the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include States and jurisdictions on the blacklist published by the Council of the European Union, and (ii) the scope of the 75 per cent. withholding tax provided by Article 125 A III of the French *Code général des impôts* only to payments made in certain States and jurisdictions included in such blacklist on the ground that they facilitate offshore structures and arrangements aimed at attracting profits without real economic substance.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues paid on such Notes may not be deductible from the taxable income of this Issuer if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to an account opened in a financial institution established in such a Non-Cooperative State (the “**Deductibility Exclusion**”). The abovementioned

law n°2018-898 dated 23 October 2018 to strengthen the fight against tax, social and customs fraud expands this regime to all the States and jurisdictions included in the blacklist published by the Council of the European Union. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents, or (ii) 12.8 per cent. for payments benefiting individuals who are not French tax residents, or (iii) at a rate of 75 per cent. for payments made outside France in certain Non-Cooperative States, subject to certain exceptions and the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion set out under Article 238 A of the French *Code général des impôts*, will apply in respect of a particular issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the French tax administrative guidelines (BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80, and BOI-IR-DOMIC-10-20-20-60-20150320 n°10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411.1 of the French Monetary and Financial Code 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 French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

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

See “**Terms and Conditions of the Notes – Taxation**”.

## SUBSCRIPTION AND SALE

### Summary of Amended and Restated Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 23 May 2019 (as amended or supplemented from time to time, the “**Amended and Restated Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it unless otherwise agreed. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### Prohibition of sales to EEA retail investors

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

For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or
- (b) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

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

### France

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

for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

Materialised Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a 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.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, 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 40 days after completion of the distribution of such Tranche as determined, and certified to the Fiscal Agent by the relevant Dealer, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

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

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

## United Kingdom

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

- (a) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose 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, as amended (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.

## Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, 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 offered, sold or delivered, and will not offer, sell or deliver any Notes in the Republic of Italy (“**Italy**”) and that copies of this Base Prospectus or any other document relating to the offering of the Notes have not and will not be distributed in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Consolidated Financial Services Act**”) and Article 34-*ter*, paragraph 1, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Issuers Regulation**”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Consolidated Financial Services Act and its implementing regulations, including Article 34-*ter* of the Issuers Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the offering of the Notes in Italy under (a) or (b) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the “**Banking Act**”), the Issuers Regulation and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time;
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (c) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Notes in this offering is exclusively responsible for ensuring that any offer or resale of the Notes it purchased in this offering occurs in compliance with applicable laws and regulations.

Article 100-*bis* of the Consolidated Financial Services Act affects the transferability of the Notes in Italy to the extent that any placement of the Notes is made solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placement. Should this occur without the publication of a prospectus and outside of the scope of one of the exemptions referred to above, retail purchasers of Notes may have such purchase declared void and claim damages from any intermediary which sold them the Notes.

This Base Prospectus, any other document relating to the Notes, and the information contained herein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Consolidated Financial Services Act and Article 34-*ter* of the Issuers Regulation, are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

## Japan

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

## Hong Kong

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

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

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

## People’s Republic of China (PRC)

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

## Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for



subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore ( "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- (c) securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
  - (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
  - (ii) where no consideration is or will be given for the transfer;
  - (iii) where the transfer is by operation of law;
  - (iv) as specified in Section 276(7) of the SFA; or
  - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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

## General

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

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

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

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

**FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A  
DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON A REGULATED  
MARKET**

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES**

**ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]<sup>1</sup>

**[SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]<sup>2</sup>

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<sup>1</sup> Delete legend if the Notes do not constitute "packaged" products or if a KID will be prepared, in which case, insert "Not Applicable" in paragraph 9(v) of Part B below. Include legend if the Notes may constitute "packaged" products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert "Applicable" in paragraph 9(v) of Part B below.

<sup>2</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Final Terms dated [ ]

[LOGO, if document is printed]

**ESSILORLUXOTTICA**

Euro 5,000,000,000  
Euro Medium Term Note Programme  
for the issue of Notes

**SERIES NO:** [ ]

**TRANCHE NO:** [ ]

**[Brief description and Amount of Notes]**

**issued by EssilorLuxottica (“EssilorLuxottica” or the “Issuer”)**

**[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 set forth in the Base Prospectus dated 23 May 2019 which has received visa no. 19-222 from the *Autorité des marchés financiers* (the “**AMF**”) on 23 May 2019 [and the supplement(s) to it dated [ ] which has received visa no. [ ] from the AMF on [ ]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”) (the “**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 must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of EssilorLuxottica (<https://www.essilorluxottica.com/fr/information-reglementee>) and printed copies may be obtained from EssilorLuxottica at 147, rue de Paris, 94220 Charenton-le-Pont, France.

*[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 (the “**Conditions**”) which are the [2013] [2017] EMTN Conditions which are incorporated by reference in the Base Prospectus 23 May 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 23 May 2019 which has received visa no. 19-222 from the *Autorité des marchés financiers* (the “**AMF**”) on 23 May 2019 [and the supplement(s) to it dated [ ] which has received visa no. [ ] from the AMF on [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “**Base Prospectus**”), save in respect of the Conditions which are the [2013] [2017] EMTN Conditions extracted from the Base Prospectus dated [12 December 2013] [9 May 2017]. Full information on the Issuer, the Notes and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2013] [2017] EMTN Conditions and the Base Prospectus [and the Supplement[s]]. The Base Prospectus [and the Supplement[s]] [is] [are] available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of EssilorLuxottica (<https://www.essilorluxottica.com/fr/information-reglementee>) and printed copies may be obtained from EssilorLuxottica at 147, rue de Paris, 94220 Charenton-le-Pont, France.

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

- |    |                                                   |                                                                                                                                                                                                                                                                                                                                                                                        |
|----|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Issuer:                                           | EssilorLuxottica                                                                                                                                                                                                                                                                                                                                                                       |
| 2  | (i) Series Number:                                | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
|    | (ii) Tranche Number:                              | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
|    | [(iii)] [Date on which the Notes become fungible: | [Not Applicable/ The Notes will be assimilated ( <i>assimilées</i> ) and form a single series with the existing <i>[insert description of the Series]</i> issued by the Issuer on <i>[insert date]</i> (the “ <b>Existing Notes</b> ”) as from the date of assimilation which is expected to be on or about 40 calendar days after the Issue Date (the “ <b>Assimilation Date</b> ”).] |
| 3  | Specified Currency:                               | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
| 4  | Aggregate Nominal Amount:                         | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
|    | [(i)] Series:                                     | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
|    | [(ii)] Tranche:                                   | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
| 5  | Issue Price:                                      | <input type="text"/> per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> ( <i>in the case of fungible issues only if applicable</i> )]                                                                                                                                                                                                          |
| 6  | Specified Denomination(s):                        | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
| 7  | (i) Issue Date:                                   | <input type="text"/>                                                                                                                                                                                                                                                                                                                                                                   |
|    | (ii) Interest Commencement Date:                  | [Specify/Issue Date/Not Applicable]                                                                                                                                                                                                                                                                                                                                                    |
| 8  | Maturity Date:                                    | <input type="text"/> [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] <sup>3</sup>                                                                                                                                                                                                                               |
| 9  | Interest Basis:                                   | <input type="text"/> per cent. Fixed Rate]<br>[specify particular reference rate] +/- [ <input type="text"/> ] per cent.<br>Floating Rate]<br>[Fixed/Floating Rate Notes]<br>[Zero Coupon]<br>[CPI Linked Interest]<br>[HICP Linked Interest]<br>(further particulars specified below)                                                                                                 |
| 10 | Redemption Basis:                                 | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ <input type="text"/> ] per cent. of their nominal amount.                                                                                                                                                                                                           |
| 11 | Change of Interest Basis:                         | [Applicable/Not Applicable]                                                                                                                                                                                                                                                                                                                                                            |

<sup>3</sup> Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

[Optional Change of Interest Date / Automatic Change of Interest Date: ☐]

[Specify the date when any fixed to floating rate or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there]

**12 Put/Call Options:**

[Investor Put]  
[Issuer Call]  
[Residual Call Option]  
[Make-Whole Redemption by the Issuer]  
[Clean-Up Call Option]  
[Change of Control Put Option]  
[(further particulars specified below)]

**13 (i) Status of the Notes:**

Senior

**(ii) [Date of [Board] approval for issuance of Notes obtained:**

[Decision of the *Conseil d'administration* of EssilorLuxottica dated ☐] [and ☐,  
]]

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

**14 Fixed Rate Note Provisions**

[In respect of Fixed/Floating Rate Notes: from (and including) ☐ to (but excluding) ☐:] [Applicable/Not Applicable]

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

**(i) Rate[(s)] of Interest:**

☐ per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]<sup>4</sup>

**(ii) Interest Payment Date(s):**

☐ in each year [adjusted in accordance with the Business Day Convention specified below <sup>5</sup> ] [commencing on ☐ and ending on ☐ / [the Maturity Date]] [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted.]

**(iii) Fixed Coupon Amount[(s)]<sup>6</sup>:**

☐ per Note of ☐ Specified Denomination<sup>7</sup>

**(iv) Broken Amount(s):**

☐ payable on the Interest Payment Date falling [in/on] ☐

**(v) Day Count Fraction:**

[Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA)/ Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed)<sup>8</sup> / Actual/360 /

<sup>4</sup> Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

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

<sup>6</sup> Not applicable for RMB Notes

<sup>7</sup> For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest [CNY0.01, with CNY0.005 or above rounded upwards / HK\$0.01, with HK\$0.005 or above rounded upwards]".

<sup>8</sup> Applicable to Renminbi and Hong Kong dollar denominated Fixed Rate Notes.

30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual  
30A/360 (American Bond Basis) / 30E/360 / Eurobond  
Basis / 30E/360-(ISDA) / 30E/360-FBF]

(vi) [Determination Dates: ☐ in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual-ICMA*)]

(vii) [Business Day Convention<sup>9</sup>:  
[Floating Rate Business Day Convention/Following  
Business Day Convention/Modified Following Business  
Day Convention/Preceding Business Day Convention]]

(viii) [Party responsible for calculating ☐/[Not Applicable]]  
Interest Amounts (if not the  
Calculation Agent)<sup>10</sup>:

## 15 Floating Rate Note Provisions

[In respect of Fixed/Floating Rate Notes: from (and including) ☐ to (but excluding) ☐:] [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.) (In the event where the benchmark used to calculate the interest payable is discontinued, Condition 5(c)(iii)(D) provides for a methodology to determine the successor or alternative rates)*

(i) Interest Period(s): ☐

(ii) Specified Interest Payment Dates: ☐ in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]

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

(iv) Business Centre(s): ☐

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

(vi) Interest Period Date(s): [Not Applicable / Specify dates]

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

(viii) Screen Rate Determination:

– Reference Rate: ☐

– Relevant Inter-Bank Market: ☐

<sup>9</sup> Needs to be specified for RMB Notes

<sup>10</sup> Needs to be specified for RMB Notes

- Relevant Screen Page Time: ☐
- Interest Determination Date(s): ☐
- Relevant Screen Page: ☐
- Reference Bank: ☐
- Relevant Financial Centre: ☐
- Specified Currency: ☐
- Designated Maturity: ☐
- Specified Time: ☐

(ix) FBF Determination

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

(x) ISDA Determination:

- Floating Rate Option: ☐
- Designated Maturity: ☐
- Reset Date: ☐

(xi) Linear Interpolation: [Not Applicable/The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

(xii) Margin(s): [ +/ - ] ☐ per cent. per annum

(xiii) Minimum Rate of Interest:<sup>11</sup> ☐ per cent. per annum

(xiv) Maximum Rate of Interest: ☐ per cent. per annum

(xv) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) / Actual/365-FBF / 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-(ISDA) / 30E/360-FBF]

**16 Zero Coupon Note Provisions**

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

(i) Amortisation Yield: ☐ per cent. per annum

(ii) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) / Actual/365-FBF / 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

<sup>11</sup> In no event shall the applicable rate of interest be less than zero.



- 17 Inflation Linked Notes - Provisions relating to CPI or HICP Linked Interest** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index: [CPI/HICP]
- (ii) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): ☐
- (iii) Interest Period(s): ☐
- (iv) Interest Payment Dates: ☐
- (v) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [specify date] (amounting to: ☐)
- (vi) Rate of Interest: ☐ per cent. per annum multiplied by the Inflation Index Ratio
- (vii) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) / Actual/365-FBF / 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-(ISDA) / 30E/360-FBF]

**PROVISIONS RELATING TO REDEMPTION**

- 18 Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): ☐
- (ii) Optional Redemption Amount(s) of each Note: ☐ per Note of ☐ Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: ☐
- (b) Maximum Redemption Amount: ☐
- (c) Notice period:<sup>12</sup> [[As per the Conditions]/☐

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<sup>12</sup> If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

<b>19</b>	<b>Make-Whole Redemption</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Notice period: <sup>13</sup>	[[As per the Conditions]/[ ]]
	(ii) Reference Security:	[ ]
	(iii) Reference Dealers:	[ ]
	(iv) Similar Security:	[ ]
	(v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent):	[ ]
	(vi) Redemption Margin:	[ ]
<b>20</b>	<b>Clean-Up Call Option</b>	[Applicable/Not Applicable] <i>If not applicable, delete the remaining sub-paragraph of this paragraph</i>
	(i) Clean-Up Redemption Amount	[ ] per Note of [ ] Specified Denomination
<b>21</b>	<b>Residual Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Call Option Date:	[ ]
	(ii) Notice period <sup>14</sup> :	[[As per the Conditions]/[ ]]
<b>22</b>	<b>Put Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s) of each Note:	[ ] per Note of [ ] Specified Denomination
	(iii) Notice period: <sup>15</sup>	[ ]
<b>23</b>	<b>Change of Control Put Option</b>	[Applicable/Not Applicable]
<b>24</b>	<b>Final Redemption Amount of each Note</b>	[ ] per Note of [ ] Specified Denomination
	Inflation Linked Notes – Provisions relating to the Final Redemption Amount:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

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<sup>13</sup> If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

<sup>14</sup> If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

<sup>15</sup> If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

- of this paragraph)*
- (i) Index: [CPI/HICP]
  - (ii) Final Redemption Amount in respect of Inflation Linked Notes: [Condition 6(h) applies]
  - (iii) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [specify date] (amounting to: [ ])
  - (iv) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [ ]

## 25 Early Redemption Amount

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(j)), for illegality (Condition 6(n)) or on event of default (Condition 9): [ ] per Note of [ ] Specified Denomination
- (ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates: [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only): [Yes/No/Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26** Form of Notes: [Dematerialised Notes/Materialised Notes] (*Materialised Notes are only in bearer form and may only be issued outside France.*)  
[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/specify whether Bearer dematerialised form (*au porteur*)/Administered Registered Dematerialised form (*au nominatif administré*)/Fully Registered dematerialised form (*au nominatif pur*)]
  - (ii) Registration Agent: [Not Applicable/Applicable] [*if applicable give name and address*] (*note that a registration agent must be appointed in relation to Fully Registered Dematerialised Notes only*)
  - (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [ ] (the “**Exchange Date**”), being 40 calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
  - (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] (*Only applicable to Materialised Notes*)
- 27** [Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a): [Not Applicable/Applicable]]
- 28** Financial Centre(s) (Condition 7(h)): [Not Applicable/give details. Note that this item relates to the date of payment, and not the dates of interest period]

*for the purposes of calculating the amount to which items 14(ii) and 15(iv) relates]*

- 29** Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 30** Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s): ☐
- (ii) Instalment Date(s): ☐
- (iii) Minimum Instalment Amount: ☐
- (iv) Maximum Instalment Amount: ☐
- 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** Purchase: [Not Applicable/Applicable]
- 34** *Masse* (Condition 11): Name and address of the Representative: ☐  
[Name and address of the alternate Representative: ☐  
[The Representative will receive no remuneration/The Representative will receive a remuneration of ☐

**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.]

Signed on behalf of EssilorLuxottica:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(i) Listing and 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/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/specify relevant regulated market]] with effect from [ ].] [Not Applicable]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)*

(ii) Estimate of total expenses related to admission to trading:

[ ]

### 2. RATINGS

Ratings: [Not Applicable]/[The Notes to be issued [have been/are expected to be] rated]:

[Moody's: [ ]]

[S&P: [ ]]

[Other]: [ ]]

*(The above disclosure should reflect the rating allocated to Notes where the issue has been specifically rated)*

*(Include appropriate Credit Rating Agency Regulation (Regulation (EC) No 1060/2009 as amended) disclosure)*

*[Insert one (or more) of the following options, as applicable:*

*[[Insert credit rating agency/ies] [is/are] established in the European Union and [has/have each] applied for registration under Regulation (EC) No 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority]*

*[[Insert credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation")]]As such, [Insert credit rating agency/ies] [is/are] included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk.)*

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

### 3. [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/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below):*

“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. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and their affiliates in the ordinary course of business.” *(Amend as appropriate if there are other interests)*

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

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

[(i) Reasons for the offer:

☐

[●]/[The net proceeds will be used for the Issuer's general corporate purposes.]/[The Notes constitute [green/social/sustainability] Notes and the net proceeds will be used to finance or re-finance [describe specific Eligible Projects and/or availability of any relevant framework, second party opinion and/or other relevant information where such information can be obtained, etc...]]

[(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]*

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

Indication of yield:

☐

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

### 6. [Floating Rate Notes only - INFORMATION ON FLOATING RATE NOTES]

- (i) Details of historic [LIBOR/EURIBOR/CMS Rate/replicate other as specified in the Conditions] rates can be obtained from [Reuters/other]
- (ii) [Benchmarks Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”). [As far as the

Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]]]"

## 7. **[Inflation Linked Notes only – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

- (i) Name of underlying index: [Consumer Price Index excluding tobacco for all households in metropolitan France (“CPI”) as calculated and published [monthly/[●]] by the *Institut National de la Statistique et des Etudes Economiques*.] / [Harmonised Index of Consumer Prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco (“HICP”) as calculated and published [monthly/[●]] by Eurostat.]
- (ii) Information about the index, its volatility and past and future performance can be obtained from: ☐

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information]]

## 8. **OPERATIONAL INFORMATION**

ISIN: ☐

Common Code: ☐

[CFI<sup>16</sup>: [Not Applicable/ Not Available/ ☐]]

*(If the CFI is not required, requested or available it/they should be specified to be “Not Available”)*

[FISN<sup>17</sup>: [Not Applicable/ Not Available/ ☐]]

*(If the FISN is not required, requested or available it/they should be specified to be “Not Available”)*

### Depositories

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

(ii) Common Depositary for Euroclear Bank SA/NV and Clearstream Banking, S.A.: [Yes/No]

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

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/☐]

<sup>16</sup> See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

<sup>17</sup> See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.



## 9. DISTRIBUTION

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

## GENERAL INFORMATION

### (1) Listing and admission to trading

This Base Prospectus has received visa n°19-222 from the AMF on 23 May 2019. Application has been made to list and admit the Notes to trading on Euronext Paris and/or on any other Regulated Market in a Member State of the EEA, as the case may be.

In compliance with Article 18 of the Prospectus Directive, application may also be made for the notification of certificate of approval to any competent authority of any Member State of the EEA.

### (2) 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 drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of (i) the *Conseil d'administration* of the Issuer or (ii) the Ordinary General Meeting of the Issuer's shareholders if (a) the *statuts* of the Issuer so require (at the date hereof the *statuts* of the Issuer do not require a resolution of the Ordinary General Meeting) or (b) the shareholders at an Ordinary General Meeting decide to authorise an issue of obligations, all pursuant to Article L.228-40 of the French *Code de commerce*. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, falls within the general powers of the *Président Directeur Général*.

On 15 May 2019, the *Conseil d'administration* of the Issuer:

- a. recalled the maximum utilisation limit of the Programme was set at €5,000,000,000 and specified that the aggregate amount of all issuances already made under the Programme by the Issuer, which is equal to €1,100,000,000, is applied against such limit;
- b. authorised the update of the Programme;
- c. authorised for a period up to and including 14 May 2020, the issue of notes (*obligations*) under the Programme or outside the Programme (x) up to a nominal amount of €1,000,000,000 (or its equivalent in foreign currencies) for general corporate purposes (including for the refinancing of some of maturing debts of the Issuer and Luxottica Group S.p.A.) and (y) up to a nominal amount of €641,211,693.37 (or its equivalent in foreign currencies) for the sole and only purpose of the potential financing of the purchase of some of the shares forming Luxottica Group S.p.A.'s share capital which would not be contributed as part of the mandatory exchange tender offer launched by the Issuer on Luxottica Group S.p.A.'s outstanding share capital; and
- d. delegated to its Chairman-Chief Executive Officer (*Président-Directeur Général*), Leonardo Del Vecchio, and its Vice-Chairman-Deputy Chief Executive Officer (*Vice-Président-Directeur Général Délégué*), Hubert Sagnières, acting jointly, all powers to issue Notes up to said aggregate amount and to determine their terms and conditions.

### (3) No significant change in the financial or trading position

There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2018.

### (4) No material adverse change

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

### (5) Legal and arbitration proceedings

Except as disclosed on page 30 of this Base Prospectus, the Issuer is not or has not 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 a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.

**(6) Conflict of interest**

To the best of the Issuer's knowledge, there are no potential conflicts of interest between the duties, with regard to the Issuer, of any of the members of the Issuer's management or board of directors and their private interests and/or other duties to third-parties.

**(7) Clearing**

Notes have been accepted for clearance through the Euroclear and Clearstream systems which are entities in charge of keeping the records. The Common Code, the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

**(8) Documents available**

For so long as Notes issued under the Programme are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer, or otherwise, using any kinds of communication means, permitted by law, at the choice of the Issuer and from the specified offices of the Paying Agents, free of charge:

- (i) the *statuts* of the Issuer;
- (ii) a copy of the documents incorporated by reference in this Base Prospectus, which comprise the 2018 Reference Document, the Update to the 2017 Reference Document and the 2017 Reference Document;
- (iii) each Final Terms for Notes that are listed and admitted to trading on Euronext Paris or any other regulated market in the EEA;
- (iv) all 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.

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, on the websites of the Issuer (<https://www.essilorluxottica.com/fr/information-reglementee>) and of the AMF ([www.amf-france.org](http://www.amf-france.org)):

- (i) the Final Terms for Notes that are listed and admitted to trading on Euronext Paris and/or in any Member State of the EEA; and
- (ii) this Base Prospectus together with any supplement to this Base Prospectus.

**(9) Statutory auditors**

Mazars and PricewaterhouseCoopers Audit have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2017 and 2018 prepared in accordance with IFRS as adopted by the European Union. Both entities are regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

The consolidated financial statements incorporated by reference in this Base Prospectus have been audited by the statutory auditors of the Issuer and the relevant reports are included at pages 187 to 190 of the 2017 Reference Document and at pages 247 to 251 of the 2018 Reference Document.

**(10) Stabilisation**

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

**(11) Benchmarks**

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

**(12) LEI**

The legal entity identifier of the Issuer is 549300M3VH1A3ER1TB49.

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

We declare, to the best of our knowledge (having taken all reasonable care to ensure that such is the case), that the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### ESSILORLUXOTTICA

147, rue de Paris,  
94220, Charenton-le-Pont,  
France

### Duly represented by:

Hilary Halper and Stefano Grassi  
*Co-Directeurs Financiers Groupe*  
authorised signatories  
pursuant to a power of attorney  
dated 15 May 2019



### *Autorité des marchés financiers*

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement Général*), in particular Articles 212-31 to 212-33, the *Autorité des marchés financiers* ("**AMF**") has granted the visa no. 19-222 on 23 May 2019 to this Base Prospectus. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply the approval on the opportunity of the transaction or any authentication by the AMF of the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, any issue or admission to trading of securities under this Base Prospectus will be subject to the publication of the Final Terms.

**Issuer**

**ESSILORLUXOTTICA**

147, rue de Paris,  
94220, Charenton-le-Pont,  
France

**Arranger**

**HSBC France**

103, avenue des Champs-Élysées  
75008 Paris  
France

**Dealers**

**Banca IMI S.p.A.**

Largo Mattioli 3  
20121 Milan  
Italy

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Citigroup Global Markets Europe AG**

Frankfurter Welle  
Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
London E14 5LB  
Canary Wharf  
United Kingdom

**Crédit Agricole Corporate and Investment Bank**

12, place des États-Unis, CS 70052  
92547 Montrouge Cedex  
France

**Crédit Industriel et Commercial S.A.**

6, avenue de Provence,  
75452 Paris Cedex 9  
France

**HSBC France**

103, avenue des Champs-Élysées  
75008 Paris  
France

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**MUFG Securities (Europe) N.V.**

World Trade Center, Tower H, 11th Floor  
Zuidplein 98  
1077 XV Amsterdam  
The Netherlands

**NATIXIS**

30, avenue Pierre Mendès France  
75013 Paris  
France

**RBC Europe Limited**

Riverbank House  
2 Swan Lane  
London EC4R 3BF  
United Kingdom

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**UniCredit Bank AG**

Arabellastrasse 12  
81925 Munich  
Germany

**Fiscal Agent, Paying Agent, Redenomination Agent,  
Consolidation Agent and Calculation Agent****BNP Paribas Securities Services**

(affiliated with Euroclear France under number 29106)

Les Grands Moulins de Pantin  
3,5,7 rue du General Compans  
93500 Pantin  
France

**Statutory Auditors****PricewaterhouseCoopers Audit**

63 rue de Villiers  
92200 Neuilly-sur-Seine  
France

**Mazars**

61 rue Henri Regnault  
92075 Paris-La Défense Cedex  
France

**Legal Advisers  
as to French law****To the Issuer****HERBERT SMITH FREEHILLS PARIS LLP**

66, avenue Marceau  
75008 Paris  
France

**To the Dealers****LINKLATERS LLP**

25, rue de Marignan  
75008 Paris  
France