



IMERYS

€1,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this base prospectus (the “**Base Prospectus**”), Imerys, a French *société anonyme* (the “**Issuer**” or “**Imerys**”), 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 €1,000,000,000 (or the equivalent in other currencies) subject to increase as described herein. Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue.

Application has been made to the *Commission de surveillance du secteur financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of the Directive 2003/71/EC of the Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EC) on the prospectus to be published when securities are offered to the public or admitted to trading (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg for approval of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and the *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectus for securities of 10 July 2005 as amended by the Luxembourg law of 3 July 2012) for the purpose of giving information with regard to the issue of the Notes under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. The CSSF gives no undertaking as to the economic or financial soundness of the transaction or the quality and solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Law on prospectuses for securities.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme during a period of 12 months from the date of this Base Prospectus to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. Application may also be made 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 in such Member State. The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2004/39/EC on markets in financial instruments of 21 April 2004 (a “**Regulated Market**”). However, Notes which are not listed and admitted to trading on a Regulated Market may be issued under the Programme and may also be listed on an alternative stock exchange or may not be listed at all. The relevant Final Terms (the “**Final Terms**”) (in substantially the form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed, admitted to trading and will be published, if relevant, on the website of the Regulated Market where the admission to trading is sought or on the website of the Issuer, as the case may be.

In the case of any Notes which are to be admitted to trading on a Regulated Market within the EEA and require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be no less than €100,000 or its equivalent in any other currency as at the date of issue of the Notes.

On 14 May 2014, Moody's Deutschland GmbH confirmed the Baa-2 (stable outlook) rating of the long-term debt of the Issuer. Notes issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Moody's Deutschland GmbH is established in the European Union and is registered under the CRA Regulation and it appears on the latest update of the list of registered credit rating agencies (as of 7 May 2014) on the ESMA website <http://www.esma.europa.eu>. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Potential purchasers of Notes should inform themselves of the rating(s), if any, applicable to a tranche of Notes before making any decision to purchase such Notes.

This Base Prospectus will be made available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

See “Risk Factors” for a discussion of certain factors which should be considered by prospective investors in connection with any investment in any of the Notes.

Arrangers

BNP PARIBAS

Natixis

Dealers

**BNP PARIBAS
Commerzbank
HSBC
Mitsubishi UFJ Securities
RBC Capital Markets**

**CM-CIC
Crédit Agricole CIB
ING
Natixis
Société Générale Corporate & Investment Banking**

The date of this Base Prospectus is 15 May 2014.

This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

This Base Prospectus is to be read and construed in conjunction with any supplement thereto and with any other documents incorporated by reference in accordance with Article 28 of Commission Regulation (EC) n° 809/2004 (the “**Prospectus Regulation**”) (see “Documents Incorporated by Reference”) and, in relation to any Series (as defined under “General Description of the Programme – Method of Issue”), with the relevant Final Terms.

SOME ISSUES OF NOTES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE A NOTE UNLESS SUCH INVESTOR UNDERSTANDS, AND IS ABLE TO BEAR THE YIELD, MARKET LIQUIDITY, STRUCTURE, REDEMPTION AND OTHER RISKS ASSOCIATED TO THE NOTES. FOR FURTHER DETAILS, SEE “RISKS FACTORS” HEREIN.

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

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-3 *et seq* and R.211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical documents of title will be issued in respect of the Dematerialised Notes.

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

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

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

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “General Description of the Programme – Method of Issue”) of Notes will be set forth in the relevant Final Terms (in substantially the form of which is contained herein) which will be delivered, at the latest on the date of issue of the Notes of such Tranche. The Final Terms will also specify whether or not such Notes will be listed and, if so, the relevant Stock Exchange.

No person is or 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 authorized by the Issuer or any of the Dealers or the Arrangers. 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 any change in the affairs of the Issuer and any company which is controlled by the Issuer within the meaning of article L.233-3 of the French *Code de commerce* (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 any adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently

amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND INCLUDE MATERIALISED NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS, BUT MAY BE OFFERED OUTSIDE THE UNITED STATES TO NON-US PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) AND OTHER APPLICABLE LAWS. THE TERMS “UNITED STATES” AND “NON-US PERSON” USED IN THIS PARAGRAPH HAVE THE MEANING SPECIFIED UNDER REGULATION S.

For a description of certain restrictions on offers and sales of the Notes and on distribution of this Base Prospectus, see section “Subscription and Sale” in this Base Prospectus.

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

The Arrangers and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arrangers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers 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 Arrangers.

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” or “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” or “U.S. Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” or “Yen” are to the lawful currency of Japan, references to “Swiss francs” or “CHF” are to the lawful currency of the Helvetic Confederation, and references to “Renminbi”, “RMB” or “CNY” mean Renminbi Yuan and are to the lawful currency of the People's Republic of China (the “PRC”), excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

In this Base Prospectus, any discrepancies in any table between totals and the sums of the amounts listed in such table are due to rounding.

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS 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 PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES.

ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

The Issuer accepts responsibility for the information contained in this Base Prospectus or incorporated by reference. The Issuer declares, having taken all reasonable care to ensure that such is the case, that to the best of the knowledge of the Issuer, the information contained in this Base Prospectus or incorporated by reference is in accordance with the facts and contains no omission likely to affect its import.

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France

Duly represented by:

Gilles Michel
Chief Executive Officer

RISK FACTORS

The following sets out certain aspects of the offering of the Notes of which prospective investors should be aware and which may affect the Issuer's ability to fulfil its obligations under the Notes. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Base Prospectus, including in particular the following risk factors detailed below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. Prospective investors should make their own independent evaluation of all risks and should also read the detailed information set out elsewhere in this Base Prospectus, including any Documents Incorporated by Reference herein (as further described in "Documents Incorporated by Reference" below), and reach their own views prior to making any investment decision. There may be other risks which are not known to the Issuer or which may not be material now but could turn out to be material.

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

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

Terms defined in the "Terms and Conditions of the Notes" shall have the same meanings where used below.

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

RISK FACTORS RELATING TO THE ISSUER

The risk factors relating to the Issuer are set out in particular in pages 110 to 115 of the 2013 Registration Document of the Issuer for the year ended 31 December 2013 incorporated by reference into this Base Prospectus, as set out in the section "Documents Incorporated by Reference" of this Base Prospectus.

RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe the risk factors that 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.

Independent review and advice

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

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

The Notes may not be a suitable investment for all investors

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

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

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its own financial situation, an investment in the Notes and the impact that any such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including any currency exchange risk due to the fact that the potential investor's currency is not Euro;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of the financial markets and any relevant indices;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the risks of such investment; and
- (vi) consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

The Terms and Conditions of the Notes permit modifications, waivers and substitutions binding on all Noteholders to be effected by defined majorities of Noteholders

The Terms and Conditions of the Notes contain provisions for calling General Meetings of holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority in accordance with Article L. 228-65 of the French *Code de Commerce*.

Risks related to the structure of a particular issue of Notes

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

The Notes may be redeemed prior to maturity.

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 or on behalf of France or any authority therein or thereof having power to tax, the Issuer may, and in certain circumstances must, redeem all outstanding Notes in accordance with the “Terms and Conditions of the Notes”.

Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by holders to be considerably less than anticipated.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of early redemption is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to holders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the holder. As a consequence, part of the capital invested by the holder may be lost, so that the holder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

The Notes are subject to early redemption by the Issuer in certain circumstances.

Any optional redemption feature where the Issuer is given the right to redeem the Notes early might negatively affect the market value of such Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Furthermore, since the Issuer may be expected to redeem the Notes when prevailing interest rates are relatively low, an investor might not be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Notes had they not been redeemed.

Interest rate risk on the Notes

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Notes issued on 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 to prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility is compared to conventional interest-bearing securities with comparable maturities.

Risks relating to Renminbi-denominated Notes

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

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

Renminbi is not freely convertible at present and despite a movement towards liberalisation of cross-border RMB remittances, notably in the current account activity, there is no assurance that the PRC government will continue such movement in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

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

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

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China (the “**PBoC**”) has established Renminbi clearing and settlement mechanisms for participating banks in Hong Kong, Singapore and Taiwan through settlement agreements on the clearing of Renminbi business (the “**Settlement Agreements**”) with Bank of China (Hong Kong) Limited in Hong Kong, Industrial and Commercial Bank of China, Singapore Branch in Singapore and Bank of China, Taipei Branch in Taiwan (each, a “**Renminbi Clearing Bank**”), the current size of Renminbi denominated financial assets outside the PRC is limited.

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

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. 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.

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

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

- (iv) Investment in RMB Notes is subject to exchange rate risks

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

- (v) Investment in RMB Notes is also subject to interest rate risks

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

- (vi) RMB currency risk

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

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

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

- (viii) The Issuer may make payments of interest and principal in U.S. dollars in certain circumstances

Although the primary obligation of the Issuer is to make all payments of interest and principal with respect to the RMB Notes in Renminbi, if the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each as defined the Terms and Conditions of the Notes), the terms of such RMB Notes allow the Issuer to make such payment in U.S. dollars at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes. As a result, the value of such payments in Renminbi may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar the value of a Noteholder's investment will decline.

Risks related to the market generally

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

An active trading market for the Notes may not develop

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the liquidity and the market or trading price of the Notes may be adversely affected. The Issuer is entitled to buy the Notes, as described in Condition 6(h), and the Issuer may issue further notes, as described in Condition 14(a). Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of Notes.

The trading market for the Notes may be volatile and may be adversely impacted by many events

The market for debt securities is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in “Terms and Conditions of the Notes – Interest and other Calculations”). This presents certain risk relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Specified Currency. These include the risk that exchange rate may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

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

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a 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.

Zero Coupon Notes are subject to higher price fluctuations than non-discounted 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 issues prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher prices 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.

Holders of Subordinated Notes face a significantly increased risk that the Notes will not perform as anticipated

In the event of any insolvency or liquidation of the Issuer, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior holders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, holders of Subordinated Notes generally face a higher performance risk than holders of senior Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings made by credit rating agencies may not reflect the potential impact of all risks related to structure, market, 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.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions, insurance companies and other regulated entities should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Conflicts may arise between the interests of the Issuer, the Dealer(s) or the Calculation Agent and the interests of the holders

All or some of the Dealers and their affiliates have and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group 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.

The Issuer 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 holders.

Potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche of Notes and the holders, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

A holder's effective yield on the Notes may be diminished by the tax impact on that holder of its investment in the Notes.

Payments of interest on the Notes, or profits realised by the holder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on holders generally in France and as a result of the entry into force of the EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments is described under "Terms and Conditions - Taxation" and "Taxation"; however, the tax impact on an individual holder may differ from the situation described for holders generally. The Issuer advises all investors to contact their own tax advisers for advice on the tax impact of an investment in the Notes.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and/or that of the Group on a consolidated basis and a number of additional factors, including, but not limited to, the volatility of the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a holder 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.

A credit rating reduction may result in a reduction in the trading value of Notes

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding Notes of the Issuer by standard statistical rating services, such as Moody's Deutschland GmbH, Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. and Fitch Ratings Ltd. A reduction in, or a placing on credit watch of the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Notes. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.

Risks related to the Notes generally

No voting rights

The Notes do not give the holders the right to vote at meetings of the shareholders of the Issuer.

No limitation on issuing debt

There is no restriction in the Notes on the amount of debt which the Issuer may incur. Any such further debt may reduce the amount recoverable by the holders upon liquidation or insolvency of the Issuer.

Legality of purchase

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

Change of law

The Terms and Conditions of the Notes are based on the laws of France in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Base Prospectus.

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, or in accordance with any applicable double tax treaty. Payments of interest on the Notes, or profits realised by the holder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. Potential investors are advised not to rely upon the tax overview contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor. This paragraph has to be read in conjunction with the taxation section of this Base Prospectus.

It is noted that the European Commission has proposed on 14 February 2013, a Directive implementing a strengthened cooperation related to tax on financial transactions which, if it were adopted, could incur a taxation of financial transactions carried out with respect to the Notes.

Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments as amended by the EU Council Directive adopted by the European Council on 24 March 2014 (the “**Savings Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest and certain other types of income (within the meaning of the Savings Directive) paid by a person located within its jurisdiction to an individual resident or certain types of entity or legal arrangement called “residual entities”, within the meaning of Article 4.2 of the Savings Directive (the Residual Entity or Residual Entities), established in that other Member State (or certain dependent or associated territories). However, for a transitional period (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), Luxembourg and Austria are instead permitted (unless during that period they elect otherwise) to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the rate of the withholding is 35 per cent. as from 1 July 2011. A number of non-EU countries and territories have adopted similar measures. On 10 April 2013, the Luxembourg government officially announced that it will no longer apply the withholding tax system and will instead exchange information on interest and similar income (within the meaning of the Savings Directive) as from 1 January 2015.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent, the Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

On 24 March 2014, the Council of the European Union adopted a directive amending the Savings Directive (the “**Amending Savings Directive**”) strengthening European Union rules on the exchange of information on savings income in order to enable the Member States to better clamp down on tax fraud and tax evasion. The Amending Savings Directive would amend or broaden the scope of the requirements described above. It would in particular enlarge the scope of the Savings Directive to cover new types of savings income and products that generate interest or equivalent income and the scope of the tax authorities' requirements to be complied with. The Member States would have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Savings Directive.

French Insolvency Law

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 and by law n°2010-1249 dated 22 October 2010 applicable as from 1st March 2011, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation (*procédure de sauvegarde*), accelerated financial preservation (*procédure de sauvegarde accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

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

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

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

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

For the avoidance of doubt, the provisions relating to the Meetings 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.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This General Description constitutes a general description of the Programme for the purposes of Article 22.5(3) of the Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and will be subject to the Terms and Conditions of the Notes set out in this Base Prospectus. Words and expressions defined in the Terms and Conditions of the Notes below shall have the same meanings in this general description of the Programme.

Issuer:	Imerys
Description:	Euro Medium Term Note Programme for the continuous offer of Notes.
Arrangers:	BNP Paribas Natixis
Dealers:	BNP Paribas CM-CIC Securities Commerzbank Aktiengesellschaft Crédit Agricole CIB HSBC Bank plc ING Bank N.V. Belgian Branch Mitsubishi UFJ Securities International plc Natixis RBC Europe Limited Société Générale

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

Risk Factors:

There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under the heading “Risk Factors” on pages 110 to 115 of the *Document de référence* in the French language filed with the AMF on 20 March 2014 under n° D.14-0173 (the “**2013 Registration Document**”). In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. See section “*Risk Factors*”.

Certain Restrictions:

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time including the following restrictions applicable at the date of this Prospectus. See “*Subscription and Sale*”.

Programme Limit:

€1,000,000,000 (or its equivalent in other currencies at the date of the issue) aggregate nominal amount of Notes outstanding at any one time. The principal amount of Notes outstanding under the Programme may be increased, as provided in the dealer agreement dated 15 May 2014 between the Issuer, the Dealers and the Arrangers and shall involve the preparation of a supplement in accordance with Article 16 of the Prospectus Directive.

Fiscal Agent and Principal Paying Agent:

BNP Paribas Securities Services.

Paying Agent:

BNP Paribas Securities Services

Method of Issue:

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

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity from one month to 30 years from the date of original issue.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling, Renminbi and in any other currency agreed between the Issuer and the relevant Dealer(s).

Denomination(s):

Notes will be in such denomination(s) as may be specified in the relevant Final Terms save that the minimum denomination of each Note admitted to trading on a Regulated Market within the European Economic Area requiring the publication of a prospectus under the Prospectus Directive will be no less than €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

In addition, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Dematerialised Notes will be issued in one denomination only.

Status of the Unsubordinated Notes:

Unsubordinated Notes (“**Unsubordinated Notes**”) will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

Status of the Subordinated Notes:

Subordinated Notes (“**Subordinated Notes**”) will be unsecured subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves and *pari passu* with any other unsecured subordinated obligations of the Issuer with the exception of the *prêts participatifs* granted to the Issuer as set out in Condition 3(b).

If so specified in the relevant Final Terms, the payment of interest in respect of Subordinated Notes without a specified maturity date (“**Undated Subordinated Notes**”) may be deferred in accordance with the provisions of Condition 5(f).

Negative Pledge:

There will be a negative pledge in respect of Notes as set out in Condition 4.

Events of Default:

There will be Events of Default and a cross-default in respect of Unsubordinated Notes as set out in Condition 9(a) and limited Events of Default only in respect of Subordinated Notes as set out in Condition 9(b).

Redemption Amount:

The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than for taxation reasons, if it becomes unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes or that the Notes are purchased or cancelled by the Issuer) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders, upon giving not less than 15 nor more than 30 days' notice (or such other notice period as may be specified in the relevant Final Terms) to the Noteholders or the Issuer on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the relevant Final Terms.

Each Note shall be redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, except for Zero Coupon Notes, is its nominal amount) or in the case of a Note to be redeemed by instalments, its final Instalment Amount.

Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the first anniversary of their date of issue.

Optional Redemption:

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

Early Redemption:

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

Redemption by Instalments:

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.

Make-Whole Redemption by the Issuer:

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.

Taxation:

1. All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within

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

2. Notes will fall under the French withholding tax regime pursuant to the French *loi de finances rectificative pour 2009* no. 3 (n°2009-1674 dated 30 December 2009), applicable as from 1 March 2010 (the “**Law**”). Payments of interest and other revenues made by the Issuer on such 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 described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *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* of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. subject to the more favourable provisions of a tax treaty, if applicable.

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, no. 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70, BOI-IR-DOMIC-10-20-20-60-20140211, no. 10 and BOI-ANX-000364-20120912 (the “**Administrative Doctrine**”), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer made in a state other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided that* such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators *provided that* such depository or operator is not located in a Non-Cooperative State.

Pursuant to Article 125A of the French *Code général des Impôts* and subject to certain exceptions, interest and other similar revenues received from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related

contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

Investors should carefully review the “**TAXATION**” section of the Prospectus and Condition 8 entitled “**TAXATION**” of the “**TERMS AND CONDITIONS OF THE NOTES**” section in the Prospectus.

Noteholder, Couponholder, Receiptholder and/or prospective holder or beneficial owner of the Notes must inform itself and/or consult its tax adviser regarding the new French withholding tax regime pursuant to the Law, together with the Administrative Doctrine.

The Issuer has no duty to inform the Dealers, Noteholders, Couponholders, Receiptholders and/or prospective holder or beneficial owner of the Notes of any change of the French withholding tax regime and assume no obligation to advise them of any change in the tax status of the Notes with respect to the French withholding tax regime.

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 arrears on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:

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

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms;
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR;

in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes:

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

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 holder, in either fully registered form (*au nominatif pur*) or administrated registered form (*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) and Title”.

Materialised Notes will be in bearer materialised form only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.

Dematerialised Notes will not be exchangeable for Materialised Notes and Materialised Notes will not be exchangeable for Dematerialised Notes.

Governing Law:

French law.

Central Depositary:

Euroclear France as central depositary in relation to Dematerialised Notes.

Clearing Systems:

In relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Initial Delivery of Dematerialised Notes:

No later than 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 Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

Method of Publication of the Final Terms

This Base Prospectus and the Final Terms related to Notes admitted to trading on any Regulated Market will be published, if relevant, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or on the website of the Issuer, as the case may be, and copies may be obtained from the Fiscal Agent and the Paying Agent, or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Base Prospectus may be obtained.

Issue Price:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and will be specified in the relevant Final Terms.

Listing and admission to trading:

Listing on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

Rating:

On 14 May 2014, Moody's Deutschland GmbH confirmed the Baa-2 (stable outlook) rating of the long-term debt of the Issuer. Notes to be issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions including the United States, the United Kingdom, France and Japan. See “Subscription and Sale”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in a supplement to the Base Prospectus.

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

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms state that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

The discussion above does not address the tax consequences of the purchase, ownership or disposition of an interest in the Notes under United States federal, state or local tax law.

Each prospective purchaser should consult its own tax adviser regarding such tax consequences.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the documents incorporated by reference (the “**Documents Incorporated by Reference**”, as further described below), which have been filed with the CSSF and shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

- (i) the French language *Document de référence* of Imerys filed with the *Autorité des marchés financiers* (“**AMF**”) on 20 March 2014 under n° D.14-0173, except for the third paragraph of the statement by Mr. Gilles Michel, *Président-Directeur Général* of the Issuer, referring, *inter alia*, to the *lettre de fin de travaux* of the statutory auditors of the Issuer in section 9.2 and except for section 10 “*Tables de concordance et de reconciliation*” and any reference thereto shall not be deemed incorporated by reference herein (the “**2013 Registration Document**” or “**2013 RD**”);
- (ii) the French language *Document de référence* of Imerys filed with the AMF on 21 March 2013 under n° D.13-0195, except for the third paragraph of the statement by Mr. Gilles Michel, *Président-Directeur Général* of the Issuer, referring, *inter alia*, to the *lettre de fin de travaux* of the statutory auditors of the Issuer in section 9.2 and except for section 10 “*Tables de concordance et de reconciliation*” and any reference thereto shall not be deemed incorporated by reference herein (the “**2012 Registration Document**” or “**2012 RD**”); and
- (iii) the terms and conditions set out on pages 30 to 57 of the base prospectus dated 3 May 2013 relating to the Programme under the heading “Terms and Conditions of the Notes” (the “**2013 Conditions**”).

The 2013 Conditions are incorporated by reference in, and form part of, this Base Prospectus for the purpose only of any further issuances of Notes to be assimilated (*assimilées*) and form a single Series with Notes already issued under the 2013 Conditions. In accordance with Article 28.4 of the Prospectus Regulation, the non-incorporated parts of the base prospectus dated 3 May 2013, the 2013 Registration Document and the 2012 Registration Document are not relevant for the investors.

Free English language translations of the Documents Incorporated by Reference in this Base Prospectus are available, for information purpose only, on the website of Imerys at the following address (<http://www.imerys.com/scopi/group/imeryscom/imeryscom.nsf/pagesref/SCOI-8S4EYJ?opendocument&lang=en&publi=5>). For the avoidance of doubt, the English language translations of the Documents Incorporated by Reference in this Base Prospectus do not form part of this Base Prospectus.

The Issuer will, at the specified office of the Paying Agent for the time being during normal business hours, make available, free of charge, a copy of any or all of the Documents Incorporated by Reference herein. All Documents Incorporated by Reference in this Base Prospectus will also be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Imerys at the following address (<http://www.imerys.com/scopi/group/imeryscom/imeryscom.nsf/pagesref/SCOI-8S4EYJ?opendocument&lang=fr&publi=5>).

The 2013 Registration Document refers to credit ratings given by Moody's Deutschland GmbH credit rating agency in respect of the Issuer.

Moody's Deutschland GmbH is established in the European Union and is registered under the CRA Regulation. As such, Moody's Deutschland GmbH is included in the latest update of the list of registered credit rating agencies (as of 7 May 2014) on the ESMA website (<http://www.esma.europa.eu>).

The following table cross-references the pages of the Documents Incorporated by Reference. The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

INFORMATION	Page numbers in the applicable document
History and development of the Issuer	58 to 62 and 260 to 262 of 2013 RD

Legal and commercial name	260 of 2013 RD
Place of registration and registration number	260 of 2013 RD
Date of incorporation and length of life	260 of 2013 RD
Domicile, legal form, legislation, country of incorporation, address and telephone number	260 of 2013 RD
Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	6 to 8, 235 and 255 of 2013 RD
Description of the Issuer's principal activities	5 to 51 of 2013 RD
Competitive position	11, 13, 15 to 17, 20, 23, 26, 28, 30, 32, 34, 36, 37 and 39 of 2013 RD
Description of the Group and of the Issuer's position within it	269 to 272 of 2013 RD
Information concerning the administrative and management bodies	74 to 95 of 2013 RD
Information concerning control	269 to 272 of 2013 RD
Description of arrangements which may result in a change of control	270 of 2013 RD
Historical financial information	Consolidated financial statements 2013 - Balance sheet: 166 of 2013 RD - Income statement: 164 of 2013 RD - Accounting policies: 176 to 185 of 2013 RD - Explanatory notes: 176 to 229 of 2013 RD
	Non-consolidated financial statements 2013 - Balance sheet: 238 of 2013 RD - Income statement: 237 of 2013 RD - Accounting policies: 241 to 243 of 2013 RD - Explanatory notes: 241 to 252 of 2013 RD
	Consolidated financial statements 2012 - Balance sheet: 146 of 2012 RD - Income statement: 144 of 2012 RD - Accounting policies: 155-163 of 2012 RD - Explanatory notes: 155-213 of 2012 RD
	Non-consolidated financial statements 2012 - Balance sheet: 216 of 2012 RD - Income statement: 215 of 2012 RD - Accounting policies: 219-221 of 2012 RD - Explanatory notes: 219-234 of 2012 RD
Statement of audit of the historical annual financial information	302 of 2013 RD 286 of 2012 RD
	The page references in relation to the auditors' report for the year ended 31/12/2013: Consolidated financial statements 2013: 66 to 67 of 2013 RD

	Non-consolidated financial statements 2013: 68 to 69 of 2013 RD
	<p>The page references in relation to the auditors' report for the year ended 31/12/2012:</p> <p>Consolidated financial statements 2012: 64-65 of 2012 RD Non-consolidated financial statements 2012: 66 of 2012 RD</p>
Risk Factors	110 to 115 of 2013 RD
Names and addresses of the Issuer's auditors	301 of 2013 RD and 285 of 2012 RD
Membership of auditors	301 of 2013 RD
2013 Conditions	30 to 57 of base prospectus dated 3 May 2013

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of the *loi relative aux prospectus pour valeurs mobilières* in Luxembourg implementing Article 16 of the Prospectus Directive following the occurrence of a significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Notes, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus, which in respect of any subsequent issue of Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or on a Regulated Market of a Member State of the European Economic Area, shall constitute a supplement to this Base Prospectus for the purpose of the relevant provisions of the *loi relative aux prospectus pour valeurs mobilières*.

The Issuer shall submit such supplement to the CSSF in Luxembourg for approval. All documents prepared in connection with the Programme will be available at the specified office of the Paying Agent.

DESCRIPTION OF IMERYS

The description of the Issuer is set out in the 2013 Registration Document of the Issuer for the year ended 31 December 2013 incorporated by reference herein (see the “Document Incorporated by Reference” section set forth above in this Base Prospectus).

RECENT DEVELOPMENTS

1/ New Directors

At the Issuer's Ordinary and Extraordinary Shareholders' Meeting held on 29 April 2014, Mr. Paul Desmarais III of Great-West Lifeco Inc., 100 Osborne Street North, Winnipeg (Manitoba) R3C 3A5, Canada, and Mr. Arnaud Laviolette of Groupe Bruxelles Lambert, Avenue Marnix 24, 1000 Brussels, Belgium, were appointed by the Issuer as new Directors, for a period of three years to succeed Mr. Jacques Veyrat who did not solicit the renewal of his term of office and Mr. Aimery Langlois-Meurinne whose term of office could not be renewed due to statutory provisions.

At the date of this Base Prospectus, Mr. Paul Desmarais III is Assistant Vice-President at Great-West Lifeco (Canada) and Mr. Arnaud Laviolette is Deputy Director in charge of Investments at Groupe Bruxelles Lambert (Belgium).

2/ Results of the first quarter ending 31 March 2014

Extract of the press release dated 29 April 2014

Imerys: improved activity and results in first quarter 2014

- Revenue at 904 M€ (- 2.7%), up + 5.0% on comparable basis ⁽¹⁾
 - Unfavorable Group structure (- 3.9%) and exchange rate (- 3.8%) effects
 - Higher sales on comparable basis in all four business groups: recovery on some markets, start-up of new production capacities
- Stable current operating income, improved operating margin at 13.0%
- + 1.7% increase in net income from current operations to 74 M€

Consolidated results <i>Non-audited - € millions</i>	First quarter 2014	First quarter 2013	% current change
Revenue	904.1	929.3	- 2.7%
Current operating income ⁽²⁾	117.3	117.0	+ 0.3%
<i>Operating margin</i>	<i>13.0%</i>	<i>12.6%</i>	<i>+ 0.4 point</i>
Net income from current operations, Group's share ⁽³⁾	73.7	72.5	+ 1.7%
Net income, Group's share	77.6	70.1	n.a.
Net income from current operations, Group's share, per share ^{(3) (4)}	0.97 €	0.96 €	+ 0.6%

Chairman & CEO Gilles Michel commented, "In the first quarter 2014, revenue in each of our business groups rose on a comparable basis. Consolidated net income from current operations also increased. The new production capacities built to serve promising markets, such as proppants, are ramping up and already starting

¹ Throughout the press release, the words "on a comparable basis" mean "at comparable Group structure and exchange rates".

² Throughout the press release, "Current operating income" means "operating income before other operating revenue and expenses". On a comparable basis, revenue rose + 5.0% and current operating income increased + 4.3%.

³ Group's share of net income before other operating revenue and expenses, net.

⁴ The weighted average number of outstanding shares was 76,222,621 in the first quarter 2014 compared with 75,267,211 in the first quarter 2013.

to contribute to the Group's volumes. Imerys is in a good position to continue benefiting from strong demand in the United States and, providing it is confirmed, from economic recovery in Europe."

ECONOMIC ENVIRONMENT

In early 2014, demand remained strong overall in North America, despite difficult weather conditions that disrupted industrial activity. In Europe, after several quarters of recession followed by stabilization in late 2013, activity improved in some markets (automotive, industrial equipment, construction, etc.) and countries. Growth slowed in China, Brazil and India.

The depreciation of a high number of currencies (including Japanese yen, Indian rupee, Brazilian real, South African rand and US dollar) against the euro continued in the first quarter 2014.

RECENT EVENTS

On January 31, 2014, Imerys divested four calcium carbonate industrial units serving the paper market that posted total revenue of approximately €75 million in 2012.

In Monolithic Refractories, on February 14, 2014, Calderys acquired the Finnish company Termorak, which is specialized in the design, sourcing and installation of refractory materials for the petrochemical, paper and thermal industry markets. Based in Finland, Termorak also has presence in Sweden and Thailand and achieved €17 million in revenue in 2013.

On March 10, the Group decided not to raise further the offer it launched one month earlier to acquire AMCOL International Corporation, judging that the operation could not be carried out in accordance with its value creation objectives.

The gradual ramp-up of the Wrens proppants plant (United States) and the new carbon black (Belgium) and lime (Brazil) units, which started as planned in late 2013, continued on healthy markets. The fused alumina plant in Bahrain should start up in the second quarter.

OUTLOOK

In Europe, the economic environment seems to be improving, particularly in the northern part of the continent. Demand remains firm in the United States. The various markets served by the Group in emerging countries show more contrasted trends.

Imerys is in a good position to benefit from recovery on markets, provided it is confirmed, and has a stronger financial structure to keep up its growth strategy focused on faster innovation and further geographic and sectorial development.

DETAILED COMMENTARY ON THE GROUP'S RESULTS

REVENUE

- The Group's revenue rose + 5.0% on a comparable basis
- Growth on comparable basis in all business groups
- Significant negative impacts of Group structure and exchange rates

Revenue for the first quarter 2014 totals €904.1 million, down - 2.7% compared with the same period in 2013. This decrease is explained by:

- a negative Group structure effect of - €36.4 million (- 3.9%). The impact of the divestments of Imerys Structure, the four calcium carbonate plants and the shutdown of the Ardoisières d'Angers activity (natural slates business in France) was partly offset by the contribution of acquisitions in Monolithic Refractories (Indoporlen, Tokai and Termorak);

- a negative foreign exchange effect of - €35.4 million (- 3.8%), resulting from the euro's appreciation against many currencies, particularly the US dollar; this impact is mainly due to the effect of converting revenue achieved in other currencies into euros.

At comparable Group structure and exchange rates, revenue in the first quarter 2014, rose + 5.0% compared with the same period in 2013 and grew across all four business groups. Volumes increased + 3.3% (€30.7 million) compared with the first quarter 2013, a very favorable basis of comparison. Sales achieved by the units that recently started up account for one-third of this growth. The price/mix component was positive in each of the business groups, up + 1.7% for the Group as a whole (€15.9 million).

REVENUE BY GEOGRAPHIC DESTINATION (CURRENT CHANGE)

(€ millions)	Q1 2014 revenue	% change Q1 '14 vs. Q1 '13	% consolidated revenue Q1 '14	% consolidated revenue Q1 '13
Western Europe	421.6	- 6.0%	47%	48%
<i>of which France</i>	<i>129.5</i>	<i>- 16.7%</i>	<i>14%</i>	<i>17%</i>
United States/Canada	201.9	- 1.7%	22%	22%
Emerging countries	233.4	+ 1.5%	26%	25%
Other (Japan/Australia)	47.2	+ 4.0%	5%	5%
Total	904.1	- 2.7%	100%	100%

The significant depreciation of many currencies against the euro weighed on revenue in the first quarter 2014 (US dollar - 4%, Japanese yen - 16%, Indian rupee - 18%, Brazilian real - 23%, South African rand - 26%, Canadian dollar - 13% vs. first quarter 2013).

The divestment of Imerys Structure explains the drop in revenue in France. Demand was firm in North America, where it was masked by the weak US dollar, and in Japan/Australia as well. Except in China, where the contraction of some markets weighed on the Group's sales, activity showed resilience amid slower growth in emerging countries.

(non-audited - € millions)	Q1 2014	Q1 2013	Current change %	Structure effect %	Exchange rate effect %	Comp. change %
Revenue of which:	904.1	929.3	- 2.7%	- 3.9%	- 3.8%	+ 5.0%
Energy Solutions & Specialties	303.1	306.7	- 1.2%	- 3.9%	- 5.5%	+ 8.3%
Filtration & Performance Additives	273.6	281.3	- 2.8%	- 0.8%	- 3.7%	+ 1.7%
Ceramic Materials	173.8	188.8	- 7.9%	- 11.8%	- 0.7%	+ 4.6%
High Resistance Minerals	163.3	162.5	+ 0.5%	-	- 3.9%	+ 4.4%
Holding Company & Eliminations	(9.7)	(10.0)	n.s.	n.s.	n.s.	n.s.

Energy Solutions & Specialties

(34% of consolidated revenue)

The high temperature industries (steel, metallurgy, power generation, incineration, casting, cement, petrochemicals, etc.) served by **Monolithic Refractories** have recorded a relative improvement since the end of 2013; steel production grew + 6.7% in Europe in the first quarter 2014 compared with the same period the previous year (source: World Steel Association). The mobile energy sector (**Graphite & Carbon**) continued to grow, as did the non-conventional oilfield sector (**Oilfield Solutions**) in the United States, despite severe weather conditions. **Carbonates** markets showed more contrasting trends: these were positive in consumer

goods worldwide (personal care products, packaging, etc.) and in construction in North America and Europe, but global production of printing and writing paper remained stable, still declining in mature countries.

Revenue, at €303.1 million for the first quarter 2014, dropped - 1.2% compared with the first quarter 2013. This decrease includes:

- A negative exchange rate impact for - €16.8 million;
- An unfavorable structure effect (- €12.1 million) relating to the divestment in late January 2014 of the four calcium carbonate plants serving paper industries (- €19.2 million in the first quarter⁽⁵⁾). This impact was partly offset (by + €7.1 million) by the effect of the acquisitions made in Monolithic Refractories (Indoporlen in June 2013, Tokai in July 2013, Termorak in February 2014).

At comparable structure and exchange rates, the increase in revenue was + 8.3%. It includes, for almost €10 million, the first sales from the proppants, carbon black and lime production plants that started in late 2013 and reflects positive trends on the main underlying markets.

The ramp-up of the Wrens (United States) plant is going as planned with product qualification continuing with oil services companies and local operators. Following this launch, an additional purchase payment of €20 million was made in the first quarter 2014.

Filtration & Performance Additives

(30% of consolidated revenue)

The **Filtration & Performance Additives** business group serves a great number of industries (agri-food, plastics, paint, rubber, catalysis, paper, pharma, personal care & beauty, etc.). Its activity is driven by trends in consumer goods (beverages, food, magazines, packaging, etc.), capital goods (particularly automotive) and construction (new buildings and renovation).

In the first quarter 2014, demand was firm on the business group's main markets. Manufacturing activity was firm in the United States despite adverse weather conditions and gradually picked up in Europe (automotive sector and construction in some countries). Production of printing and writing paper, however, decreased again in mature countries (- 2% - RISI and Imerys estimates) and grew more slowly in emerging countries (+ 2%).

Revenue totaled €273.6 million in the first quarter 2014. This - 2.8% decrease includes the negative impact of exchange rates for - €10.3 million and a limited structure effect (- €2.3 million).

At comparable structure and exchange rates, revenue rose + 1.7%. The business group benefited from the healthy momentum on its main markets, rapid development in the use of a number of minerals (e.g. talc for automotive polymers) and the launch of new products, which more than offset the significant drop in kaolin volumes.

Ceramic Materials

(19% of consolidated revenue)

In **Building Materials** in France (supply of clay roof tiles and roofing accessories by Imerys Toiture), particularly mild weather conditions in these first months of 2014 offset yet again another slump in new construction (- 3.9% over 12 sliding months to the end of February 2014 – new single-family housing starts – source: French sustainable development commission (CGDD)). Sales of clay roof tiles rose by + 9% compared with the first quarter 2013 for the trade as a whole (source: estimate - French roof tiles & bricks federation (FFRB)).

Thanks to the development of its geographic, industrial and market positioning, the **Minerals for Ceramics** activity benefited from firm demand in North America and emerging countries.

⁵ As of December 31, 2013, these plants have been classified as « Assets held for sale », the actual disposal being completed on January 31, 2014. Accordingly, the net income from these sites for the month of January 2014 has been recognized as « Results from available for sales activities ». The Group structure impact on Revenue and Current operating income consequently relates the complete first quarter 2014.

In the first quarter 2014, **revenue**, at €173.8 million, fell - 7.9% compared with the first quarter 2013. This decrease is entirely due to a negative structure effect of - €22.2 million (- 11.8%) relating to the divestment of Imerys Structure (May 2013) and the announcement of the shutdown of Ardoisières d'Angers (natural slates activity in France), by the end of 2013. Exchange rates had a negative effect of - €1.3 million.

At comparable structure and exchange rates, revenue of the first quarter 2014 increased + 4.6% compared with a favorable basis of comparison in Building Materials. The particularly mild weather in France in the first quarter 2014 notably contrasted with the very adverse conditions in the first quarter 2013.

High Resistance Minerals

(17% of consolidated revenue)

Through its **Refractory Minerals** and **Fused Minerals** specialties, the business group is exposed to high temperature industries (steel, metal casting, glass, aluminum, etc.) and to the industrial equipment and capital goods markets (machine-tools, automotive, etc.). After slumping heavily in the first nine months of 2013, demand picked up in the first quarter 2014 in Europe and remained firm in North America. The slowdown observed in late 2013 continued in China.

At €163.3 million, the business group's **revenue** (+ 0.5% vs. first quarter 2013) takes into account a negative exchange rate effect for - €6.4 million (- 3.9%).

At comparable structure and exchange rates, revenue increased + 4.4%. Strong demand was amplified by an inventory rebuilding effect in some segments. The business group's activity decreased in China, where restructuring of industrial and commercial assets continued.

CURRENT OPERATING INCOME

- Improvement in operating margin to 13.0%
- Upturn in volumes, firm price/mix component

Current operating income totaled €117.3 million (+ 0.3%) in the first quarter 2014 and takes the following items into account:

- A negative Group structure effect of - €3.5 million (- 3.0%) relating to the divestment of the Imerys Structure activity and of the four calcium carbonate plants, as well as the shutdown of Ardoisières d'Angers (natural slates activity in France). Their effect was partly offset by the contribution of Tokai, Indoporlen and Termorak (Monolithic Refractories);
- An unfavorable exchange rate effect of - €0.5 million (- 0.4%), which is limited compared with the effect on revenue. The currency translation impact on current operating income is partly offset by the improved cost base in the countries from which Imerys exports its minerals (currency transaction effect).

At comparable Group structure and exchange rates, current operating income rose + 3.7%. The contribution resulting from volumes amounted to + €14.4 million. Fixed costs rose + €11.4 million, with half of this amount directly attributable to higher activity. The remainder represents fixed production costs and general expenses for the new capacities launched in 2013 and the increase of R&D spending.

The product price/mix effect totals + €12.0 million, whereas inflation in variable costs was limited (- €0.9 million).

At 13.0%, the Group's **operating margin** improved + 0.4 point compared with the first quarter 2013 (12.6%).

NET INCOME FROM CURRENT OPERATIONS

Net income from current operations increased + 1.7% and amounts to €73.7 million (€72.5 million in first quarter 2013). It includes the following items:

- Financial expense for - €14.7 million (vs. - €15.8 million in first quarter 2013):

- improvement in interest expense on financial debt (- €11.4 million in first quarter 2014, compared with - €13.3 million in first quarter 2013) due to the lower cost of financial debt over the period;
- net financial cost of pensions and other changes in provisions represented - €2.2 million (- €3.5 million in first quarter 2013);
- net impact of foreign exchange and financial instruments were an expense of - €1.1 million (+ €1.0 million in first quarter 2013).
- The - €28.9 million tax charge (- €28.3 million in first quarter 2013), representing a slight rise in the effective tax rate to 28.2% (28.0% in first quarter 2013) and mainly reflecting the effect of the increase of French tax contributions.

NET INCOME

Other operating income and expenses, net of tax amounted to €12.7 million in the first quarter 2014. This amount, net of tax, (€3.9 million in the first quarter 2014) is made of:

- Gains from disposals, costs related to acquisitions and divestments for a total after-tax amount of + €32.0 million including notably the termination fees under the AMCOL acquisition contract, minus the expenses incurred by Imerys with respect to this operation, as well the capital gains on the divestment of four carbonates units dedicated to the paper market;
- Restructuring charges mostly made of additional expenses related to operations initiated in 2013 (closure of Venezuelan activities, shutdown of Ardoisières d'Angers, restructuring of Kaolin for paper and some Chinese activities), for an after-tax amount of - €28.1 million.

After taking into account other operating income and expenses, net of tax, the **Group's share of net income** amounted to €77.6 million in the first quarter 2014 (€70.1 million in first quarter 2013).

FINANCIAL SITUATION

Net financial debt, which totaled €885 million as of December 31, 2013, decreased slightly as of March 31, 2014. On March 14, 2014, Moody's reconfirmed the long-term credit rating (unsecured senior debt) it had given Imerys in 2011, Baa2 with a stable outlook. The short-term rating of P-2 was also renewed, again with a stable outlook.

TERMS AND CONDITIONS OF THE NOTES

The following developments consist of 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 Notes (as defined hereunder). All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Imerys (the “**Issuer**” or “**Imerys**”) with the benefit of an agency agreement dated 15 May 2014 between the Issuer, BNP Paribas Securities Services as fiscal agent and the other agents named in it (as amended and supplemented, the “**Agency Agreement**”). The fiscal agent, the paying agents, the calculation agent(s) or the quotation agent for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Calculation Agent(s)**” and the “**Quotation Agent**”.

References below to “Conditions” are, unless the context requires otherwise, to the numbered paragraphs below.

1 - Form, Denomination(s) and Title

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

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

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (“**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 holder 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.

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

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

In accordance with Article L.211-3 *et seq* and R.211-1 of the French *Code monétaire et financier*, 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 admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the “**Prospectus Directive**”) will be no less than €100,000 (or its equivalent in any other currency), or such higher amount as may be allowed or required from time to time by the relevant monetary authority 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 the Registration Agent.
 - (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue, 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**” 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 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.
 - (v) If French law so provides, the Issuer may require the identification of the Noteholders unless such right is expressly excluded in the relevant Final Terms.

(d) **Method of Issue:**

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

2 - Conversion and Exchanges of Notes

(a) **Dematerialised Notes**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).

- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the holder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder shall be made in accordance with Article R 211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such holder.

(b) Materialised Notes

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

3 - Status

The obligations of the Issuer under the Notes may be either unsubordinated (“**Unsubordinated Notes**”) or subordinated (“**Subordinated Notes**”) as specified in the relevant Final Terms.

(a) Status of Unsubordinated Notes

The Unsubordinated Notes and, where applicable, any relative Receipts and Coupons relating to them 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.

(b) Status of Subordinated Notes

(i) Subordination

Subordinated Notes (which term shall include both Subordinated Notes with a specified maturity date (“**Dated Subordinated Notes**”) and Subordinated Notes without a specified maturity date (“**Undated Subordinated Notes**”)) and, if applicable, the Receipts relating to them are unsecured subordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and *pari passu* with any other unsecured subordinated obligations of the Issuer with the exception of the *prêts participatifs* granted to the Issuer. If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Subordinated Notes shall be subordinated to the payment in full of unsubordinated creditors and, subject to such payment in full, the holders of Subordinated Notes and, if applicable, the holders of Receipts relating to them shall be paid in priority to any *prêts participatifs* granted to the Issuer. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Subordinated Notes and, if applicable, the Receipts relating to them will be terminated. The holders of Subordinated Notes and, if applicable, the holders of Receipts relating to them shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

(ii) Dated Subordinated Notes

Payments of interest relating to Dated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a).

(iii) Undated Subordinated Notes

Payments of interest relating to Undated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a) and may be deferred in accordance with the provisions of Condition 5(f).

The use of the proceeds of issues of Undated Subordinated Notes will be set out in the applicable Final Terms.

4 - Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, remains outstanding (as defined above), the Issuer will not create or permit to subsist any mortgage, charge, pledge or other security interest upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) unless, by the same date the obligations of the Issuer resulting from the Unsubordinated Notes, and, if applicable, the Receipts and Coupons are equally and rateably secured therewith or benefit from a security or guarantee or indemnity in substantially identical terms thereto to the extent permitted by French or other applicable laws or regulations.

For the purposes of this Condition:

- (i) **“outstanding”** means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the holder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the holder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in the Agency Agreement and remain available for payment against presentation and surrender of Definitive Materialised 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 that have been repurchased and cancelled as provided in the Conditions, and (e) in the case of Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.
- (ii) **“Relevant Indebtedness”** means any indebtedness for borrowed money represented by notes or other assimilated debt securities, with a maturity of more than one year which are for the time being, or are capable of being, listed on any stock exchange. For the avoidance of doubt, such Relevant Indebtedness does not include indebtedness for borrowed money arising under loan or credit facility agreements.

This Condition 4 shall not apply to Subordinated Notes.

5 - Interest and other Calculations

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

“Benchmark” means the reference rate as set out in the relevant Final Terms

“Business Day” means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any system which would be its successor thereto (the **“TARGET System”**) is operating (a **“TARGET Business Day”**) and/or

- (ii) in the case of a specified currency other than Euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (iii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any) and/or
- (iv) in the case of a specified currency and/or one or more additional business centre(s) specified in the relevant Final Terms (the “**Business Centre(s)**”), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Financial Centre(s) or, if no currency is indicated, generally in each of the Additional Financial Centres so specified

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

- (1) if “**Actual/365**” or “**Actual/Actual - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (2) if “**Actual/Actual-ICMA**” is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where

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

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

- (3) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- (4) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360
- (5) if “**30/360**”, “**360/360**” or “**Bonds Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation

Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)) and

- (6) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)

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

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

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

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

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

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, 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 unless otherwise specified in the relevant Final Terms

“**ISDA Definitions**” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., as amended from time to time, in the updated version applicable as at the date of issue of the first Tranche of the relevant Series

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

information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate, subject to amendment in respect of Paris listed Notes, as disclosed in the 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 of these Conditions, as completed in the relevant Final Terms

“Reference Banks” means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent, or the Quotation Agent, as applicable, in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris

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

“Relevant Rate” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels time

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

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

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

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

If a fixed amount of interest (the **“Fixed Coupon Amount”**) or a broken amount of interest (the **“Broken Amount”**) is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount

so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) Interest on Floating Rate Notes:

- (i) Interest Payment Dates: Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear 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 relevant Final Terms specify that the relevant Business Day Convention is to be applied on an “unadjusted” basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.
- (iii) Rate of Interest for Floating Rate Notes: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

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

- (a) the Floating Rate Option is 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 unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Floating Rate Option**”, “**Calculation Agent**”, “**Designated Maturity**”, “**Reset**

Date” and **Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

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

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

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

in each case appearing on such Page at the Relevant Time on the Interest Determination Date, subject to amendment in respect of Paris listed Notes, as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any)
- (b) if the primary source for the Floating Rate is Reference Banks or if subparagraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if subparagraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any) and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates *per annum* (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the **“Principal Financial Centre”**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so

quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

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

- (d) **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(f)(i)).
- (e) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (f) **Deferral of interest:** In the case of Undated Subordinated Notes, interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment. Notice of any Optional Interest Payment Date shall (for so long as the rules of the relevant Regulated Market so require) be given to the holders in accordance with Condition 15 and to the relevant Regulated Market(s) on which the Notes are admitted to trading, as the case may be. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute “**Arrears of Interest**” which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than seven days’ notice to such effect given to the holders in accordance with Condition 15 but all Arrears of Interest on all Undated Subordinated Notes outstanding shall become due in full on whichever is the earliest of:
 - (i) the Interest Payment Date immediately following the date upon which the *Assemblée Générale* convened to approve the annual accounts of the Issuer for the year preceding such *Assemblée Générale* passed a resolution to pay a dividend on the ordinary share capital of the Issuer and
 - (ii) the commencement of a liquidation or dissolution of the Issuer.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the French *Code civil*, after such interest has accrued for a period of one

year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

“**Compulsory Interest Payment Date**” means any Interest Payment Date unless at the *Assemblée Générale* of the shareholders of the Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year ended prior to such *Assemblée Générale*, no resolution was passed to pay a dividend on the ordinary share capital of the Issuer in respect of such previous fiscal year.

“**Optional Interest Payment Date**” means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:

- (i) If any Margin or Rate Multiplier 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 the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, 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
- (iii) In respect of any calculation required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculation 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: As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, 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 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 holders of Notes, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange 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 and Reference Banks:** The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above in Condition 4). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, 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 London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are listed on any stock exchange and the rules of that exchange so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.
- (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 extension or shortening of the Interest Period. 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 or its maturity is extended pursuant to any option provided by the relevant Final Terms including, in particular, any Issuer's option in accordance with Condition 6(c) or any holders of Notes' option in accordance with Condition 6(e), each Note shall be redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, except for Zero Coupon Notes, is its nominal amount) or, in the case of a Note falling within Condition 6(b), its final Instalment Amount. Zero Coupon Notes will be redeemed at their nominal amount or at an amount as specified in the relevant Final Terms.

(b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or holder of Notes' option in accordance with Condition 6(c) or 6(e), 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) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:**

(i) Call Option

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the holders of Notes (or such other notice period as may be specified in the relevant Final Terms), redeem or exercise any Issuer's option (as may be described) in relation to all, or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any.

(ii) Make-Whole Redemption

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

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

"Make-Whole Redemption Amount" means in respect of any Notes to be redeemed pursuant to this Condition, an amount, (i) determined by the Calculation Agent, equal to the greater of (x) a certain percentage of the principal amount of such Notes as specified in the relevant Final Terms (the **"Percentage Principal Amount"**), and (y) the sum of the then present values of the remaining scheduled payments of principal and interest of such Notes (excluding 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 a rate equal to the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin (as specified in the relevant Final Terms), plus in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date, or (ii) as may be specified by the Issuer in the relevant Final Terms.

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

“Make-Whole Redemption Rate” means the rate based on either (i) the average of the four quotations given by the Reference Banks to the Quotation Agent of the mid-market annual yield to maturity of the Reference Security as soon as practicable on the third Business Day preceding the Make-Whole Redemption Date at 11:00 a.m. (Central European Time (“CET”)) (**“Reference Bank Quotation”**) or (ii) the Reference Screen Rate, as specified in the relevant Final Terms.

“Quotation Agent” means any Calculation Agent, any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-Whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

“Reference Banks” means each of the four banks selected by the Quotation Agent which are primary European government security banks, and their respective successors, or market makers in pricing corporate bond issues.

“Reference Screen Rate” means the screen rate specified as such in the relevant Final Terms.

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

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

(iii) Exercise of Issuer’s Call Option, Make-Whole Redemption or partial redemption

Any redemption or exercise pursuant to paragraphs 6(c)(i) and 6(c)(ii) above 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, or the Issuer’s option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer’s option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also indicate the numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and requirements of the Regulated Market on which the Notes are listed and admitting to trading.

In the case of a partial redemption of or a partial exercise of an Issuer’s option 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 a Series 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 of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and requirements of the Regulated Market on which the Notes are listed and admitted to trading.

So long as the Notes are listed and admitted to trading on a Regulated Market and the rules of, or applicable to, 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 Condition 15 (*Notices*) a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Notes drawn at random for redemption but not surrendered.

- (d) **Redemption at the Option of the Issuer in the event of a Rate of Interest Increase Event:** Upon the first occurrence of a Rate of Interest Increase Event, the Issuer may, subject to having given not more than 30 nor less than 15 days' prior notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable), redeem the Notes (either in whole or in part) in relation to the relevant Final Terms on any date falling not more than 45 days after the Rate of Interest Increase Date at the Optional Redemption Amount equal to the nominal amount to be redeemed, as specified in the relevant Final Terms, plus any interest accrued up to and including the Optional Redemption Date (including, where applicable, any Arrears of Interest).
- (e) **Redemption at the Option of Holders and Exercise of Holders' Options:** If a Put Option is specified in the relevant Final Terms the Issuer shall, at the option of the holder of Notes, upon the holder of Notes giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

To exercise such option or any other holders of Notes' option that may be set out in the relevant Final Terms, the holder of Notes must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Notes, have attached to it such Note (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the holder of Notes shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **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(g) or Condition 6(j) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated in accordance with the Conditions 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(g) or Condition 6(j) 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 (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

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

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in 6(f)(i) above), upon redemption of such Note pursuant to Condition 6(g) or Condition 6(j), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest).

(g) Redemption for Taxation Reasons or others reasons:

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date of the relevant Notes, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Conditions 8(b), the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days' notice to the holders of Notes (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 (including, where applicable, any Arrears of Interest) 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 or deduction for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the holders of Notes or, if applicable, Coupons of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Conditions 8(b), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the holders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of holders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(h) 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 in accordance with the relevant regulation and such Notes may be held in custody by or on behalf of the Issuer and/or sold, resold or otherwise disposed of by the Issuer in accordance with and within the limits set by Articles L.213-1A and D. 213-1 A of the French *Code monétaire et financier* as amended from time to time.

- (i) **Cancellation:** All Notes held or purchased by or on behalf of the Issuer and which are to be cancelled shall be so cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering to the Fiscal Agent the Temporary Global Certificate or the Definitive Materialised Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons and, in each case, provided such Notes are transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured 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 re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (j) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the holders (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 (including, where applicable, any Arrears of Interest).

7 - Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of Notes and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank designated by the holders of Notes. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Materialised 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 Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, 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 holder, by transfer to an account denominated in such currency with, a Bank.
- (c) **Payments in the United States of America:** Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the country in which payment is made but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the holders of Notes, Receipts or Coupons in respect of such payments.

- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any holder of Notes or Coupons. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or any other Paying Agent, 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) Paying Agents having specified offices in at least two major European city (including Luxembourg so long as the Notes are listed on Luxembourg and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and so long as the Notes are admitted to trading on any other Regulated Market, such other city where the Notes are admitted to trading) (iv) in the case of Dematerialised Notes, in fully registered form, a Registration Agent, (v) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive 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 Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

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

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

- (i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised 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 (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised 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 Note that is redeemable in instalments, all Receipts relating to such Materialised 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 Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (vi) If the due date for redemption of any Materialised 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, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised 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), provided that, in respect of Notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, such exchange shall always take place at the specified office of the Fiscal Agent or of the Paying Agent, as the case may be, in Luxembourg.
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following business day, nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**Business Day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Additional Financial Centres**” in the relevant Final Terms and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the Principal Financial Centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.
- (i) **Bank:** For the purpose of this Condition 7, Bank means a bank in the principal financial centre of the relevant currency or, in the case of euro, in a city in which banks have access to the TARGET 2 System.
- (j) **Alternative Payment in U.S. Dollar:** Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-transferability or Illiquidity (each as defined below) 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 RMB 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 5 nor more than 30 days irrevocable notice in accordance with Condition 15 to the Noteholders prior to the due date for payment, shall be entitled to satisfy its obligations in respect of any such payment by making any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar account of the relevant Account Holders for the benefit of the Noteholders. For the avoidance of doubt, any payment made under such circumstances of the U.S. Dollar Equivalent will constitute valid payment, and will not constitute a default in respect of the Notes 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(j) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

These provisions may be amended or supplemented in the relevant Final Terms.

For the purpose of this Condition 7(j):

“**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 RMB Dealers.

“Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the 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 on or after the issue date of such RMB Notes 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, 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 on or after the issue date of the relevant RMB Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“RMB 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 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 Days” 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 2 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 U.S. dollar/CNY exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCN3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11:00 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available U.S. dollar/CNY 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 Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

“U.S. Dollar Equivalent” means the relevant Renminbi amount converted into 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) **Tax exemption for Notes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional Amounts:** If French law should require that payments of principal or interest 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 holders of Notes or, if applicable, the holders of Receipts and Coupons, 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 holder 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 the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, presented for payment more than 30 days after the Relevant Date (as defined under Condition 5) except to the extent that the holder would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) **Payment by another paying agent:** Definitive Materialised Notes presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the EU; or
- (v) **Non-cooperative State or territory:** if the Notes do not benefit from any exception provided in the Administrative Doctrine (as defined below) and when such withholding or deduction is required to be made by reason of that interest, Receipt or Coupon being paid to an account held in, or paid or accrued to a person established or domiciled in, a non-cooperative State (*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, 2 and 238 A of the same code.

The “**Administrative Doctrine**” means the following official doctrine of the French tax authorities, the *Bulletin Officiel des Finances Publiques – Impôts* (BOFiP-Impôts) BOI-INT-DG-20-50-20140211, no. 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70, BOI-IR-DOMIC-10-20-20-60-20140211, no. 10 and BOI-ANNX-000364-20120912.

For the purposes of Condition 8 (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 (including, for the avoidance of doubt, all Arrears of Interest) payable pursuant to Condition 5 or any 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) **U.S. Taxation:** The discussion above does not address the tax consequences of the purchase, ownership or disposition of an interest in the Notes under United States federal, state or local tax law. Each prospective purchaser should consult its own tax adviser regarding such tax consequences.

9 - Events of Default

The Representative (as defined in Condition 11) may, upon written notice to the Fiscal Agent given on behalf of the holders of Notes before all defaults shall have been remedied, cause the Notes to become immediately due and payable, whereupon the Notes shall become immediately due and payable at their principal amount plus interest accrued on the Notes, without any other formality, if any of the following events (each an “**Event of Default**”) shall occur:

(a) Unsubordinated Notes: in the case of Unsubordinated Notes:

- (i) the Issuer is in default for more than thirty (30) days for the payment of principal of, or interest on or of any other relevant amount due on any Note (including for the payment of any Additional Amount (as defined under Condition 8(b)), when the same shall become due and payable; or
- (ii) the Issuer is in default in the performance of, or compliance with, any of its obligations under the Notes and such default has not been cured within forty five (45) days after the receipt by the Fiscal Agent of the written notice of such default by the Representative upon request by a holder of Notes; or
- (iii) the Issuer is in default for the payment in principal of an aggregate amount of €50,000,000 (or its equivalent in any other currency) in respect of any Relevant Indebtedness (as defined in Condition 4 (“**Negative Pledge**”)), which become due and are unpaid when due and upon expiry of any applicable grace period or for the payment of an aggregate amount in excess of an amount of €50,000,000 (or its equivalent in any other currency) in respect of one (or several) guarantee(s) or indemnity (or indemnities) given in respect of one or several bonds, equivalent to and having the same ranking as the Notes, entered into by any third party when such guarantee(s) or indemnity (or indemnities) are due and are called upon,

unless, in respect of events described under paragraphs (ii) and (iii) above, the Issuer, acting in good-faith, challenges the early redemption or the default under such indebtedness or the validity of the enforcement of any such guarantee or indemnity before the competent court, in which case none of the events described here above will constitute an Event of Default until a final judgement has been rendered by the relevant Court; or

- (iv) the Issuer applies for or is subject to a conciliation procedure (*conciliation*) or a judgment issued for (i) the judicial reorganisation (*redressement judiciaire*) of the Issuer or (ii) the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is subject to any other insolvency or bankruptcy proceedings or if the Issuer makes any other arrangement for the benefit of its creditors or enters into a composition with its creditors.

(b) Subordinated Notes: in the case of Subordinated Notes and in accordance with Condition 3(b), if any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.

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 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 - Representation of holders of notes

- (a) If the relevant Final Terms specify “Full Masse”, the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the “**Masse**”) and the provisions of the French Code de commerce relating to the Masse shall apply in full.

The names and addresses of the initial representative (the “**Representative**”) of the Masse and its alternative will be set out in the relevant Final Terms.

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

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

revocation of appointment of the alternative representative, an alternative will be elected by the General meeting of the Noteholders (the “**General Meeting**”).

In accordance with Article R.228-71 of the French Commercial Code (*Code de commerce*), the rights of each holder of a Note to participate in a General Meeting must be evidenced by entries in the books of the relevant Account Holder of the name of such holder of a Note on the third (3rd) business day in Paris preceding the date set for the relevant General Meeting at midnight (0.00), Paris time.

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

- (b) If the relevant Final Terms specify “Contractual Masse”, the Noteholders will, in respect of all Tranches in any Series be grouped automatically for the defence of their common interests in a Masse which will be subject to the below provisions of this Condition 11(b).

The *Masse* will be governed by the provisions of the French *Code of Commerce* with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69 and shall remain subject to the following provisions:

(i) **Legal Personality**

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

The Masse alone, to the exclusion of all individual holders of Notes, shall take all acts of management necessary in order to defend the common interests of the holders of Notes.

(ii) **Representative**

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

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

The names and addresses of the initial Representative and its alternate will be set out in the relevant Final Terms.

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

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

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

(iii) Powers of Representative

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

All legal proceedings against the holders of Notes or initiated by them, must be brought by or against the Representative.

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

(iv) General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more holders of Notes, 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 holders of Notes 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.

Each holder of a Note has the right to participate in a General Meeting in person or by proxy. 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 amounts payable by holders of Notes, nor authorise or accept a postponement of the date of payment of interest on or a modification of the terms of repayment of or the rate of interest on the Notes, nor establish any unequal treatment between the holders of Notes, nor decide to convert Notes into shares.

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

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

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(vi) Information to holders of Notes

Each holder of a Note or representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant holders of Notes at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(vii) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings, expenses of the Representative in the performance of its duties and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

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

12 - Replacement of Definitive Materialised Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Notes, a Definitive Materialised 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 holders of Notes, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, 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 Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 - Further Issues

Further Issues: The Issuer may from time to time without the consent of the holders of Notes, Receipts or Coupons create and issue further Notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest as mentioned in the relevant Final Terms) and that the terms of such further Notes provide for such assimilation and references in these Conditions to “Notes” shall be construed accordingly.

14 - Change of Control

(a) If Change of Control is specified in the relevant Final Terms, if at any time while any of the Notes remain outstanding:

- (i) There occurs a Change of Control; and
- (ii) A Rating Downgrade occurs or has occurred during the Change of Control Period and the Rating Agency has publicly announced, or confirmed in writing to the Issuer, that such Rating Downgrade resulted, in whole or in part, from the Change of Control that has occurred or could occur (such confirmation to be immediately notified to the Fiscal Agent, the Representative and the Noteholders in accordance with Condition 15 (Notices)),

((i) and (ii) together, a “**Rate of Interest Increase Event**”), the Rate of Interest will be increased in accordance with the table set out in the relevant Final Terms.

(b) Such increased Rate of Interest shall apply as from and including the date (the “**Rate of Interest Increase Date**”) that is the later of:

- (i) the date of the Change of Control; and
- (ii) the date of announcement of such Rating Downgrade,

for the remainder of the Interest Period in which the Rate of Interest Increase Date occurs (the interest payable in respect of such Interest Period being calculated on a pro rata basis by applying the Day Count Fraction) and for all subsequent Interest Periods until the redemption of such Notes.

The Issuer shall forthwith give notice to the Fiscal Agent of such increase in the Rate of Interest and shall notify the Noteholders thereof immediately in accordance with Condition 15 “Notices”.

The Rate of Interest payable on the Notes will only be subject to adjustment as provided in this Condition upon the first occurrence of a Rate of Interest Increase Event and there shall be no further adjustments to the Rate of Interest upon the occurrence of any subsequent change in rating, whether upwards or downwards.

In the event that the rating of the senior unsecured debt of the Issuer is simultaneously downgraded by several Rating Agencies, the assigned rating, for the purpose of determining the applicable Rate of Interest in accordance with the table set out in the relevant Final Terms, shall be deemed to be:

- (i) the lowest rating assigned by any such Rating Agencies, if the senior unsecured debt of the Issuer is simultaneously rated as “investment grade” by a Rating Agency and as “non investment grade” by one or several others Rating Agencies; or
- (ii) the highest rating assigned by any such Rating Agencies, if the senior unsecured debt of the Issuer is rated “non investment grade” by all the Rating Agencies.

If any rating of the Issuer's senior unsecured debt is assigned by any Rating Agency or Rating Agencies other than or in addition to Moody's, the ratings in the table set out in the relevant Final Terms shall be construed as if it referred to the equivalent ratings of such other or additional Rating Agency or Rating Agencies.

In the event that the Issuer's senior unsecured debt ceases at any time to have a rating assigned to it by at least one Rating Agency, the Issuer shall use its best endeavours to obtain a rating of its senior unsecured debt from a Rating Agency as soon as practicable.

In the event that (i) a formal public announcement of a Change of Control is made at a time when the Issuer's senior unsecured debt is not rated by any Rating Agency, and (ii) a Rating Agency then assigns within 90 days (inclusive) after the date of the Change of Control a rating to such debt, the new Rate of Interest shall be the one corresponding to such rating in the table set out in the relevant Final Terms. In such case, the new Rate of Interest shall apply from and including the date on which the rating is so assigned by such Rating Agency, such date being the Rate of Interest Increase Date, for the remainder of the Interest Period in which the Rate of Interest Increase Date occurs (the interest payable in respect of such Interest Period being calculated on a pro rata basis by applying the Day Count Fraction) and for all subsequent Interest Periods until the redemption of such Notes. Should the Issuer's senior unsecured debt remain unrated after the end of the above mentioned 90-day period, the new Rate of Interest shall be the one corresponding to B3 or lower in the table set out in the relevant Final Terms. In such case, the new Rate of Interest shall apply from and including the day following the end of such 90-day period, such date being the Rate of Interest Increase Date, for the remainder of the Interest Period in which the Rate of Interest Increase Date occurs (the interest payable in respect of such Interest Period being calculated on a pro rata basis by applying the Day Count Fraction) and for all subsequent Interest Periods until the redemption of such Notes.

“Rating Agency” means any of Moody's Investors Service or any other rating organisation generally recognised by banks, securities houses and investors in the euro-markets provided that references herein to a Rating Agency shall only be to such Rating Agency as shall have been appointed by or on behalf of the Issuer to maintain a Rating and shall not extend to any such Rating Agency providing rating on an unsolicited basis.

A **“Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control if the rating previously assigned to the senior unsecured debt by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (iii) if the rating previously assigned to the senior unsecured debt by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+/Ba1 to BB/Ba2 or their respective equivalents), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating does not publicly announce or confirm that such changes were the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

A **“Change of Control”** will be deemed to have occurred when (whether or not approved by the *Conseil d'administration* of the Issuer) any person or groups of persons acting in concert (*personnes agissant de concert*, as defined in Article L. 233-10 of the French *Code of Commerce*) other than any of the two principal shareholders of the Issuer as of the Issue Date at any time directly or indirectly gains “control” (as defined in Article L.233-3 I of the French *Code of Commerce*) of the Issuer.

“Change of Control Period” means the period commencing on the date that is the earlier of:

- (i) the date of the first formal public announcement that a Change of Control in respect of the Issuer has occurred; and
- (ii) the date of the first formal public announcement or statement by the Issuer, any actual or potential bidder or any adviser thereto relating to any future Change of Control in respect of the Issuer (if any),

and ending 90 days (inclusive) after the date of the first formal public announcement that such Change of Control in respect of the Issuer has occurred.

15 – Notices

- (a) Subject to Condition 15(d), 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 in a leading daily newspaper of general circulation in Europe (which is expected to be the Financial Times). Provided that, so long as such Notes are listed and admitted to trading on any Regulated Market(s) and the rules of such Regulated Market so require such publication, notices shall be valid if published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are listed and admitted to trading is/are located, which in the case of the Regulated Market of the Luxembourg Stock Exchange, is expected to be the Luxemburger Wort or, in the case of the Official List of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (b) Subject to Condition 15(d), notices to the holders of Materialised Notes and Dematerialised Notes in bearer form shall be valid if published in a leading daily newspaper of general circulation in Europe (which is expected to be the Financial Times) and so long as such Notes are listed and admitted to trading on any Regulated Market(s) and the rules of such Regulated Market so require such publication, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes is/are listed and admitted trading is/are located, which in the case of the Regulated Market of the Luxembourg Stock Exchange, is expected to be the Luxemburger Wort or, in the case of the Official List of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading

daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15(a), (b) and (c) above; except that so long as such Notes are listed and admitted to trading on any Regulated Market(s) and the rules of that Regulated Market so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are listed and admitted to trading is located.

16 - Governing Law and Jurisdiction

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

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED NOTES

1 - Temporary global certificates

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

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

2 - Exchange

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

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Selling Restrictions”), in whole, but not in part, for the Materialised Notes and
- (ii) otherwise, in whole but not in part upon certification if required as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Notes.

3 - Delivery of definitive materialised notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, “**Definitive Materialised Notes**” means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons 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 Notes will be security printed in accordance with any applicable legal and stock exchange requirements. Forms of such Definitive Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

4 - Exchange date

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

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

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES FEDERAL INCOME TAX LAWS INCLUDING THE LIMITATION PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes unless otherwise specified in the relevant Final Terms.

TAXATION

The statements herein regarding taxation are based on the laws in force in the European Union, the Republic of France, the Grand Duchy of Luxembourg, Hong Kong and the People's Republic of China as of the date of this Base Prospectus and are subject to any changes in law. The following overview 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 adviser as to the tax consequences of any investment in or ownership and disposition of the Notes under the laws of the European Union, the Republic of France, the Grand Duchy of Luxembourg and/or any other jurisdiction.

All prospective holders should seek independent advice as to their tax positions.

Savings Directive

Under EC Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income as amended by an EU Council Directive adopted by the European Council on 24 March 2014 (the “**Savings Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest and certain other types of income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain other types of entity or legal arrangement (the so-called “*residual entities*”) established in that other Member State (or certain dependent and associated territories).

However, for a transitional period, Austria and Luxembourg may instead apply a withholding tax system in relation to such payments unless the beneficiary of interest payment elects for the exchange of information. The rate of this withholding tax is currently 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. On 10 April 2013, the Luxembourg government officially announced that it will no longer apply the withholding tax system and will instead exchange information on interest and similar income (within the meaning of the Savings Directive) as from 1 January 2015.

A number of non-EU countries and certain dependent or associated territories have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain limited types of entities established in a Member State. In addition, certain Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual resident or certain limited types of entities established in one of those territories.

On 24 March 2014, the Council of the European Union adopted a directive amending the Savings Directive (the “**Amending Savings Directive**”) strengthening European Union rules on the exchange of information on savings income in order to enable the Member States to better clamp down on tax fraud and tax evasion. The Amending Savings Directive would amend or broaden the scope of the requirements described above. It would in particular enlarge the scope of the Savings Directive to cover new types of savings income and products that generate interest or equivalent income and the scope of the tax authorities requirements to be complied with. The Member States would have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Savings Directive.

France

The following is a general overview of certain French tax considerations relating to the Notes, focusing specifically on withholding taxes applicable to payments under the Notes. This overview is based on French tax laws currently in force and does not purport to constitute a complete tax analysis of all of the tax considerations relating to the Notes nor to be viewed as legal advice. Prospective purchasers are urged to consult with their own tax advisers prior to purchasing the Notes to determine the tax implications of investing in the Notes in light of each purchaser's circumstances.

Savings Directive

The Savings Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities, certain information with respect to interest payments made to beneficial owners domiciled in another Member State, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest or similar income paid to that beneficial owner.

Withholding tax

The following is an overview of certain tax considerations that may be relevant to the Noteholders who do not concurrently hold shares of the Issuer and are not otherwise affiliated with the Issuer.

Following the introduction of the French *loi de finances rectificative pour 2009* no. 3 (n° 2009-1674 dated 30 December 2009) (the “**Law**”), 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*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 and *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* of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the non-deductibility for tax purposes as 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 principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”).

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70, BOI-IR-DOMIC-10-20-20-60-20140211, n°10 and BOI-ANX-000364-20120912, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer made in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L 561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Withholding tax applicable to French tax resident investors

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and similar revenues received as from 1 January 2013 by French tax resident individuals are subject to a 24 per

cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and similar revenues paid to French tax resident individuals.

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

Luxembourg

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This description is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

All payments of interest and principal by a Paying Agent in Luxembourg under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC) as amended by an EU Council Directive adopted by the European Council on 24 March 2014 and providing for the possible application of a withholding tax (35 per cent. from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called “residual entities”) in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see, paragraph “Savings Directive” above);
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

Hong Kong

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

Withholding tax

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

Profits tax

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

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”), interest on the Notes may be subject to profits tax and is received by or accrued to:

- a corporation, other than a financial institution (as defined in the Inland Revenue Ordinance), carrying on a trade, profession or business in Hong Kong and where such interest is derived from Hong Kong;
- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business and where such interest is derived from Hong Kong; or
- a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrued are made available outside Hong Kong.

Sums derived from the sale, disposal or redemption of the Notes will not be subject to profits tax in Hong Kong unless such sale, disposal or redemption is or forms part of the revenue or profits of such trade, profession or business carried on in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes were acquired or disposed of, including where such activities were undertaken.

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

Stamp Duty

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

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

If stamp duty is payable, it is payable by the Issuer on the issue of bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of bearer Notes.

No stamp duty is payable on the issue of registered Notes. Stamp duty may be payable on the transfer of registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- the registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- the registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance)

If stamp duty is payable in respect of the transfer of registered Notes, it will be payable at the rate of 0.1 per cent. each by the seller and the purchaser (i.e. a total of 0.2 per cent.) normally by reference to the value of the consideration or to the value on the contract notes for such sale (whichever is higher). If, in the case of either the sale or purchase of such registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for the late payment. If stamp duty is not paid on or before the due date (2 days after the sale or purchase if effected in Hong Kong or 30 days if

effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the registered Notes if the relevant transfer is required to be registered in Hong Kong.

Estate Duty

No estate duty is payable in respect of the Notes in Hong Kong.

Capital gains tax

There is no capital gains tax in Hong Kong and no capital gains tax is chargeable or payable on the transfer or disposal of the Notes.

People's Republic of China

The holders of RMB Notes who are not resident in the PRC for PRC tax purposes and who do not hold the RMB Notes in connection with an establishment or site (under Chinese domestic law) or a permanent establishment (where a tax treaty applies) in the PRC will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their RMB Notes or any repayment of principal and payment of interest made thereon.

FORM OF FINAL TERMS

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF
SECURITIES WITH A DENOMINATION OF AT LEAST €100,000**

Final Terms dated [●]

[LOGO, if document is printed]

Imerys

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 1,000,000,000 Euro Medium Term Note Programme**

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 15 May 2014 [and the supplement to the base prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Prospectus Directive (Directive 2003/71/EC), as amended (the “**Prospectus Directive**”)(the “**Base Prospectus**”). This document constitutes the Final Terms of the notes described herein (the “**Notes**”) for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions which are the 2013 Conditions which are incorporated by reference in the base prospectus dated 15 May 2014 [and the supplement to the base prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Prospectus Directive (Directive 2003/71/EC), as amended (the “**Prospectus Directive**”)(the “**Base Prospectus**”) . This document constitutes the Final Terms of the notes described herein (the “**Notes**”) 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 [and the supplement[s] to the Base Prospectus] and the Final Terms are available for viewing at the office of the Paying Agent during normal business hours and are published on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) the Issuer, at the following address (<http://www.imerys.com/scopi/group/imeryscom/imeryscom.nsf/pagesref/SCOI-8S4EYJ?opendocument&lang=en&publi=11>) and copies may be obtained free of charge from Imerys, 154, rue de l'Université, 75007 Paris, France. [In addition⁶, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at/on] [●]].

- | | | |
|----|---|---|
| 1. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | (iii) [Date on which the Notes become fungible: | [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 “ Existing Notes ”) as from the date of assimilation which is expected to be on or about forty (40) days after the Issue Date (the “ Assimilation Date ”).] |
| 2. | Specified Currency: | [Euro] / [U.S. Dollars] / [Japanese yen] / [Swiss francs] / [Sterling] / [Renminbi] / [●] |
| 3. | Aggregate Nominal Amount of Notes: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 4. | Issue Price: | [●] per cent. of the Aggregate Nominal Amount of the Tranche [plus accrued interest for the period from and |

⁶ If the Notes are admitted to trading on a regulated market other than the Luxembourg Stock Exchange.

including the Interest Commencement Date to, but excluding, the Issue Date]

5. **Specified Denomination:** [●]
6. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●] / Issue Date / Not Applicable]
7. **Maturity Date:** [●]
- (Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year)*
8. **Interest Basis:** [[●] per cent. Fixed Rate / *(specify reference rate)* [+/-] [●] per cent. Floating Rate / Zero Coupon]
9. **Redemption/Payment Basis:** Subject to any purchase, cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100 / [●] per cent. of the Aggregate Nominal Amount *(this option applies to Zero Coupon Notes) / Instalment Notes (further particulars specified below)*
10. **Change of Interest Basis:** [For the period from (and including) the Interest Commencement Date, up to (but excluding) [●] paragraph [14/15] applies and for the period from (and including) [●] the Maturity Date, paragraph [14/15] applies / Not Applicable]
11. **Put/Call Options:** [Investor Put / Issuer Call / Change of Control / Make-Whole Redemption *[(further particulars specified below)]* / Not Applicable]
12. (i) **Status of the Notes:** [Unsubordinated Notes / Subordinated Notes]
- (ii) [Date of corporate authorisations for issuance of Notes obtained]: [Resolution of the General Meeting of the shareholders of the Issuer dated [●] / Decision of the Board of Directors of the Issuer dated [●] [and of [●] [function] dated [●] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes and if the resolution dated 29 April 2014 is no longer in force or is not applicable)*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable / Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) **Rate[(s)] of Interest:** [●] per cent. *per annum* [payable [annually / semi-annually / quarterly / monthly / other *(specify)*] in arrear]

- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [●] (*specify Business Day Convention and any applicable additional Business Centre(s) for the definition of "Business Day"*) / not adjusted]
- (iii) Fixed Coupon Amount(s)⁸: [●] per Specified Denomination
- (iv) Broken Amount(s): [[●] per Specified Denomination, payable on the Interest Payment Date falling in /on [●] (*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] / Not Applicable*)]
- (v) Day Count Fraction: [Actual/365 / Actual/Actual - ISDA / Actual/Actual – ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bonds Basis / 30E/360 / Eurobond Basis]
- (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)*)

14. Floating Rate Note Provisions

[Applicable / Not Applicable]

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

- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / other (*give details*)]
- (v) Business Centre(s): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination / ISDA]
- (vii) Party responsible for calculating the Rate(s) of Interest and / or Interest Amount(s) (if not the Fiscal Agent)⁹: [[●] shall be the Calculation Agent / Not Applicable (*no need to specify if the Fiscal Agent is to perform this function*)]
- (viii) Screen Rate Determination:
- Relevant Rate: [LIBOR/EURIBOR/[●]]

⁷ This option should be selected for RMB Notes

⁸ Not applicable for RMB Notes

⁹ RMB Notes only

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

– Interest Determination Date(s): [●]

– Relevant Screen Page: [●]

(ix) ISDA Determination:

– Floating Rate Option: [●]

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

– Designated Maturity: [●]

– Reset Date: [●]

(x) Margin(s): [+/-] [●] per cent. *per annum*

(xi) Minimum Rate of Interest: [●] per cent. *per annum*

(xii) Maximum Rate of Interest: [●] per cent. *per annum*

(xiii) Day Count Fraction: [Actual/365 / Actual/Actual - ISDA / Actual/Actual – ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bonds Basis / [30E/360 / Eurobond Basis]

15. 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/365 / Actual/Actual - ISDA / Actual/Actual – ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bonds Basis / 30E/360 / Eurobond Basis]

16. Change of Control [Applicable / Not Applicable]

(Condition 14) *(If not applicable, delete the table below in this paragraph)*

Rate of Interest on the Rate of Interest Increase Event:

Rating Downgrade	The new Rate of Interest will be as follows:
to Ba1	[•] per cent. <i>per annum</i>
to Ba2	[•] per cent. <i>per annum</i>
to Ba3	[•] per cent. <i>per annum</i>
to B1	[•] per cent. <i>per annum</i>
to B2	[•] per cent. <i>per annum</i>
to B3 or lower	[•] per cent. <i>per annum</i>

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call Option

[Applicable / Not Applicable]

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

(i) Optional Redemption Date(s) (Call): [•]

(ii) Optional Redemption Amount(s) (Call) of each Note: [100 / [•] per Specified Denomination]
(Aggregate Nominal Amount of Notes plus interest)

(iii) If redeemable in part: [Applicable/Not Applicable]

(a) Minimum Redemption Amount: [•] per Specified Denomination

(b) Maximum Redemption Amount: [•] per Specified Denomination

(iv) Notice period: [•]

18. Make-Whole Redemption

[Applicable / Not Applicable]

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

(i) Make-Whole Redemption Amount (If different from that as set out in the Conditions): [[•] / Not Applicable]

(ii) Percentage Principal Amount: [•]

(iii) If redeemable in part: [Applicable/Not Applicable]

(a) Minimum Redemption Amount: [•] per Specified Denomination

(b) Maximum Redemption Amount: [•] per Specified Denomination

(iv) Make-Whole Redemption Margin: [•]

- (v) Reference Security: [Applicable / Not Applicable]
- (vi) Reference Screen Rate: [Applicable / Not Applicable]
- (vii) Reference Banks: [Applicable / Not Applicable]
- (viii) Quotation Agent: [Applicable / Not Applicable]
- (ix) Notice period: [●]
- 19. Investor Put Option** [Applicable / Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount(s) (Put) of each Note: [●] per Specified Denomination
- (iii) Notice period: [●]
- 20. Final Redemption Amount of each Note** [●] per Specified Denomination
- 21. Early Redemption Amount (Tax)**
- Early Redemption Amount(s) (Tax) of each Note payable on redemption for taxation reasons on an Event of Default or other early redemption and/or the method of calculating the same (if required): [100 / [●] per Specified Denomination]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22. Form of Notes:** [Dematerialised Notes / Materialised Notes]
(*Materialised Notes are only in bearer form*)
- (i) Form of Dematerialised Notes: [Applicable / Not Applicable] (*Specify if bearer dematerialised form (au porteur) / registered dematerialised form (au nominatif administré) / fully registered dematerialised form (au nominative pur)*)
- (ii) Registration Agent: [Not Applicable / [●] (name and details)] (*Note that a Registration Agent may be appointed in relation to Dematerialised Notes in fully registered form (au nominatif pur) only*)
- (iii) Temporary Global Certificate: [Temporary Global Certificate exchangeable for Definitive Bearer Materialised Notes on [●] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate / Not Applicable]
- (iv) Applicable TEFRA exemption: [C Rules / D Rules / Not Applicable] (*Only applicable to Materialised Notes*)

- (v) [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 1(c)(v): [Applicable] *(If the possibility to request identification information of the Noteholders as provided by Condition 1(a)(i) is contemplated, delete this paragraph)*
- 23. Relevant Financial Centre(s) or other special provisions relating to payment dates:** [Not Applicable / [●]] *(give details)*
(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 14 (ii) and 15(ii) relates)
- 24. Talons for future Coupons or Receipts to be attached to Definitive Bearer Materialised Notes (and dates on which such Talons mature):** [Yes / No] *(If yes, give details)*
- 25. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:** [Not Applicable / [●]] *(give details)*
- 26. “Masse” (Condition 11)** [Full Masse / Contractual Masse shall apply] *(Note that: (i) in respect of any Tranche of Notes issued or deemed to be issued outside France, Contractual Masse, as referred to in Condition 11 may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued inside France, Full Masse, as referred to in Condition 11, must be elected. Insert details of Representative and Alternative Representative and remuneration, if any).*
- [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 [●]

DISTRIBUTION

- 27. Method of distribution:** [Syndicated / Non-syndicated]
- 28. (i) If syndicated, names of Managers:** [Not Applicable / [●]] *(give names)*
- (ii) Stabilising Agent(s) (if any):** [Not Applicable / [●]] *(give names)*
- 29. If non-syndicated, name of Dealer:** [Not Applicable / [●]] *(give name)*
- 30. US Selling Restrictions:** [Reg. S Compliance Category [●]; TEFRA C / TEFRA D / TEFRA not applicable]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Official List of the Luxembourg Stock Exchange / other (*specify*) / None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*Bourse de Luxembourg* / [●](*specify*)] with effect from [●] / Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the *Bourse de Luxembourg* / [●] (*specify*)] with effect from [●] / Not Applicable]
- (where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (iii) Estimate of total expenses related to listing and admission to trading: [●]

2. RATINGS

Ratings: [The Notes to be issued have been rated: [●] by [Moody's Deutschland GmbH / [●] / The Notes will not be rated.]

[[●] (*Insert legal name of particular credit rating agency entity providing rating*) is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). [●] (*Insert legal name of particular credit rating agency entity providing rating*) appears on the latest update of the list of registered credit rating agencies (as of [●] (*insert date of most recent list*)) on the ESMA website <http://www.esma.europa.eu>. / [●] (*Insert legal name of particular credit rating agency entity providing rating*) is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority. / [●] (*Insert legal name of particular credit rating agency entity providing rating*) is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).]

3. [NOTIFICATION]

The *Commission de surveillance du secteur financier*, which is the competent authority in Luxembourg for the purposes of the Prospectus Directive [has been requested to provide / has provided – (*include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*) the (*include names of competent authorities of host Member States*) with [a] certificate[s] of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. [OTHER ADVISORS]

If advisors are mentioned in these Final Terms, specify the capacity in which the advisors have acted.]

5. 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 following statement:

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

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

6. [(Fixed Rate Notes only) – YIELD]

Indication of yield: [●]

7. [(Floating Rate Notes only) – HISTORIC INTEREST RATES]

Details of historic [LIBOR, LIBID, LIMEAN or EURIBOR] rate can be obtained from Reuters / [●]
(others).]

8. OPERATIONAL INFORMATION

(i) ISIN Code: [●]

(ii) Common Code: [●]

(iii) Depositaries:

- Euroclear France to act as [Yes / No]
Central Depositary

- Common Depositary for [Yes / No]
Euroclear S.A./N.V. and
Clearstream Banking société
anonyme

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

(v) Delivery: [Delivery against / free of payment]

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

(viii) The Aggregate principal amount of Notes issued has been translated into Euro at the rate of [●], producing a sum of (for Notes not denominated in Euro): [Not Applicable / Euro [●]]

SUBSCRIPTION AND SALE

Overview of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 15 May 2014 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has entered into an agreement with the Arrangers for certain expenses incurred by them in connection with the establishment of the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

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

Selling Restrictions

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**”) or the securities laws of any U.S. State and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non U.S. persons in reliance upon an exemption from registration. 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 of 1986, as amended (the “**I.R. Code**”) and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, except as permitted by the Dealer Agreement, it has not offered or sold and it will not offer, sell or, in the case of Materialised Notes, deliver, Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S, except that in the case of Materialised Notes, the term “U.S. person” also shall have the meaning given to it by the I.R. Code and the regulations thereunder.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on 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 tranche of 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.

Selling Restrictions addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

- (a) ***No deposit-taking:*** in relation to any Notes having a maturity of less than one year:
 - (i) 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:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) 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 FSMA by the Issuer;

- (b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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) ***General compliance:*** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to (a) persons providing investment services relating to portfolio management for the account of third parties and/or to (b) qualified investors (*investisseurs qualifiés*), as defined in Articles L.411-2 and D.411-1 and D.411-2 of the French *Code monétaire et financier*.

In addition, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

If necessary these selling restrictions will be amended or deleted in a supplement to this Base Prospectus.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “**2010 Amending Directive**” means Directive 2010/73/EU to the extent it has been implemented into the Relevant Member State, and the expression “**Prospectus Directive**” means Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 and the 2010 PD Amending Directive and includes any relevant implementing measure in each Relevant Member State.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan, 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 applicable laws, regulations and governmental guidelines of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Hong Kong

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

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

People's Republic of China (excluding Hong Kong, Macau and Taiwan)

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 or will not offer or sell, directly or indirectly, any of the Notes in the PRC except as permitted by applicable PRC laws and regulations.

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 and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) 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 the Notes are acquired by persons who are relevant persons specified in Section 276 of the SFA, namely:

- (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,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275(1A) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

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

No action has been taken in any jurisdiction that would permit 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 that it will comply, to the best of its knowledge, 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. In no event, shall the Issuer nor any other Dealer have responsibility for the actions of such Dealer.

Each of the Dealers has further agreed that it has not entered and will not enter into any sub-underwriting arrangement with respect to the distribution of the Notes with any person other than one of its subsidiaries or affiliates without the prior written consent of the Issuer. Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

GENERAL INFORMATION

- (1) Application has been made to the *Commission de Surveillance du Secteur Financier* to approve this document as a base prospectus. Application may be made for the Notes to be listed on the Official List and traded on the Regulated Market of the Luxembourg Stock Exchange 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) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the establishment 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 (as the date hereof the *statuts* of Imerys 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*, which has not been the case so far at the Issuer. Pursuant to Article L.228-40 of the French *Code de commerce*, the *Conseil d'administration* of the Issuer authorised on 29 April 2014 (i) the *Président Directeur Général* to issue Notes and determine their characteristics within the period of one (1) year and the limit of a maximum annual nominal amount of €1,500,000,000 and a maximum nominal amount per operation of €350,000,000 and, as a consequence, conclude all documents regarding the update of the Programme. Further approvals of the *Conseil d'administration* of the Issuer may be provided for in the relevant Final Terms, if required.
- (3) Save as disclosed on pages 29 to 35 of this Base Prospectus, there has been no significant change in the financial or trading position of the Group since 31 December 2013.
- (4) Save as disclosed on pages 29 to 35 of this Base Prospectus, there has been no material adverse change in the prospects of Imerys since 31 December 2013.
- (5) To the best of the Issuer's knowledge, no potential conflicts of interest exist between the duties of the Directors with respect to the Issuer and their private interests and/or other duties.
- (6) During the 12 months preceding the date of this Base Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.
- (7) Each Definitive Materialised Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".
- (8) The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Notes will be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders at the following address: Euroclear France, 66 rue de la Victoire, 75009 Paris, France. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (9) So long as any of the Notes remain outstanding, copies of this Base Prospectus, the 2013 Registration Document, the 2012 Registration Document, the 2013 Conditions, the amended and restated Agency Agreement and the *statuts* (by-laws) of the Issuer will be available for inspection and copies of the most recent annual and semi-annual financial statements of the Issuer will be obtainable, free of charge, at the specified offices for the time being of the Paying Agent during normal business hours. This Base Prospectus and all the documents incorporated by reference in this Base Prospectus are also available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- (10) In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Registered Office of the Issuer

Imerys
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France

Arrangers

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France

Dealers

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75013 Paris
France

RBC Europe Limited
Riverbank House
2 Swan Lane
London EC4R 3BF
United Kingdom

Société Générale
29 Boulevard Haussmann
75009 Paris
France

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services
Corporate Trustee Services
Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin
France

Paying Agent

BNP Paribas Securities Services
Corporate Trustee Services
Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin
France

Luxembourg Listing Agent

BNP Paribas Securities Services
33, rue de Gasperich, Howald – Hesperange
L – 2085 Luxembourg

Auditors to the Issuer

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Legal Advisers
as to French Law

To the Issuer

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To the Dealers

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