

Base Prospectus dated 28 November 2017



(a *société anonyme* incorporated in France)

€2,750,000,000

Euro Medium Term Notes Programme

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this document (the “**Base Prospectus**”), Arkema (“**Arkema**” or the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). On 8 November 2017, the Board of directors (*Conseil d’administration*) of the Issuer decided to increase the Programme Limit to €2,750,000,000. The aggregate nominal amount of Notes outstanding will not at any time exceed €2,750,000,000 (or the equivalent in other currencies) and may be denominated in certain currencies. The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area in circumstances which require the publication of a Base Prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €100,000 (or the equivalent amount in any other currency).

This Base Prospectus supersedes and replaces the Base Prospectus dated 25 November 2016.

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

Application may be made to Euronext Paris for the period of 12 months from the date of the approval of this Base Prospectus by the AMF for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris and/or to the competent authority of any other Member State of the European Economic Area (“**EEA**”) for Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC, appearing on the list of regulated markets issued by the European Commission (a “**Regulated Market**”).

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

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

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

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

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

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

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

The Issuer’s long term debt is currently rated BBB (stable outlook) by Standard & Poor’s Credit Market Services France SAS, (“**S&P**”) and Baa2 (stable outlook) by Moody’s Investors Service Limited (“**Moody’s**”), each of S&P and Moody’s is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”). As such, each of S&P and Moody’s is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes to be issued under the Programme may or may not be rated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

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

For as long as the Programme remains in effect or any Notes are outstanding, copies of this Base Prospectus, any document containing information incorporated by reference in this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to Notes that are listed and admitted to trading on any Regulated Market in the EEA will be available for viewing on the website of the AMF (excluding the 2017 Half Year Financial Report) (www.amf-france.org), on the Issuer’s website (www.arkema.com) and may be obtained, during normal business hours at the specified offices of the Fiscal Agent and each of the Paying Agents (as defined herein).

Prospective investors should carefully review and consider the section of this Base Prospectus entitled “Risk Factors” prior to purchasing any Notes.

Arranger

NATIXIS

Dealers

BNP PARIBAS

CM-CIC Market Solutions

Crédit Agricole CIB

NATIXIS

Citigroup

Commerzbank

MUFG

SMBC Nikko

Société Générale Corporate & Investment Banking

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RISK FACTORS

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

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the main risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces.

Additional risks and uncertainties not currently known to the Issuer or that are currently believed to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and in any documents incorporated by reference and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.

All capitalised terms used and not defined in this section are defined in the Conditions.

Risk Factors relating to the Issuer

Risk Factors relating to the Issuer are described on pages 53 to 66 of the 2016 Reference Document and on page 11 of the 2017 Half-Year Financial Report as defined and further described under “Documents Incorporated by Reference” in this Base Prospectus and include notably the followings:

- economic and business risks,
- supply chain risks,
- industrial safety, environmental and climate change risks,
- regulatory and legal risks,
- financial risks,
- IT risks,
- strategic projects risks, and
- insurance cover default risks.

Risk Factors relating to the Notes

The following paragraphs describe the main risk factors that the Issuer believes are material to the Notes to be offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes. Prospective investors should consult their own financial and legal advisers about risks associated with an investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.

1 General Risks Relating to the Notes

1.1 Independent Review and Advice

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

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

1.2 Modification and waivers

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

at the relevant General Meeting or who did not vote through the written consultation and Noteholders who voted in a manner contrary to the majority.

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

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

1.4 *Provision of Information*

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

1.5 *Potential Conflicts of Interest*

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

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

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

1.6 *Exchange Rates risks and exchange controls*

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

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

1.7 *Legality of Purchase*

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

1.8 *Credit ratings may not reflect all risks*

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

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

1.9 *Taxation*

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

1.10 *Market Value of the Notes*

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

The value of the Notes or the Inflation Indices depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical level of the Inflation Index should not be taken as an indication of such index's future performance during the term of any Note.

1.11 *Change of Law*

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

1.12 *Credit Risk*

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

1.13 *French Insolvency Law*

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

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

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

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

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required on convocation of the Assembly.

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

1.14 *The proposed financial transaction tax*

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

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

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

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

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

1.15 *U.S. Foreign Account Tax Compliance Act Withholding risk*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

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

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

2.1 *Notes subject to optional redemption by the Issuer*

The Issuer has the option, if so specified in the relevant the Final Terms, to redeem the Notes under a Residual Call Option as provided in Condition 6(c), a make-whole call option as provided in Condition 6(d) or a clean-up call option as provided in Condition 6(e). In particular, in case of a clean-up call option there is no obligation for the Issuer to inform investors if and when the percentage of 80 per cent. has been reached or is about to be reached, and the Issuer’s right to redeem will exist notwithstanding that immediately prior to the serving of a

notice in respect of the exercise of this option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

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

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

2.2 *Put Option or Change of Control*

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

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

2.3 *Fixed Rate Notes*

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

While the nominal interest rate of a Fixed Rate Note is determined during the term of such Note or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the Note varies in the opposite direction. If the Market Interest Rate increases, the price of the Note typically decreases, until the yield of the Note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a Fixed Rate Note typically increases, until the yield of such Note equals approximately the Market Interest Rate.

2.4 *Floating Rate Notes*

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

2.5 *Fixed to Floating Rate Notes*

Fixed to Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a Fixed Rate to a Floating Rate, the spread on the fixed to Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new Floating Rate at any time may be lower than the rates on other Notes. If the Issuer converts from a Floating Rate to a Fixed Rate, the Fixed Rate may be lower than then prevailing rates on its Notes.

2.6 *Inverse Floating Rate Notes*

Investment in Notes which bear interest at an inverse Floating Rate comprise (i) a fixed base rate minus (ii) a reference rate. The market value of such Notes typically is more volatile than the market value of Floating Rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

2.7 Notes issued at a substantial discount or premium

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

2.8 Zero Coupon Notes

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

2.9 Inflation-Linked Notes

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

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

Inflation Linked Notes are not in any way sponsored, endorsed, sold or promoted by the INSEE or Eurostat, as the case may be, and the INSEE or Eurostat, makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of any of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE or Eurostat, as the case may be, without regard to the Issuer or the Notes. The INSEE or Eurostat, as the case may be, is not responsible for or has not participated in the determination of the timing of, prices of, or quantities of the Inflation Linked Notes to be issued or in the determination or calculation of the interest payable under such Notes.

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

2.10 Risks relating to Renminbi-denominated Notes

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

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

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

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

In respect of Renminbi foreign direct investments (“FDI”), the People’s Bank of China (“PBoC”) promulgated the Administrative Measures on Renminbi Settlement of Foreign Direct Investment (the “PBoC FDI

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

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

As the PBoC FDI Measures and the MOFCOM Circular are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the Issuer’s ability to source Renminbi to finance its obligations under Notes denominated in Renminbi.

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

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi denominated banking services to Hong Kong residents and specified business customers. The PBoC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On July 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the “**Settlement Agreement**”) between the PBoC and Bank of China (Hong Kong) Limited (the “**RMB Clearing Bank**”) to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong. In addition, the PBoC has now established Renminbi clearing and settlement systems with financial institutions in other major global financial centres (each also a “**RMB Clearing Bank**”), including London, Frankfurt and Singapore to further internationalise the Renminbi.

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

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

Investment in the RMB Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the RMB Notes in Renminbi. As a result, the value of these

Renminbi payments in U.S. dollars or other foreign currencies may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollars or other applicable foreign currencies will decline. In August 2015, the PBOC changed the way it calculates the mid-point price of Renminbi against the US dollar, requiring the market-makers who submit for the PBOC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

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

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

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

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

2.11 *Reform and regulation of “benchmarks”*

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmark Regulation**”) was published in the European official journal on 29 June 2016. Most of provisions of the Benchmark Regulation will apply from 1 January 2018 with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016.

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

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

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

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

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks”. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the

“FCA Announcement”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes.

IMPORTANT NOTICE

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

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

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

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. No Notes may be offered or sold, directly or indirectly, and none of this Base Prospectus, any Final Terms or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Japan, France, Hong-Kong, PRC and Singapore. For a description of certain restrictions on offers and sales of Notes and distribution of this Base Prospectus, see “Subscription and Sale” below.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (“IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

GENERAL DESCRIPTION OF THE PROGRAMME

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

All capitalised terms used and not defined in this section are defined in the Conditions.

Issuer	Arkema
Description	Euro Medium Term Note Programme for the continuous offer of Notes (the “ Programme ”).
Arranger	NATIXIS
Dealers	BNP Paribas Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Industriel et Commercial S.A. Crédit Agricole Corporate and Investment Bank MUFG Securities EMEA plc NATIXIS SMBC Nikko Capital Markets 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.
Programme Limit	Up to €2,750,000,000 (or the equivalent in other currencies) aggregate nominal amount of Notes outstanding at any one time. The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Amended and Restated Dealer Agreement.
Fiscal Agent, Principal Paying Agent Redenomination Agent, Consolidation Agent and Calculation Agent	Société Générale.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche will be set out in a final terms to this Base Prospectus (the “ Final Terms ”).
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity from seven calendar days from the date of original issue.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. dollars, Japanese yen, Swiss francs, Sterling, RMB and in any other currency agreed between the Issuer and the relevant Dealers.
Denomination(s)	The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a

Regulated Market in a Member State of the European Economic Area (“EEA”) in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

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

Dematerialised Notes will be issued in one denomination only.

Status of the Notes

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

Negative Pledge

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

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

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

Redemption

The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption

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

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.

Early Redemption

Except as provided in “Optional Redemption” above, “Residual Call Option”, “Make-Whole Redemption by the Issuer” and “Clean-Up Call Option” below, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.

**Redemption at the option of
Noteholders following a Change of
Control**

If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes, or, at the Issuer’s option, procure the purchase of their Notes. See “*Terms and Conditions of the Notes - Redemption, Purchase and Options*”.

Residual Call Option

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 par together with interest accrued to, but excluding, the date fixed for redemption, at any time as from the call option date which shall be no earlier than 3 months before the Maturity Date, until the Maturity Date.

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 at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

Clean-Up Call Option

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

Taxation in respect of the Notes

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

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

Notes, Receipts, Coupons or Talons could be made subject to any withholding or deduction required pursuant to FATCA. There will be no grossing up provision and, accordingly, no early redemption whatsoever in case of any withholding or deduction required pursuant to FATCA.

See "**Taxation**".

Interest Periods and Interest Rates

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

Interest Rate Adjustment

If so specified in the relevant Final Terms, the rate of interest to be paid with respect of the Notes may be subject to adjustments on the occurrence of certain ratings triggers.

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 the June 2013/2007 *Fédération Bancaire Française* Master Agreement relating to transactions on forward financial instruments and the technical schedules (*additifs techniques*) published from time to time by the *Fédération Bancaire Française*; or
- (ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the

2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or

- (iii) (by reference to LIBOR, EURIBOR or CMS Rate (or such other benchmark as may be specified in the relevant Final Terms), in each case as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.

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

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

Zero Coupon Notes

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

Inflation Linked Notes

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

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

Inflation Linked Notes may also have a maximum interest rate, a minimum interest rate or both.

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

If the Final Redemption Amount calculated as set out in Condition 6(h) is below par, the Notes will be redeemed at par.

Redenomination

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

Consolidation

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

Form of Notes

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

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

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

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

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

	France.
Governing Law	French law.
Central Depository	Euroclear France in relation to Dematerialised Notes.
Clearing Systems	Clearstream, Euroclear or any other clearing system (provided proper clearing and settlement procedures have previously been put in place) that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.
Initial Delivery of Dematerialised Notes	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>Lettre Comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.
Initial Delivery of Materialised Notes	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Listing and Admission to Trading	Euronext Paris or as otherwise specified in the relevant Final Terms. A Series of Notes may or may not be listed and admitted to trading.
Method of Publication of this Base Prospectus and the Final Terms	This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the websites of the Issuer (www.arkema.com) and of the AMF (http://www.amf-france.org). The Final Terms will indicate where the Base Prospectus may be obtained.
Selling Restrictions	<p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”.</p> <p>The Notes to be issued qualify under Category 2 for the purposes of Regulation S under the Securities Act.</p> <p>Materialised Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “U.S. Internal Revenue Code”)) unless the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code) (the “C Rules”), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstance will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.</p> <p>The TEFRA rules do not apply to any Dematerialised Notes.</p>
Rating	The Issuer’s long term debt is currently rated BBB (stable outlook) by Standard & Poor’s Credit Market Services France SAS (“ S&P ”) and Baa2 (stable outlook) by Moody’s Investors Service Limited (“ Moody’s ”), each of S&P and Moody’s is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the “ CRA Regulation ”). As such, each of S&P and Moody’s is included

in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes to be issued under the Programme may or may not be rated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (A) the pages referred to in the table below which are included in the Issuer’s 2016 *Document de Référence* in the French language, filed with the AMF under no. D.17-0259 on 30 March 2017 (the “**2016 Reference Document**”), which includes the audited consolidated financial statements of the Issuer as at 31 December 2016 prepared in accordance with IFRS as adopted by the European Union;
- (B) the pages referred to in the table below which are included in the Issuer’s 2015 *Document de Référence* in the French language, filed with the AMF under no. D.16-0263 on 4 April 2016 (the “**2015 Reference Document**”), which includes the audited consolidated financial statements of the Issuer as at 31 December 2015 prepared in accordance with IFRS as adopted by the European Union;
- (C) the pages referred to in the table below which are included in the Issuer’s interim financial report in the French language, for the six-month period ended 30 June 2017 (the “**2017 Half-Year Financial Report**”); and
- (D) the terms and conditions of the notes contained in the base prospectus of the Issuer dated 9 October 2013 (the “**2013 EMTN Conditions**”), in the base prospectus dated 19 December 2014 (the “**2014 EMTN Conditions**”) and in the base prospectus dated 25 November 2016 (the “**2016 EMTN Conditions**”) and together with the 2013 EMTN Conditions and 2014 EMTN Conditions, the “**EMTN Previous Conditions**”).

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

The availability of the documents incorporated by reference into this Base Prospectus is described in section “General Information” under paragraph 9 “Documents available”.

Any information not listed in the cross-reference table below but included in the documents incorporated by reference is given for information purposes only and is not required by the schedules of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (the “**Regulation**”).

The English translation of the 2017 Half-Year Financial Report, the 2016 Reference Document and the 2015 Reference Document are available on the website of the Issuer (www.arkema.com). Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus and may not be relied upon.

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

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

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

Prospectus Regulation – Annex IX of the Regulation

Prospectus Regulation – Annex IX of the Regulation		2017 Half-Year Financial Report (Unaudited)	2016 Reference Document	2015 Reference Document
A.9.1	PERSONS RESPONSIBLE	Not applicable	Not applicable	Not applicable
A9.2	STATUTORY AUDITORS	Not applicable	Not applicable	Not applicable
A9.3	RISK FACTORS			
A9.3.1	Prominent disclosure of risk factors that may affect the issuer’s ability to fulfil its obligations under the securities to investors in a section headed “Risk Factors”.	Page 11	Pages 53 to 66	Not applicable
A9.4	INFORMATION ABOUT THE ISSUER			
A9.4.1	<u>History and development of the issuer:</u>			
A9.4.1.1	the legal and commercial name of the issuer;	Not applicable	Page 292	Not applicable
A9.4.1.2	the place of registration of the issuer and its registration number;	Not applicable	Page 292	Not applicable
A9.4.1.3	the date of incorporation and the length of life of the issuer, except where indefinite;	Not applicable	Page 292	Not applicable
A9.4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office; and	Not applicable	Page 292	Not applicable
A9.4.1.5	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer’s solvency.	Section 1, page 3 and Section 4, page 10	Page 266	Not applicable

Prospectus Regulation – Annex IX of the Regulation		2017 Half-Year Financial Report (Unaudited)	2016 Reference Document	2015 Reference Document
A9.5	BUSINESS OVERVIEW			
A9.5.1	<u>Principal activities:</u>			
A9.5.1.1	A brief description of the issuer’s principal activities stating the main categories of products sold and/or services performed; and	Not applicable	Pages 14 to 31	Not applicable
A9.5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Not applicable	Pages 20 to 31	Not applicable
A9.6	ORGANISATIONAL STRUCTURE			
A9.6.1	If the issuer is part of a group, a brief description of the group and of the issuer’s position within it.	Pages 36 to 39	Page 293	Not applicable
A9.6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Not applicable	Not applicable	Not applicable
A.9.7	TREND INFORMATION	Not applicable	Not applicable	Not applicable
A.9.8	PROFIT FORECASTS OR ESTIMATES	Not applicable	Not applicable	Not applicable
A9.9	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
A9.9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:			
	(a) members of the administrative, management or supervisory bodies;	Not applicable	Pages 153 to 162, and page 321	Not applicable
	(b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Not applicable	Not applicable	Not applicable

Prospectus Regulation – Annex IX of the Regulation		2017 Half-Year Financial Report (Unaudited)	2016 Reference Document	2015 Reference Document
A9.9.2	<u>Administrative, Management, and Supervisory bodies conflicts of interests</u>			
	Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	Not applicable	Pages 162-163	Not applicable
A9.10	MAJOR SHAREHOLDERS			
A9.10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Not applicable	Page 301	Not applicable
A9.10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	Not applicable	Page 301	Not applicable
A9.11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			

Prospectus Regulation – Annex IX of the Regulation		2017 Half-Year Financial Report (Unaudited)	2016 Reference Document	2015 Reference Document
A9.11.1	<u>Historical Financial Information</u>			
	Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.	Pages 13 to 39 and 41 to 43	Pages 209 to 270	Pages 197 to 264
	(a) balance sheet;	Page 16	Page 211	Page 201
	(b) income statement;	Page 14	Page 209	Page 199
	(c) cash flow statement; and	Page 17	Page 212	Page 202
	(d) accounting policies and explanatory notes	Pages 19 to 39	Pages 216 to 270	Pages 206 to 264
A9.11.2	<u>Financial statements</u>			
	If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Not applicable	Not applicable	Not applicable
A9.11.3	<u>Auditing of historical annual financial information</u>			
A9.11.3.1	A statement that the historical financial information has been audited	Pages 41 to 43	Pages 207 to 208	Pages 197 to 198
A9.11.3.2	An indication of other information in the registration document which has been audited by the auditors.	Not applicable	Not applicable	Not applicable
A9.11.3.3	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is un-audited.	Not applicable	Not applicable	Not applicable

Prospectus Regulation – Annex IX of the Regulation		2017 Half-Year Financial Report (Unaudited)	2016 Reference Document	2015 Reference Document
A9.11.4	<u>Age of the latest financial information</u>	Not applicable	Not applicable	Not applicable
A9.11.5	<u>Legal and arbitration proceedings</u>	Page 30	Pages 61, 250 to 252	Not applicable
A9.11.6	<u>Significant change in the issuer's financial or trading position</u>	Not applicable	Not applicable	Not applicable
A9.12	MATERIAL CONTRACTS			
A9.12	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	Not applicable	Pages 41 to 43	Not applicable
A.9.13.	THIRD PARTY INFORMATION	Not applicable	Not applicable	Not applicable
A.9.14	DOCUMENTS ON DISPLAY	Not applicable	Not applicable	Not applicable

Any information not listed above but included in the documents incorporated by reference is given for information purposes only and shall not form part of this Base Prospectus.

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

EMTN Previous Conditions	
2013 EMTN Conditions	Pages 24 to 63 of the base prospectus dated 9 October 2013
2014 EMTN Conditions	Pages 25 to 59 of the base prospectus dated 19 December 2014
2016 EMTN Conditions	Pages 26 to 59 of the base prospectus dated 25 November 2016

SUPPLEMENT TO THE BASE PROSPECTUS

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

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

TERMS AND CONDITIONS OF THE NOTES

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

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

An amended and restated agency agreement dated 28 November 2017 (as amended or supplemented from time to time, the “**Amended and Restated Agency Agreement**”) has been agreed between Arkema (“**Arkema**” or the “**Issuer**”), Société Générale as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”. The holders of Dematerialised Notes and Materialised Notes, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the “**Talons**”) for further Coupons (the “**Couponholders**”) and the holders of the receipts (the “**Receipts**”) for the payment of instalments of principal (the “**Receiptholders**”) relating to Materialised Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Amended and Restated Agency Agreement applicable to them.

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

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Markets in Financial Instruments Directive 2004/39/EC, as amended from time to time.

1 Form, Denomination(s), Title and Redenomination

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

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

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

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

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

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

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

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

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

(c) **Title:**

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

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Receipt, Coupon or Talon, by giving at least 30 calendar days’ notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union, as amended from time to time (the “**Treaty**”)), or events have occurred which have substantially the same effects, redenominate all, but not some only, of the Notes of any Series (as defined below) into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the “**Redenomination Date**”.
- (ii) The redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest €0.01 (with €0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than €0.01 shall be paid by way of cash adjustment rounded to the nearest €0.01 (with €0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
- (iv) In connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, the Issuer may without the consent of the holder of any Note, Receipt, Coupon or Talon but with the prior approval of the Redenomination Agent and the Consolidation Agent, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of

redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.

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

2 Conversion and Exchanges of Notes

(a) Dematerialised Notes:

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

(b) Materialised Notes:

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

3 Status of the Notes

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

4 Negative Pledge

So long as any of the Notes or, if applicable, any Receipts or Coupons relating to them, remain outstanding (as defined below), the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, lien, charge, pledge (other than a lien arising by operation of law) or other form of security interest (*sûreté réelle*) (“**Security**”) upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Notes (a) are equally and rateably secured therewith or (b) have the benefit of such other security or other arrangement as shall be approved by the Masse (as defined in Condition 11) pursuant to Condition 11.

For the purposes of this Condition:

“**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent and remain available for payment against presentation and surrender of Materialised Bearer Notes, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Bearer Notes that have been surrendered in exchange for replacement Materialised Bearer Notes, (ii) (for the purpose only of determining how many such Materialised Bearer Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Bearer Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Bearer Notes, pursuant to its provisions.

“**Relevant Debt**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds or notes (*obligations*) or other debt securities (including *titres de créances négociables*), issued by the Issuer or any of its Principal Subsidiaries, which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.

“**Subsidiary**” means, in relation to any person or entity at any time, any other person or entity controlled directly or indirectly by such person or entity within the meaning of articles L.233-1 and L.233-3 of the French *Code de commerce*.

“**Principal Subsidiary**” means, at any relevant time, a Subsidiary of the Issuer whose capital employed represents more than five per cent. (5%) of the consolidated capital employed of the Group or whose turnover represents more than five per cent. (5%) of the consolidated turnover of the Group.

“**capital employed**” means the capital employed calculated by aggregating the net carrying amounts of intangible assets, property, plant and equipment, equity affiliate investments and loans, other investments, other non-current assets (excluding deferred tax assets) and working capital.

“**Group**” means the Issuer and its Subsidiaries taken as a whole.

5 Interest and other Calculations

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

“**Business Day**” means:

- (i) in the case of euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer system (known as TARGET 2 system) or any successor thereto (the “**TARGET System**”) is operating (a “**TARGET Business Day**”); and/or
- (ii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any); and/or
- (iii) in the case of a specified currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (iv) in the case of a currency and/or one or more Business Centres specified in the relevant Final Terms (the “**Business Centre(s)**”), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

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

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” or “**Act/Act**” or “**Act/Act (ISDA)**” is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of calendar days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of calendar days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 – FBF**” is specified in the relevant Final Terms, the fraction whose numerator is the actual number of calendar days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual/365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of calendar days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual calendar days elapsed during the leap year and whose denominator is 366;
- (iii) if “**Actual/Actual – FBF**” is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of calendar days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period);
- (iv) if “**Actual/Actual – ICMA**” is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of calendar days in the Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- the number of calendar days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

in each case where:

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

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

- (v) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 365;
- (vi) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 360;
- (vii) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

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

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

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

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

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

where:

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

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

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

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

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

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

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

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

where:

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

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

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

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

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

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

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

“**FBF Definitions**” means the definitions set out in the June 2013/2007 FBF Master Agreement relating to transactions on forward financial instruments and the technical schedules (*additifs techniques*) published from time to time by the FBF, as may be supplemented or amended as at the Issue Date.

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

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

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

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

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

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

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

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

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

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

“**Reference Rate**” means the rate specified as such in the relevant Final Terms (e.g. LIBOR, EURIBOR or CMS Rate).

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

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

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

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

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

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

(i) *Interest Payment Dates:* Each Floating Rate Note and Inflation Linked Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Business Day Convention is to be applied on an “unadjusted” basis, the Interest Amount payable on any date shall not be affected by the application of the Business Day Convention.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) *FBF Determination for Floating Rate Notes:*

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

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the relevant Floating Rate Determination Date is the first calendar day of that Interest Period unless otherwise specified in the relevant Final Terms.

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

(B) *ISDA Determination for Floating Rate Notes:*

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

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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

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

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either (i) 11:00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) or (ii) if otherwise, the Relevant Screen Page Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (b) If the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, or (iii) if otherwise, each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11:00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (c) If paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11:00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if otherwise, the Relevant Inter-Bank Market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or

the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11:00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time), or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro zone inter-bank market, or, if otherwise, the Relevant Inter-Bank Market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

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

If the Relevant Screen Page is not available at the Specified Time on the relevant Interest Determination Date: (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the relevant Interest Determination Date; (ii) if at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with the then prevailing standard market practice.

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

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

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

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

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

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

“**Relevant Swap Rate**” means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed

leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”)) with a designated maturity determined by the Calculation Agent by reference to the then prevailing standard market practice or the ISDA Definitions;

- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Reference Currency is U.S. dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

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

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

1. Consumer Price Index (CPI)

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

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

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

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

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

preceding such month (M - 3) and the second month preceding such month (M - 2) calculated in accordance with the following formula:

CPI Daily Inflation Reference Index=

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

With:

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

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

“**CPI Monthly Reference Index_{M-2}**”: price index of month M - 2;

“**CPI Monthly Reference Index_{M-3}**”: price index of month M - 3.

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

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

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

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

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

(C)

- (1) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the “**Substitute CPI Monthly Reference Index**”) shall be determined by the Calculation Agent in accordance with the following provisions:

- (x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading “*indice de substitution*”. Once the definitive CPI Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.
- (y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index_M=

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

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

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

Such that:

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

2. Harmonised Index of Consumer Prices (HICP)

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

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

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

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

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

HICP Daily Inflation Reference Index =

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

With:

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

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

“**HICP Monthly Reference Index_{M-2}**”: price index of month M - 2;

“**HICP Monthly Reference Index_{M-3}**”: price index of month M - 3.

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

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

“**HICP Monthly Reference Index**” refers to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union

excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein.

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

(C)

(1) If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index (the “**Substitute HICP Monthly Reference Index**”) shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.

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

Substitute HICP Monthly Reference Index_M =

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

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

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

Such that:

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

(d) **Fixed/Floating Rate Notes:** Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

(e) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(i)(i)).

(f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

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

(i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. In no event shall the applicable rate of interest (including, for the sake of clarity, any applicable margin) be less than zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (h) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 4). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (k) **RMB Notes:** Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after 11:00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an 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.

- (l) **Adjustment of the Rate of Interest:** If an Interest Rate Adjustment is specified in the relevant Final Terms, the rate of interest payable on the Notes will be subject to adjustment following the occurrence of a Step Up Event or a Step Down Event (each such adjustment an “**Interest Rate Adjustment**”). Any Interest Rate Adjustment shall be effective from and including the Interest Payment Date immediately following the date of the Step Up Event or the Step Down Event (as applicable) until the Maturity Date.

For the avoidance of doubt, in relation to an Interest Period, a Step Up Event or Step Down Event will only result in an Interest Rate Adjustment on the immediately following Interest Payment Date to the extent that neither a Step Down Event, nor a Step Up Event, as relevant, subsequently occurs during such Interest Period.

For the avoidance of doubt, the concurrence or succession of two or more Step Up Events will result in one Interest Rate Adjustment only.

The Issuer will cause each Step Up Event and each Step Down Event to be notified to the Fiscal Agent and notice thereof to be given to the Noteholders in accordance with Condition 15 as soon as possible after the occurrence of the Step Up Event or the Step Down Event.

For so long as any of the Notes are outstanding, the Issuer shall use all reasonable efforts to ensure the existence of a Rating from at least one Rating Agency.

The announcement by at least one Rating Agency of a decrease in the Rating which results in the Issuer ceasing to have an Investment Grade Rating shall constitute a Step Up Event (a “**Downgrade Step Up Event**”).

In the event that the Issuer deliberately renounces to maintain a Rating from at least one Rating Agency, a Step Up Event shall be deemed to have occurred as from the date upon which such a Rating ceases to be assigned (a “**No Rating Step Up Event**”).

For the purposes of this Condition:

“**Interest Rate Adjustment**” means that the rate of interest payable under the Notes shall be equal to:

- (a) the Initial Rate of Interest plus the Margin Adjustment as specified in the relevant Final Terms in the case of a Step Up Event; and
- (b) the Initial Rate of Interest, in the case of a Step Down Event.

“**Initial Rate of Interest**” means the Rate of Interest specified in the relevant Final Terms.

“**Investment Grade Rating**” means a rating of BBB- or Baa3, or the equivalent rating level for the time being, or better.

“**Rating Agency**” means Standard & Poor’s Credit Market Services France SAS or Moody’s Investors Service Limited or any other rating agency of equivalent international standing requested by the Issuer to grant a rating to the Issuer’s senior unsecured long-term debt and, in each case, their respective successors or affiliates.

“**Rating**” means the rating of the Issuer’s senior unsecured long-term debt.

“**Step Down Event**” means, where the rate of interest has previously been subject to an Interest Rate Adjustment following a Step Up Event, the first public announcement by a Rating Agency that it has assigned a Rating equal to an Investment Grade Rating.

“**Step Up Event**” means a No Rating Step Up Event or a Downgrade Step Up Event.

For the avoidance of doubt, no Interest Rate Adjustment will apply in the case of an early redemption of the Notes at the option of Noteholders following a Change of Control as set forth in Condition 6(k).

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Residual Call Option:** If a Residual Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days’ irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, at any time as from the Call Option Date (as specified in the Final Terms) which shall be no earlier than 3 months before the Maturity Date, until the Maturity Date, the Notes, in whole or in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

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

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

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

The “**Redemption Rate**” is the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth business day preceding the Optional Redemption Date at 11:00 a.m. (Central European time (CET)).

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

If the Reference Security is no longer outstanding, a Similar Security (as specified in the relevant Final Terms) will be chosen by the Calculation Agent at 11:00 a.m. (Central European time (CET)) on the third business day in London preceding the Optional Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 15.

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

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

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

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

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

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

In the case of a partial redemption in respect of Dematerialised Notes of any Series, the redemption may be effected by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed.

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

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

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

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

Final Redemption Amount = IIR x nominal amount of the Notes

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

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

(i) **Early Redemption:**

(i) *Zero Coupon Notes:*

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

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

(ii) *Inflation Linked Notes:*

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

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

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

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

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

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

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

- (i) If, by reason of any change in, or any change in the official application or interpretation of, French law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal

or interest due in respect of the Notes, or, if applicable, of the Coupons or Receipts, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 calendar days' notice to the Noteholders or, if applicable, to the holders of Coupons (the "**Couponholders**") or to the holders of Receipts (the "**Receiptholders**") (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for such additional amounts.

- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes, Coupons, or Receipts, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders or receiptholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer, shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven calendar days' prior notice to the Noteholders or, if applicable, the Couponholders or the Receiptholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as described in Condition 6(i) above) together with any interest accrued to the date set for redemption on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes or, if applicable, Receipts or Coupons, or, if that date is passed, as soon as practicable thereafter.

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

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

For the purpose of this Condition 6(k):

"**Change of Control**" shall be deemed to have occurred each time that any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (a "**Relevant Persons**") in each case come(s) to own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying (a) more than fifty per cent. (50%) of the voting rights exercisable at a general meeting of the Issuer or (b) otherwise the ability to determine in fact through voting rights held (directly or indirectly) by such Relevant Person(s) the decisions taken at ordinary or extraordinary shareholders' general meetings of the Issuer.

"**Change of Control Period**" means the period commencing on the date that is the earlier of (a) the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control (the "**Relevant Announcement Date**") and (b) the date of the earliest Potential Change of Control Announcement (as defined below) (if any) and ending on (i) the date which is 180 calendar days after, respectively, (a') the Relevant Announcement Date or (b') the date of the Potential Change of Control Announcement, or (ii) such longer period for which the Issuer, the Notes or the senior unsecured long term debt of the Issuer are under consideration (such consideration having been announced publicly within the period ending 120 calendar days after the occurrence of the relevant Change of Control or, as the case may be, the Potential Change of Control Announcement) for rating review or, as the case may be, rating by, a Rating Agency, such period not to exceed 70 calendar days after the public announcement of such consideration.

"**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period the corporate credit rating previously assigned to the Issuer by any Rating Agency is (x) withdrawn or (y) 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+/Ba 1, or their respective equivalents for the time being, or worse) or (z) if the corporate rating previously assigned to the Issuer 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+ to BB or their respective equivalents) or (b) if, on the Relevant Announcement Date or, as the case may be, the Potential Change of Control Announcement, no corporate credit rating is assigned to the Issuer and, within the Change of Control Period, no Rating Agency assigns an investment grade rating to the Issuer (the "**Non Investment Grade Rating**"), provided that in both cases, 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 withdrawing, making the change in rating or assigning the Non Investment Grade Rating does not publicly announce or confirm that the withdrawal, the reduction or the Non Investment Grade Rating was the

result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

“**Rating Agency**” means Standard & Poor’s Credit Market Services France SAS or Moody’s Investors Service Limited or any other rating agency of equivalent international standing requested by the Issuer to grant a corporate credit rating to the Issuer and, in each case, their respective successors or affiliates.

“**Potential Change of Control Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (whereby “near-term” shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, the actual or potential bidder or any such designated advisor to be intended to occur, within 12 months of the date of such announcement or statement).

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

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

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer, on the date which is the fifth (5) business day in Paris following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 7.

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

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

7 Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall be made (i) (in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form) by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the relevant Noteholder and (ii), (in the case of Dematerialised Notes in fully registered form, to an

account denominated in the relevant currency with a Bank designated by the relevant Noteholder). All payments validly made to such Account Holders will constitute an effective discharge of the Issuer in respect of such payments.

- (b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, (i) in the case a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or(ii) in the case of Renminbi in Hong Kong, and (iii) in the case of euro, in a city in which banks have access to the TARGET System.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Materialised Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders, Couponholders or Receiptholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent, the Registration Agent and the Consolidation Agent initially appointed under the Amended and Restated Agency Agreement and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Registration Agent and the Consolidation Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Registration Agent, the Consolidation Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities, (v) in the case of Dematerialised Notes, in fully registered form, a Registration Agent, and (vi) such other agents as may be required by the rules of any other Regulated Market on which the Notes may be listed and admitted to trading.

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

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

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

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Upon the due date for redemption of Materialised Bearer Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10) provided that, if any Materialised Bearer Note should be issued with a maturity date and an Interest Rate

or Rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted in respect of such unmatured Coupons would be greater than the relevant Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the foregoing provisions in respect of such Coupons as have not so become void, the amount required by this paragraph to be deducted would not be greater than the relevant Redemption Amount otherwise due for payment. Where the application of the foregoing provisions requires some but not all of the unmatured Coupons relating to a Materialised Bearer Note to become void and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

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

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

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

For the purposes of this Condition 7(i):

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

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

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

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

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

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

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

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

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

“**RMB Spot Rate**” for a RMB Rate Calculation Date means the spot RMB/US dollar exchange rate for the purchase of US dollars with RMB in the over-the-counter RMB exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11:00 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3 or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither such rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11:00 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available RMB/U.S. dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

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

8 Taxation

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

assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments, 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 calendar days after the Relevant Date:** in the case of Materialised Notes, more than 30 calendar days after the Relevant Date except to the extent that the Noteholder or, if applicable, the Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (iii) **Non-cooperative State or territory:** if the Notes do not benefit from any exception provided in *Bulletins officiels des Finances Publiques Impôts*, BOI-RPPM-RCM-30-10-20-40-20140211, BOI-IR-DOMIC-10-20-20-60-20150320 and BOI-INT-DG-20-50-20140211 of the French tax authorities, and when such withholding or deduction is required to be made by reason of that interest, Receipt or Coupon being (x) paid to a bank account opened in a financial institution established in, or (y) paid or accrued to a person established or domiciled in, a non-cooperative State or territory (*Etat ou territoire non-coopératif*) as defined in Article 238-0 A of the French *Code général des impôts* pursuant to Articles 125 A III, 119 bis and 238 A of the same code.

Notwithstanding any other provision of the Conditions, all payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes, Receipts, Coupons or Talons shall be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “*U.S. Internal Revenue Code*”), or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “*FATCA Withholding*”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

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

- (c) **Supply of information:** Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by Article 242 *ter* of the French *Code general des impôts* and Articles 49 I *ter* to 49 I *sexies* of Schedule III to the French *Code general des impôts*.

9 Events of Default

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

- (i) the Issuer defaults in any payment when due of principal or interest on any Note (including the payment of any additional amounts pursuant to the provisions set forth under “*Taxation*” above) if such default shall not have been cured within 14 business days in Paris; or

- (ii) there is a default by the Issuer in the due performance of any other material provision of the Notes and such default shall not have been cured within 30 business days in Paris after receipt by the Fiscal Agent of written notice of default given by the Representative upon request of the Noteholder; or
- (iii) the Issuer or any of its Principal Subsidiaries being in default in the due and punctual payment of the principal of, or premium or interest on, any present or future indebtedness for borrowed monies when and as the same becomes due and payable and giving effect to any applicable grace periods, there is an acceleration of any such indebtedness or steps are taken to enforce any security in respect of any such indebtedness, provided that the aggregate amount of the relevant indebtedness for borrowed money in respect of which any one or more of the events of default thereunder has or have occurred equals or exceeds Euro 80,000,000 (or its equivalent in any other currency); or
- (iv) a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any of its Principal Subsidiaries; or, to the extent permitted by law, the Issuer or any of its Principal Subsidiaries is subject to any other insolvency or bankruptcy proceedings under any applicable laws or the Issuer or any of its Principal Subsidiaries makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (v) the Issuer and its Principal Subsidiaries taken as a whole cease to carry on all or a material part of their business or other operations, except for the purposes of, and following a merger or a reorganisation (*fusion, scission or apport partiel d'actifs*) (i) on terms approved by the General Meeting or by way of a Written Resolution to the extent that French law requires such merger or reorganisation to be submitted for the approval to the General Meeting or through a Written Resolution or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are vested in the Issuer, another Principal Subsidiary or any other company which as a result of such merger or reorganisation becomes a Principal Subsidiary.

“**General Meeting**” shall have the meaning given to it in Condition 11.

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

“**Written Resolution**” shall have the meaning given to it in Condition 11.

10 Prescription

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

11 Representation of Noteholders

(a) Masse

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

All notices, publications or inclusions specified in the French *Code de commerce* and relating to the Masse shall be done in accordance with Condition 15.

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-71, the second sentence of Article L.228-65 II and Articles R.228-61, R.228-63, R.228-69, R.228-79 (first paragraph) and R.236-11 subject to the following provisions:

(i) Legal Personality:

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

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

(ii) Representative of the Masse:

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

- the Issuer and the members of its board of directors (*conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors and its employees as well as their ascendants, descendants and spouses;

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

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

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

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

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

(iii) Powers of the Representative:

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

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

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

(iv) General Meeting:

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

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

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

(v) Powers of the General Meetings:

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

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

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

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

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

(vi) Written Resolutions:

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

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

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

If such quorum is not met, a Written Resolution will be approved if, on second notice, Noteholders expressing their approval represent at least 66.6 per cent. of all voting Noteholders.

(b) Information to Noteholders:

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

(c) Expenses:

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

(d) Single Masse:

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

(e) One Noteholder:

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

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

12 Final Terms

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

13 Replacement of definitive Notes, Receipts, Coupons and Talons

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

14 Further Issues and Consolidation

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

15 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such Notes are listed on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any stock exchange and the rules of such stock exchange(s) so require, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located, and on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if (a) published so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any stock exchange, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located and on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first

publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.

- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 15(a) and (b) above; except that (i) so long as such Notes are listed and admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market(s) or other stock exchange so require, notices shall also be published in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s) or other stock exchange on which such Notes are listed and admitted to trading is located.
- (e) Notices relating to the convocation, decision(s) of the General Meetings or Written Resolutions pursuant to Condition 11 shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer.

16 No Hardship (*Imprévision*)

Article 1195 of the French *Code civil* shall not apply to these Conditions.

17 Governing Law and Jurisdiction

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

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificate

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

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

Exchange

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

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

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

Delivery of Definitive Materialised Bearer Notes

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

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

Exchange Date

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

USE OF PROCEEDS

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

DESCRIPTION OF ARKEMA

For a general description of Arkema, its activities and its financial condition, please refer to the sections of the 2015 Reference Document, the 2016 Reference Document and the 2017 Half-Year Financial Report identified in the cross-reference table of the “*Documents Incorporated by Reference*” section of this Base Prospectus.

RECENT DEVELOPMENTS

Colombes, 23 May 2017 - Arkema's shareholders annual general meeting 23 May 2017

The combined annual general meeting of Arkema's shareholders was held on 23 May 2017 under the chairmanship of Thierry Le Hénaff, Chairman and Chief Executive Officer.

The shareholders approved all the resolutions proposed by the Board of Directors, including:

- the distribution of a dividend of €2.05 per share which will be paid from 29 May 2017;
- the ratification of the appointment as director of Mrs Marie-José Donsion until the close of the 2018 annual general meeting;
- the re-election as directors of Messrs Marc Pandraud and Thierry Morin for a four-year term; and
- the appointment of Mrs Yannick Assouad as a director for a four-year term.

Following this annual general meeting, the Board of Directors now comprises 12 members and the Audit and Accounts Committee will be chaired by Mrs Marie-José Donsion, replacing Philippe Vassor.

The annual general meeting was the opportunity to come back on the Group's new profile, the very good financial performance in 2016, and on last year highlights. Thierry Le Hénaff also presented Arkema's strategic priorities over the mid-term and in particular two key catalysts of the Group's future growth with the ongoing development of specialty adhesives and the innovation drive in advanced materials.

Thierry Lemonnier, Chief Financial Officer, came back in detail on the financial performance in 2016, a further improvement on 2015 which had already seen robust growth. He confirmed the Group's very good start to 2017 and its outlook for the current year as a whole.

Lastly, Thierry Morin, Chairman of the Nominating, Compensation and Corporate Governance Committee, presented the main features of the Group's corporate governance and its compensation policy.

The results of the vote will be available in the coming days on the Company's website www.arkema.com

Colombes, 9 November 2017 - Arkema – Third-quarter 2017 results

- **Sales** for third-quarter 2017 up **10%** year on year to **€2,019 million**
- Volumes for the **High Performance Materials** division up **8%**, driven by developments in adhesives, lighter materials and new energies
- **EBITDA** up **17%** on Q3 2016 at **€355 million**, supported by strong rises for all three of the Group's divisions
- **EBITDA margin** up to **17.6%** (from 16.5% in Q3 2016)
- **Adjusted net income** up **44%** to **€158 million**, representing **€2.08** per share
- **Free cash flow** of **+€274 million**, enabling the Group to significantly reduce its **net debt** to **€1,194 million** (from €1,471 million at 30 June 2017)
- **Proposed acquisition of XL Brands** in the United States supporting the strategy to expand in adhesives

Arkema's Board of Directors met on 8 November 2017 to review the Group's consolidated financial statements for the third quarter of 2017. At the close of the meeting, Chairman and CEO Thierry Le Hénaff stated:

“Just a few months after our Capital Markets Days – when we confirmed the Group's growth strategy for adhesives and advanced materials and announced our financial targets for 2023 – we have released excellent results for the third quarter of 2017. Two factors sum up this strong quarterly performance: a 44% increase in adjusted net income and record-high cash generation.

These results once again demonstrate the rationale of the Group's strategy and its successful implementation by our teams. The drivers of our strong growth figures for this quarter include our recent industrial investments in Asia and France and our best-in-class, cutting-edge R&D projects for batteries, solar power, water treatment, adhesives, and lightweight and bio-based materials.

Following our successive acquisitions of Den Braven and CMP, as part of our strategy to continue to expand Bostik's business, we recently announced that we intend to acquire XL Brands, which specializes in flooring adhesives in the United States.

All of the above factors confirm the Group's strong positioning in specialty activities, which are at the heart of its development strategy."

THIRD-QUARTER 2017 KEY FIGURES

<i>(In millions of euros)</i>	Q3 2016	Q3 2017	Year-on-year change
Sales	1,838	2,019	+9.8%
EBITDA	303	355	+17.2%
EBITDA margin	16.5%	17.6%	
<i>High Performance Materials</i>	<i>16.7%</i>	<i>16.9%</i>	
<i>Industrial Specialties</i>	<i>22.2%</i>	<i>25.1%</i>	
<i>Coating Solutions</i>	<i>12.2%</i>	<i>13.4%</i>	
Recurring operating income (REBIT)	190	247	+30.0%
Non-recurring items	(19)	(24)	N/A
Adjusted net income	110	158	+43.6%
Net income – Group share	96	142	+47.9%
Adjusted net income per share (in €)	1.45	2.08	+43.4%
Weighted average number of ordinary shares	75,056,676	75,664,785	

THIRD-QUARTER 2017 FINANCIAL REVIEW

Sales amounted to **€2,019 million** in the third quarter of 2017, up 9.8% on the same period of 2016. At constant exchange rates and business scope, year-on-year sales growth came to 10.5%. Price effect amounted to +7.2% with all three divisions reporting positive price effects. It reflects the actions taken by the Group to increase selling prices in order to offset rises in the cost of certain raw materials used in specialty activities (which accounted for 72% of Group's sales for the period) and positive trends in more cyclical activities (which contributed 28% of Group's sales). Volumes were 3.3% higher than in third-quarter 2016, thanks to a significant increase in demand for High Performance Materials, especially in Asia. The scope effect was a positive 3.2% during the period and included the contribution of Den Braven as well as the impact of the divestment of the activated carbon and filter aid business and the oxo alcohols business. The currency effect was - 3.9%, primarily due to the appreciation of the euro against the US dollar.

At **€355 million**, **EBITDA** was 17.2% higher than in third-quarter 2016. All of the three divisions reported strong EBITDA growth despite high raw materials costs, temporarily amplified in the context of hurricane Harvey, and the stronger euro, notably against the US dollar. This performance was driven by the expansion of Bostik, the large number of new developments in advanced materials and an excellent performance from the Industrial Specialties division.

EBITDA margin increased to **17.6%** from 16.5% in the third quarter of 2016.

Recurring operating income (REBIT) rose in line with the strong increase in EBITDA, to **€247 million** from €190 million in the third quarter of 2016. The third-quarter 2017 figure includes €108 million depreciation and amortization, down from the €113 million recorded for the same period of 2016. **REBIT margin**, which corresponds to recurring operating income as a percentage of sales, rose to 12.2% in third-quarter 2017 from 10.3% in the corresponding prior-year period.

Non-recurring items represented a net expense of **€24 million** and primarily comprised depreciation and amortization recognized in connection with the revaluation of tangible and intangible fixed assets carried out as part of the Bostik and Den Braven purchase price allocation, and part of the insurance deductible retained following hurricane Harvey for €11 million.

Net financial expense came to **€27 million** (against €25 million in third-quarter 2016). This year-on-year increase primarily reflects the impact of the €900 million bond issue with an annual coupon of 1.5% carried out in the second quarter of 2017. In October 2017, the Group redeemed at maturity a €500 million bond with an annual coupon of 4%.

The Group's **net income tax expense** for third-quarter 2017 was **€54 million**, versus €51 million for the same period of 2016. Excluding a €3 million reversal of provisions for deferred tax liabilities recognized in connection with the purchase price allocation process for the Bostik and Den Braven acquisitions, the tax rate represented 23% of recurring operating income. This year-on-year decrease in the tax rate reflects a change in the geographic split of the Group's results during the period.

Net income – Group share rose significantly to **€142 million** from €96 million in third-quarter 2016. Excluding the post-tax impact of non-recurring items, **adjusted net income** came to **€158 million**, representing **€2.08** per share.

THIRD-QUARTER 2017 PERFORMANCE BY DIVISION

HIGH PERFORMANCE MATERIALS (47% OF TOTAL GROUP SALES)

Sales generated by the High Performance Materials division totaled **€955 million**, up 14.2% on the third quarter of 2016, led by a strong 8.2% increase in volumes, with rises seen across all of the division's activities. Volumes were particularly supported by very high demand in Asia for lighter materials, new energies (batteries and photovoltaics) and consumer goods (sports and consumer electronics) as well as by the ramp-up in production of specialty molecular sieves at the new Honfleur unit (France). The scope effect was a positive 7.9%, reflecting the integration of Den Braven's sealants and the CMP adhesives within Bostik and the divestment of the activated carbon and filter aid business. The price effect was a positive 2.2%, thanks to the Group's ongoing measures to pass on the increases in the cost of certain raw materials to its selling prices. The currency effect was -4.1%.

EBITDA came to **€161 million**, up 15% on third-quarter 2016, and **EBITDA margin** rose to **16.9%** from 16.7% in third-quarter 2016. This performance was driven by the very good momentum for volumes of advanced materials and the continued expansion of Bostik, notably with the integration of Den Braven.

INDUSTRIAL SPECIALTIES (30% OF TOTAL GROUP SALES)

Industrial Specialties **sales** rose 7.4% year on year to **€594 million**. At constant exchange rates and business scope, sales grew by 11.2% thanks to a positive 11.5% price effect reflecting good market conditions for Fluorogases and the MMA/PMMA chain in the continuity of previous quarters. Volumes were broadly stable (-0.3%), affected by the consequences of hurricane Harvey, particularly in Thiochemicals. The currency effect during the period was a negative 4.0%.

At **€149 million**, the division's **EBITDA** increased significantly by 21.1% compared with the third quarter of 2016. **EBITDA margin** was also up year on year, to **25.1%** from 22.2%. The Fluorogases business confirmed its return to a very good level of results, in line with the Group's expectations, while the MMA/PMMA business continued to benefit from tight market conditions, and the Thiochemicals business showed solid performance overall.

COATING SOLUTIONS (23% OF TOTAL GROUP SALES)

At **€463 million**, **sales** for the Coating Solutions division were 4.8% higher than in third-quarter 2016, driven by an 11.4% positive price effect which reflects a gradual improvement in the acrylic cycle as well as measures taken to raise selling prices across the entire chain. Volumes contracted by 1.3% due to the impact of hurricane Harvey on the division's sites based in Texas, which offset the robust volume growth for coating resins. The divestment of the oxo alcohols business resulted in a negative 1.8% scope effect and the currency effect was a negative 3.4%.

EBITDA came to **€62 million**, up 14.8% year on year, and **EBITDA margin** rose to **13.4%** from 12.2% in third-quarter 2016. As expected, unit margins for acrylic monomers are gradually improving from last year's low points, and are more than offsetting the impact in downstream operations of higher raw materials costs.

CASH FLOW AND NET DEBT AT 30 SEPTEMBER 2017

Arkema generated an excellent **+€274 million in free cash flow** in the third quarter of 2017 (versus €245 million in the same period of 2016). This year-on-year increase primarily stemmed from the strong rise in EBITDA and tight control of working capital against a backdrop of higher raw materials costs. The ratio of working capital to annualized sales was 15.5% at end-September 2017 compared with 16.8% one year earlier.

The third-quarter 2017 free cash flow figure also includes €95 million in recurring capital expenditure¹. For the year as a whole, capex should be slightly lower than the initial €450 million guidance.

¹ Excluding exceptional capex and capex relating to portfolio management.
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Finally, free cash flow includes €21 million in non-recurring expenses, primarily arising from the consequences of hurricane Harvey and restructuring costs.

For the first nine months of the year, free cash flow amounted to +€388 million.

Net debt stood at **€1,194 million**, down significantly on the €1,471 million figure at 30 June 2017. The Group's gearing was also significantly lower at 27%.

SIGNIFICANT EVENTS SINCE 30 JUNE 2017

Organic growth

In line with its strategy of stepping up the pace of growth in its specialty activities, since July 2017 Arkema has announced a number of major organic growth projects in the activities that represent the three key pillars of its future expansion – advanced materials, Thiochemicals and adhesives.

For advanced materials, the Group has announced:

- a capital expenditure plan representing around €300 million over five years in Asia for the bio-based polyamide 11 chain to support its customers' very strong growth, especially in the automotive and 3D printing markets as well as in consumer goods such as sports and electronics. The new plant – which will produce both the amino 11 monomer and its polymer, Rilsan[®] PA11 and is expected to start up in late 2021 – will allow Arkema to increase its global Rilsan[®] PA11 production capacity by 50%. The investment will also result in a 50% increase in global production capacity for Pebax[®];
- a project to increase by over 30% the Group's photocure resins production capacity at its Nansha facility in China. This new production line for Sartomer – the world's leader in specialty photocure resins – is expected to start up in early 2019. It will notably help the Group meet strong customer demand in Asia in the cutting-edge electronics, 3D printing and inkjet printing markets; and
- a plan to extend by some 20% the Group's capacity to produce Kynar[®] PVDF at the US-based Calvert City plant. This new capacity – which is expected to start up in mid-2018 – will enable the Group to meet strong demand in the new energies and water management markets as well as for more traditional applications (chemical process industry and high performance cables).

In the Thiochemicals business, Arkema has announced a project to double its methyl mercaptan production capacity at its Kerteh site in Malaysia to support the strong growth of the animal feed, refining and petrochemicals markets in Asia and thereby strengthen its world-leading position in high value-added sulfur derivatives. This additional capacity is expected to begin production in 2020.

Lastly, in October 2017, the Group announced the start-up of a new adhesives production facility to serve industrial markets in India. Located in Gujarat, this new facility will support fast-growing demand in both India and export markets for adhesives in a number of industrial sectors, such as flexible lamination, transportation and footwear production.

POST BALANCE SHEET EVENTS

In line with its strategy to continue to expand in adhesives, Arkema announced, in November 2017, the proposed acquisition by Bostik of XL Brands assets, a leader in floor covering adhesives in the United States. This transaction, based on a US\$205 million enterprise value, will enable Bostik to offer a full range of solutions for this growing high added-value market. The Group aims at reducing the 11 times EV/EBITDA multiple paid to 7 times within four to five years and after implementation of synergies. The proposed acquisition is expected to close end 2017 and is subject to regulatory approval by antitrust authorities.

ACCOUNTING STANDARDS

In accordance with IAS 33, the calculation of earnings per share and diluted earnings per share figures will now take into account the payments due to bearers of deeply subordinated perpetual notes (hybrid bonds). This interest expense will be deducted from net income (Group share) for the year.

Consequently, the figures for full year 2016 and the fourth quarter of 2016 have been restated to reflect this change, payments related to the hybrid bond issued in October 2014 being fully taken into account in the fourth quarter of the year.

Accordingly, earnings per share for the fourth quarter of 2016 amounted to €0.70 and diluted earnings per share to €0.69. For full-year 2016, restated earnings per share totaled €5.24 and diluted earnings per share €5.22.

The change will not affect the calculation of adjusted net income per share.

OUTLOOK FOR FULL-YEAR 2017

The global macro-economic environment is expected to remain volatile in the fourth quarter of 2017, with contrasting trends across the Group's end-markets and geographic regions, higher raw materials prices than last year and a stronger euro against the US dollar.

Against this backdrop, Arkema's business will continue to benefit from the expansion of Bostik, with the integration of Den Braven and new high value-added applications in advanced materials, notably related to major sustainability trends. Improvement of Fluorogases should remain limited in the fourth quarter compared to the previous year given this activity's seasonality. The Group will also pursue its actions to ensure that the high costs of certain raw materials are reflected in its selling prices. Lastly, it will continue implementing its operational excellence initiatives to offset part of fixed costs inflation.

In view of the above factors and the traditional seasonality of the Group's business towards the end of the year, and based on the results achieved in the first nine months of 2017, the Group now targets for the full year an EBITDA in the upper end of the €1,310 million to €1,350 million range announced in August.

The third-quarter 2017 results and outlook are detailed in the "Third-quarter 2017 results" presentation available on the Group's website at www.finance.arkema.com

FINANCIAL CALENDAR

22 February 2018 Full-year 2017 results

*A designer of materials and innovative solutions, **Arkema** shapes materials and creates new uses that accelerate customer performance. Our balanced business portfolio spans High Performance Materials, Industrial Specialties and Coating Solutions. Our globally recognized brands are ranked among the leaders in the markets we serve. Reporting annual sales of €7.5 billion in 2016, we employ around 20,000 people worldwide and operate in some 50 countries. We are committed to active engagement with all our stakeholders. Our research centers in North America, France and Asia concentrate on advances in bio-based products, new energies, water management, electronic solutions, lightweight materials and design, home efficiency and insulation. www.arkema.com*

INVESTOR RELATIONS CONTACTS

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DISCLAIMER

The information disclosed in this press release may contain forward-looking statements with respect to the financial position, results of operations, business and strategy of Arkema. Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to risk factors such as (but not limited to) changes in raw materials prices, currency fluctuations, the pace at which cost-reduction projects are implemented and changes in general economic and financial conditions. Arkema does not assume any liability to update such forward-looking statements whether as a result of any new information or any unexpected event or otherwise. Further information on factors which could affect Arkema's financial results is provided in the documents filed with the French Autorité des marchés financiers.

Balance sheet, income statement and cash flow statement data as well as data relating to the statement of changes in shareholders' equity and information by business division included in this press release are extracted from the consolidated

financial statements at 30 September 2017 reviewed by Arkema's Board of Directors on 8 November 2017. Quarterly financial information is not audited.

Information by business division is presented in accordance with Arkema's internal reporting system used by management.

The main performance indicators used by the Group are defined in note B.17 of the notes to the consolidated financial statements at 31 December 2016 in section 4.3.3 of the 2016 Reference Document.

For the purpose of analyzing its results and defining its targets, the Group also uses the following indicators:

- **REBIT margin:** recurring operating income (REBIT) as a percentage of sales.
- **Free cash flow:** cash flow from operating and investing activities excluding the impact of portfolio management.

For the purpose of analyzing changes in its results, and particularly its sales figures, the Group analyzes the following effects (non-audited analyses):

- **business scope effect:** the impact of changes in the Group's scope of consolidation, which arise from acquisitions and divestments of entire businesses or as a result of the first-time consolidation or deconsolidation of entities. Increases or reductions in capacity are not included in the scope effect;
- **currency effect:** the mechanical impact of consolidating accounts denominated in currencies other than the euro at different exchange rates from one period to another. The currency effect is calculated by applying the foreign exchange rates of the prior period to the figures for the period under analysis;
- **price effect:** the impact of changes in average selling prices is estimated by comparing the weighted average net unit selling price of a range of related products in the period under review with their weighted average net unit selling price in the prior period, multiplied, in both cases, by the volumes sold in the period under review; and
- **volume effect:** the impact of changes in volumes is estimated by comparing the quantities delivered in the period under review with the quantities delivered in the prior period, multiplied, in both cases, by the weighted average net unit selling price in the prior period.

ARKEMA Financial Statements

Consolidated financial statements - At the end of September 2017

CONSOLIDATED INCOME STATEMENT

	<u>3rd quarter 2017</u>	<u>End of September 2017</u>	<u>3rd quarter 2016</u>	<u>End of September 2016</u>
<i>(In millions of euros)</i>	<i>(non audited)</i>	<i>(non audited)</i>	<i>(non audited)</i>	<i>(non audited)</i>
Sales	2,019	6,369	1,838	5,683
Operating expenses	(1,546)	(4,874)	(1,429)	(4,394)
Research and development expenses	(55)	(176)	(53)	(165)
Selling and administrative expenses	(171)	(542)	(166)	(514)
Recurring operating income	247	777	190	610
Other income and expenses	(24)	(54)	(19)	(20)
Operating income	223	723	171	590
Equity in income of affiliates	0	0	1	7
Financial result	(27)	(78)	(25)	(75)
Income taxes	(54)	(202)	(51)	(177)
Net income	142	443	96	345
Of which non-controlling interests	-	4	-	4
Net income - Group share	142	439	96	341
<i>Earnings per share (amount in euros)</i>	<i>1.88</i>	<i>5.8</i>	<i>1.26</i>	<i>4.54</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>1.88</i>	<i>5.79</i>	<i>1.26</i>	<i>4.53</i>
Depreciation and amortization	(108)	(331)	(113)	(336)
EBITDA	355	1,108	303	946
Adjusted net income	158	477	110	350
<i>Adjusted net income per share (amount in euros)</i>	<i>2.08</i>	<i>6.30</i>	<i>1.45</i>	<i>4.66</i>
<i>Diluted adjusted net income per share (amount in euros)</i>	<i>2.08</i>	<i>6.28</i>	<i>1.45</i>	<i>4.65</i>
<i>Weighted average number of shares</i>		<i>75,664,785</i>		<i>75,056,676</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(In millions of euros)</i>	<u>3rd quarter 2017</u> <i>(non audited)</i>	End of September 2017 <i>(non audited)</i>	<u>3rd quarter 2016</u> <i>(non audited)</i>	End of September 2016 <i>(non audited)</i>
Net income	142	443	96	345
Hedging adjustments	1	25	3	14
Other items	-	-	(1)	(7)
Deferred taxes on hedging adjustments and other items	-	-	-	(1)
Change in translation adjustments	(48)	(183)	(19)	(61)
Other recyclable comprehensive income	(47)	(158)	(17)	(55)
Actuarial gains and losses	11	16	13	(3)
Deferred taxes on actuarial gains and losses	(5)	(5)	(4)	(2)
Other non-recyclable comprehensive income	6	11	9	(5)
Total income and expenses recognized directly in equity	(41)	(147)	(8)	(60)
Comprehensive income	101	296	88	285
Of which: non-controlling interest	-	1	1	1
Comprehensive income - Group share	101	295	87	284

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(non audited)

<i>(In millions of euros)</i>	Shares issued						Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
	Number	Amount	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Number	Amount			
At January 1, 2017	75,717,947	757	1,211	689	1,250	301	(65,823)	(4)	4,204	45	4,249
Cash dividend	-	-	-	-	(155)	-	-	-	(155)	(2)	(157)
Issuance of share capital	55,918	1	1	-	-	-	-	-	2	-	2
Purchase of treasury shares	-	-	-	-	-	-	(180,000)	(16)	(16)	-	(16)
Grants of treasury shares to employees	-	-	-	-	(1)	-	20,246	1	-	-	-
Share-based payments	-	-	-	-	10	-	-	-	10	-	10
Other	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders	55,918	1	1	-	(146)	-	(159,754)	(15)	(159)	(2)	(161)
Net income	-	-	-	-	439	-	-	-	439	4	443
Total income and expense recognized directly through equity	-	-	-	-	36	(180)	-	-	(144)	(3)	(147)
Comprehensive income	-	-	-	-	475	(180)	-	-	295	1	296
At September 30, 2017	75,773,865	758	1,212	689	1,579	121	(225,577)	(19)	4,340	44	4,384

CONSOLIDATED BALANCE SHEET

September, 30th 2017 **December, 31st 2016**

(In millions of euros)

(non audited)

(audited)

ASSETS

Intangible assets, net	2,714	2,777
Property, plant and equipment, net	2,412	2,652
Equity affiliates : investments and loans	31	35
Other investments	34	33
Deferred tax assets	157	171
Other non-current assets	209	227
TOTAL NON-CURRENT ASSETS	5,557	5,895
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Inventories	1,137	1,111
Accounts receivable	1,206	1,150
Other receivables and prepaid expenses	177	197
Income taxes recoverable	61	64
Other current financial assets	10	10
Cash and cash equivalents	1,816	623
TOTAL CURRENT ASSETS	4,407	3,155
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TOTAL ASSETS	9,964	9,050

LIABILITIES AND SHAREHOLDERS' EQUITY

Share capital	758	757
Paid-in surplus and retained earnings	3,480	3,150
Treasury shares	(19)	(4)
Translation adjustments	121	301
SHAREHOLDERS' EQUITY - GROUP SHARE	4,340	4,204
<hr/>		
Non-controlling interests	44	45
TOTAL SHAREHOLDERS' EQUITY	4,384	4,249
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Deferred tax liabilities	319	285
Provisions for pensions and other employee benefits	485	520
Other provisions and non-current liabilities	425	464
Non-current debt	2,263	1,377
TOTAL NON-CURRENT LIABILITIES	3,492	2,646
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Accounts payable	850	932
Other creditors and accrued liabilities	400	402
Income taxes payable	87	62
Other current financial liabilities	4	31
Current debt	747	728
TOTAL CURRENT LIABILITIES	2,088	2,155
<hr/>		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,964	9,050

CONSOLIDATED CASH FLOW STATEMENT

<i>(In millions of euros)</i>	<u>End of September 2017</u>	<u>End of September 2016</u>
	<i>(non audited)</i>	<i>(non audited)</i>
Cash flow - operating activities		
Net income	443	345
Depreciation, amortization and impairment of assets	364	368
Provisions, valuation allowances and deferred taxes	(16)	(55)
(Gains)/losses on sales of assets	(3)	(6)
Undistributed affiliate equity earnings	1	(5)
Change in working capital	(135)	(86)
Other changes	4	14
Cash flow from operating activities	658	575
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(252)	(263)
Change in fixed asset payables	(48)	(93)
Acquisitions of operations, net of cash acquired	(1)	(1)
Increase in long-term loans	(33)	(47)
Total expenditures	(334)	(404)
Proceeds from sale of intangible assets and property, plant and equipment	7	8
Change in fixed asset receivables	0	0
Proceeds from sale of operations, net of cash sold	11	20
Proceeds from sale of unconsolidated investments	0	5
Repayment of long-term loans	42	34
Total divestitures	60	67
Cash flow from investing activities	(274)	(337)
Cash flow - financing activities		
Issuance (repayment) of shares and other equity	2	46
Purchase of treasury shares	(17)	(6)
Dividends paid to parent company shareholders	(155)	(143)
Dividends paid to non-controlling interests	(2)	(2)
Increase/ decrease in long-term debt	893	23
Increase/ decrease in short-term borrowings and bank overdrafts	33	3
Cash flow from financing activities	754	(79)
Net increase/(decrease) in cash and cash equivalents	1,138	159
Effect of exchange rates and changes in scope	55	37
Cash and cash equivalents at beginning of period	623	711
Cash and cash equivalents at end of period	1,816	907

INFORMATION BY BUSINESS SEGMENT

(non audited)

3rd quarter 2017

<i>(In millions of euros)</i>	High Performance Materials	Industrial Specialties	Coating Solutions	Corporate	Total
Non-Group sales	955	594	463	7	2,019
Inter segment sales	2	33	18	-	
Total sales	957	627	481	7	
EBITDA	161	149	62	(17)	355
Depreciation and amortization	(38)	(43)	(26)	(1)	(108)
Recurring operating income	123	106	36	(18)	247
Other income and expenses	(17)	(4)	(1)	(2)	(24)
Operating income	106	102	35	(20)	223
Equity in income of affiliates	0	0	-	-	0
Intangible assets and property, plant and equipment additions	40	38	18	4	100
Of which Recurring capital expenditure	37	36	18	4	95

3rd quarter 2016

<i>(In millions of euros)</i>	High Performance Materials	Industrial Specialties	Coating Solutions	Corporate	Total
Non-Group sales	836	553	442	7	1,838
Inter segment sales	3	24	13	-	
Total sales	839	577	455	7	
EBITDA	140	123	54	(14)	303
Depreciation and amortization	(38)	(43)	(31)	(1)	(113)
Recurring operating income	102	80	23	(15)	190
Other income and expenses	(12)	(11)	1	3	(19)
Operating income	90	69	24	(12)	171
Equity in income of affiliates	-	1	-	-	1
Intangible assets and property, plant and equipment additions	34	39	19	3	95
Of which Recurring capital expenditure	34	38	19	3	94

INFORMATION BY BUSINESS SEGMENT

(non audited)

End of September 2017

<i>(In millions of euros)</i>	High Performance Materials	Industrial Specialties	Coating Solutions	Corporate	Total
Non-Group sales	2,921	1,939	1,487	22	6,369
Inter segment sales	5	107	55	-	
Total sales	2,926	2,046	1,542	22	
EBITDA	501	465	200	(58)	1,108
Depreciation and amortization	(116)	(132)	(81)	(2)	(331)
Recurring operating income	385	333	119	(60)	777
Other income and expenses	(48)	(2)	(1)	(3)	(54)
Operating income	337	331	118	(63)	723
Equity in income of affiliates	1	(1)	-	-	0
Intangible assets and property, plant and equipment additions	112	86	45	9	252
Of which Recurring capital expenditure	94	82	45	9	230

End of September 2016

<i>(In millions of euros)</i>	High Performance Materials	Industrial Specialties	Coating Solutions	Corporate	Total
Non-Group sales	2,583	1,748	1,331	21	5,683
Inter segment sales	12	84	42	-	
Total sales	2,595	1,832	1,373	21	
EBITDA	454	386	167	(61)	946
Depreciation and amortization	(115)	(129)	(90)	(2)	(336)
Recurring operating income	339	257	77	(63)	610
Other income and expenses	(33)	(13)	2	24	(20)
Operating income	306	244	79	(39)	590
Equity in income of affiliates	1	6	-	-	7
Intangible assets and property, plant and equipment additions	100	111	44	8	263
Of which Recurring capital expenditure	100	90	44	8	242

AJUSTED NET INCOME

Net Income Group share may be reconciled to adjusted net income as follows:

	<u>3rd quarter 2017</u>	<u>End of September 2017</u>	<u>3rd quarter 2016</u>	<u>End of September 2016</u>
<i>(in millions of euros)</i>	<i>(non audited)</i>	<i>(non audited)</i>	<i>(non audited)</i>	<i>(non audited)</i>
ADJUSTED NET INCOME	158	477	110	350
Other income and expenses	(24)	(54)	(19)	(20)
Taxes on other income and expenses	8	16	5	11
NET INCOME – GROUP SHARE	142	439	96	341

NET DEBT

<i>(In millions of euros)</i>	<u>September, 30th 2017</u> <i>(non audited)</i>	<u>December, 31st 2016</u> <i>(audited)</i>
Non-current debt	2,263	1,377
Current debt	747	728
Cash and cash equivalents	1,816	623
NET DEBT	1,194	1,482

FREE CASH FLOW

<i>(In millions of euros)</i>	<u>3rd quarter 2017</u> <i>(non audited)</i>	<u>End of September 2017</u> <i>(non audited)</i>	<u>3rd quarter 2016</u> <i>(non audited)</i>	<u>End of September 2016</u> <i>(non audited)</i>
Cash flow from operating activities	343	658	316	575
Cash flow from investing activities	(71)	(274)	(115)	(337)
NET CASH FLOW	272	384	201	238
<i>Of which:</i>				
<i>Net cash flow from portfolio</i>	(2)	(4)	(44)	(49)
FREE CASH FLOW	274	388	245	287

TAXATION

FRANCE

The following summary is based on the laws in force in France and their interpretation by the French tax authorities as of the date of this Base Prospectus (and therefore subject to any change in law and in the relevant interpretation possibly with retroactive effect. In particular, the description below may be affected by the Finance Acts for 2018 which are discussed by the Parliament and are to be enacted, in particular the introduction of a flat tax on savings income and the increase of the French social contributions (CSG)). It is a general description of certain withholding tax considerations in France that may be relevant to any holder of Notes that may be issued under the Programme who does not concurrently hold shares of the Issuer. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

Withholding tax

Payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non-coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues paid on such Notes may not be deductible from the taxable income of this Issuer if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution established in such a Non-Cooperative State (the “**Deductibility Exclusion**”). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis*, 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent, subject to the more favourable provisions of any applicable double tax treaty.

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

- (i) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

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

Payment to individuals fiscally domiciled (*domiciliés fiscalement*) in France

Pursuant to Articles 125 A of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain limited exceptions, interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 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. If the amount of this withholding exceeds the amount of personal income tax due, the excess is refundable. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on such interest and other similar revenues paid to individuals who are fiscally domiciled in France.

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

HONG-KONG – RMB Notes only

The statements below regarding taxation are only applicable to RMB Notes and based on the law and practice of Hong Kong at the date of this Base Prospectus and are subject to any subsequent changes in law or practice (which could be made on a retrospective basis). The following statements do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the RMB Notes and may not apply equally to all persons. Prospective purchasers of the RMB Notes are advised to consult their own tax advisers concerning the tax consequences of their ownership of the RMB Notes.

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the RMB Notes or in respect of any capital gains arising from the sale of the RMB 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 profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the RMB Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the RMB Notes is derived from Hong Kong and is received by or accrues to a company, other than a financial institution (as defined in the Inland Revenue Ordinance (Chapter 12 of the Laws of Hong Kong (the “**Inland Revenue Ordinance**”)), carrying on a trade, profession or business in Hong Kong; or
- (ii) interest on the RMB Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the RMB Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums derived from the sale, disposal or redemption of Bearer RMB Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. Similarly, such sums in respect of Registered RMB Notes received by or accrued to either the aforementioned person and/or a financial institution will be subject to Hong Kong profits tax if such sums have a Hong Kong source.

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

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

Stamp Duty

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

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

If stamp duty is payable, it is payable by the Issuer on issue of Bearer RMB Notes at a rate of 3 per cent. of the market value of the RMB Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer RMB Notes.

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

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

If stamp duty is payable in respect of the transfer of Registered RMB Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the value of the consideration or its value whichever is higher. 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 RMB Notes if the relevant transfer is required to be registered in Hong Kong.

Estate Duty

No estate duty will be payable in respect of Bearer RMB Notes and Registered RMB Notes in Hong Kong.

PEOPLES REPUBLIC OF CHINA (PRC) – RMB Notes only

The following summary describes the principal PRC tax consequences of ownership of the RMB Notes by beneficial owners who, or which, are residents of mainland China for PRC tax purposes. These beneficial owners are referred to as PRC holders in this section. If you are considering the purchase of the RMB Notes, you should consult your own tax advisors with regard to the application of PRC tax laws to your particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation regulations, enterprises that are established under laws of foreign countries and regions whose “de facto management bodies” are within the territory of the PRC are deemed as PRC tax resident enterprises for the purpose of the Enterprise Income Tax Law. Unless otherwise tax reduction or exemption is available to the enterprise, a resident enterprise shall pay enterprise income tax at the rate of 25% in respect of its income sourced from both within and outside the PRC. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer or the enterprise holder of the RMB Notes is within the territory of the PRC, the Issuer or the enterprise holder of the RMB Notes will be deemed as a PRC tax resident enterprise for the purpose of the Enterprise Income Tax Law and be subject to enterprise income tax at the rate of 25% on its income from sources both within and outside the PRC, unless tax reduction or exemption is available to the Issuer or the enterprise holder of the RMB Notes.

Withholding Tax

The Enterprise Income Tax Law and its implementation regulations impose a withholding tax at the rate of 10% on PRC-source income paid to a “nonresident enterprise” that does not have an establishment or place of business or production in the PRC or that has an establishment or place of business or production in the PRC but the relevant income is not effectively connected therewith. Pursuant to these provisions of the Enterprise Income Tax Law and its implementation regulations, in the event the Issuer is considered a PRC resident enterprise by the PRC tax authorities in the future, interest payable to or capital gain realised by nonresident enterprise holders of the RMB Notes may be treated as income derived from sources within the PRC and subject to such PRC withholding tax.

Further, the Individual Income Tax Law of the PRC and its implementation regulations impose a withholding tax on any income from sources both within and outside the PRC paid to any individual who has a domicile within the PRC or has no domicile but has stayed in the PRC for one year or longer and on any income from sources within the PRC paid to any individual who has no domicile in the PRC and has not stayed in the PRC for one year or longer. If the individual holder of the RMB Notes has a domicile within the PRC or has no domicile but has stayed in the PRC for one year or longer, any interest payable to or any capital gain realised by such individual holder of the RMB Notes will be subject to a 20% individual income tax. If the Issuer is considered a PRC tax resident enterprise, any interest payable to or any capital gain realised by individual holders of the RMB Notes who have no domicile within the PRC and has not stayed in the PRC for one year or longer may be treated as income derived from sources within the PRC and subject to a 20% individual income tax.

To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified holders of the RMB Notes.

Stamp Duty

No PRC stamp tax will be chargeable upon the issue or transfer of a Note to the extent that the register of holders of the RMB Notes is maintained outside the PRC.

SUBSCRIPTION AND SALE

Summary of Amended and Restated Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 28 November 2017 (as amended or supplemented from time to time, the “**Amended and Restated Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

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

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

Selling Restrictions

European Economic Area

From 1 January 2018, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

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

France

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

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

United States

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

Materialised Bearer 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 U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

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

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

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

United Kingdom

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

- (a) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (b) 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) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has severally

represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, ministerial guidelines, and regulations of Japan.

Hong Kong

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

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong 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 (Cap. 571) and any rules made under that Ordinance.

People Republic of China (PRC)

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell, directly or indirectly, any of the Notes in the PRC except as permitted by the applicable laws and regulations of the PRC.

Singapore

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

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

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

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

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

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

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

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

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

Final Terms dated [●]

[LOGO, if document is printed]

Arkema

Euro 2,750,000,000
Euro Medium Term Note Programme
for the issue of Notes

SERIES NO: [●]

TRANCHE NO: [●]

**[Brief description and Amount of Notes] (the “Notes”)
issued by Arkema (the “Issuer”)**

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 28 November 2017 which has received visa no. 17-616 from the *Autorité des marchés financiers* (the “**AMF**”) on 28 November 2017 [and the supplement(s) to it dated [●] which has received visa no. [●] from the AMF on [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of the AMF (www.amf-france.org) and of Arkema (www.arkema.com) and printed copies may be obtained from Arkema at 420, rue d’Estienne d’Orves, 92700 Colombes, France.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) which are the [2013][2014][2016] EMTN Conditions which are incorporated by reference in the Base Prospectus dated 28 November 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 28 November 2017 which has received visa no. 17-616 from the *Autorité des marchés financiers* (the “**AMF**”) on 28 November 2017 [and the supplement(s) to it dated [●] which has received visa no. [●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “**Base Prospectus**”), save in respect of the Conditions which are the

[2013][2014][2016] EMTN Conditions extracted from the Base Prospectus dated [9 October 2013][19 December 2014][25 November 2016]. Full information on the Issuer, the Notes and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2013][2014][2016] EMTN Conditions and the Base Prospectus [and the Supplement[s]]. The Base Prospectus [and the Supplement[s]] [is] [are] available for viewing on the website of the AMF (www.amf-france.org) and of Arkema (www.arkema.com) and printed copies may be obtained from Arkema at 420, rue d'Estienne d'Orves, 92700 Colombes, France.]

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

1		Arkema
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	(iii) Date on which the Notes become fungible:	[Not Applicable/ The Notes will be assimilated (<i>assimilées</i>) and form a single series with the existing [<i>insert 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 40 calendar days after the Issue Date (the " Assimilation Date ").]
3		[●]
4		[●]
	(i) [Series:]	[●]
	(ii) [Tranche:]	[●]
5		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [<i>insert date</i>] (<i>in the case of fungible issues only if applicable</i>)]
6		[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
8		[●] [<i>Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year</i>]
9		[[●] per cent. Fixed Rate] [[<i>specify particular reference rate</i>] +/- [●] per cent. Floating Rate] [Zero Coupon] [CPI Linked Interest] [HICP Linked Interest] (further particulars specified below)
10		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.
11		[Applicable/Not Applicable] [<i>Specify the date when any fixed to floating rate or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there</i>]
12		[Investor Put] [Issuer Call] [Residual Call Option]

- [Make-Whole Redemption by the Issuer]
 [Clean-Up Call Option]
 [Change of Control Put Option]
 [(further particulars specified below)]
- 13 (i) Status of the Notes: Senior
 (ii) [Date[s] of [Board] approval[s] for issuance of Notes obtained: [Decision of the *Conseil d'administration* of Arkema dated [●]] [and [●].]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 [In respect of Fixed/Floating Rate Notes: From (and including) [●] to (but excluding) [●]:][Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with the Business Day Convention specified below ¹] [commencing on [●] and ending on [●]/[the Maturity Date]] [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted.]
- (iii) Fixed Coupon Amount[(s)]²: [●] per Note of [●] Specified Denomination
- (iv) Broken Amount(s): [●] payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- (vi) [Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual-ICMA*)]
- (vii) [Business Day Convention³: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]]
- (viii) Interest Rate Adjustment: [Applicable/Not Applicable]
- (ix) Margin Adjustment: [[●]/Not Applicable]
- (x) [Party responsible for calculating Interest Amounts (if not the Calculation Agent)⁴: [●]/[Not Applicable]]

- 15 [In respect of Fixed/Floating Rate Notes: From (and including) [●] to (but excluding) [●]:][Applicable/Not

¹ RMB Notes only
² Not applicable for RMB Notes
³ RMB Notes only
⁴ RMB Notes only

- Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Centre(s): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (vi) Interest Period Date(s): [Not Applicable/Specify dates]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [●]
 - Relevant Inter-Bank Market: [●]
 - Relevant Screen Page Time: [●]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Relevant Swap Rate: [●]
 - Reference Bank: [●]
 - Relevant Financial Centre: [●]
 - Specified Currency: [●]
 - Reference Currency: [●]
 - Designated Maturity: [●]
 - Specified Time: [●]
- (ix) FBF Determination:
- Floating Rate (*Taux Variable*): [●]
 - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (xi) Margin(s): [+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest⁵: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum

⁵ In no event shall the applicable rate of interest be less than zero.

	(xiv) Day Count Fraction:	[Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
	(xv) Interest Rate Adjustment	[Applicable/Not Applicable]
	(xvi) Margin Adjustment	[[●]/Not Applicable]
16		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Day Count Fraction:	[Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
17	Inflation Linked Notes – Provisions relating to CPI or HICP Linked Interest	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Index:	[CPI/HICP]
	(ii) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(iii) Interest Period(s):	[●]
	(iv) Interest Payment Dates:	[●]
	(v) Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on <i>[specify date]</i> (amounting to: [●])
	(vi) Rate of Interest:	[●] per cent. per annum multiplied by the Inflation Index Ratio
	(vii) Minimum Rate of Interest ⁶ :	[●] per cent. per annum
	(viii) Maximum Rate of Interest:	[●] per cent. per annum
	(ix) Day Count Fraction:	[Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

18		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Note of [●] Specified Denomination
	(iii) If redeemable in part:	

⁶ In no event shall the applicable rate of interest be less than zero.

	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
19	suor	[[As per the Conditions]/[●]] [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Notice period ⁸ :	[●]
	(ii) Reference Security:	[●]
	(iii) Reference Dealers:	[[As per Condition 6(d)/[●]]
	(iv) Similar Security:	[●]
	(v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent):	[●]
	(vi) Redemption Margin:	[●]
20	Clean-Up Call Option	[Applicable/Not Applicable] <i>If not applicable, delete the remaining sub-paragraph of this paragraph</i>
21	(i) Clean-Up Redemption Amount:	[●] per Note of [●] Specified Denomination [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Note of [●] Specified Denomination
22	(iii) Notice period ⁹ :	[[As per the Conditions]/[●]] [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Call Option Date:	[●]
	(ii) Notice period ¹⁰ :	[●]
23		[Applicable/Not Applicable]
24	Final Redemption Amount of each Note	[●] per Note of [●] Specified Denomination
	Inflation Linked Notes – Provisions relating to the Final Redemption Amount:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

⁷ If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

⁸ If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

⁹ If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

¹⁰ If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

- (i) Index: [CPI/HICP]
- (ii) Final Redemption Amount in respect of Inflation Linked Notes: [[Condition 6 (h) applies]/[Condition 6(g) in respect of the 2013 EMTN Conditions]/[Condition 6(g) in respect of the 2014 EMTN Conditions]]
- (iii) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])
- (iv) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]

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- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons ([Condition 6(j)]/[Condition 6(i) in respect of the 2013 EMTN Conditions]/[Condition 6(i) in respect of the 2014 EMTN Conditions]), for illegality ([Condition 6(n)]/[Condition 6(m) in respect of the 2013 EMTN Conditions]/[Condition 6(m) in respect of the 2014 EMTN Conditions]) or on event of default (Condition 9): [●] per Note of [●] Specified Denomination
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: [Yes/No]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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- (i) Form of Dematerialised Notes: [Dematerialised Notes/Materialised Notes] (*Materialised Notes are only in bearer form and may only be issued outside France.*)
[Delete as appropriate]
- (ii) Registration Agent: [Not Applicable/specify whether Bearer dematerialised form (*au porteur*)/Administered Registered Dematerialised form (*au nominatif administré*)/Fully Registered dematerialised form (*au nominatif pur*)]
- (iii) Temporary Global Certificate: [Not Applicable/Applicable] [*if applicable give name and details*] (*note that a registration agent must be appointed in relation to Fully Registered Dematerialised Notes only*)
- (iv) Applicable TEFRA exemption: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the “Exchange Date”), being 40 calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- (v) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] (*Only applicable to Materialised Notes*)

- 27 Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a): [Not Applicable/Applicable]
- 28 [Not Applicable/give details. Note that this item relates to the date of payment, and not the end dates of interest period for the purposes of calculating the amount of interest to which items 14(ii) and 15(iv) relate]
- 29 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 30 Details relating to Instalment Notes: [Not Applicable/give details]
- (i) Instalment Amount(s): [●]
- (ii) Instalment Date(s): [●]
- (iii) Minimum Instalment Amount: [●]
- (iv) Maximum Instalment Amount: [●]
- 31 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
- 32 Consolidation provisions: [Not Applicable/The provisions [in Condition 14(b)] apply]
- 33 Possibility of resale of purchased Notes¹¹: [Yes/No]
- 34 Masse (Condition 11): Name and address of the Representative: [●]
[Name and address of the alternate Representative: [●]]
[The Representation will receive no remuneration/The Representative will receive a remuneration of [●]]

RESPONSIBILITY

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

Signed on behalf of Arkema:

By:
Duly authorised

¹¹ In accordance with applicable laws and regulations.

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/specify relevant regulated market] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/specify relevant regulated market/] with effect from [●].] [Not Applicable]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)*
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: [Not Applicable]/[The Notes to be issued [have been/are expected to be] rated]:
- [S & P: [●]]
[Moody's: [●]]
[[Other]: [●]]
- (The above disclosure should reflect the rating allocated to Notes where the issue has been specifically rated)*
- (Include appropriate Credit Rating Agency Regulation (Regulation (EC) No 1060/2009 as amended) disclosure)*
- [Insert one (or more) of the following options, as applicable:*
- [[Insert credit rating agency/ies] [is/are] established in the European Union and [has/have each] applied for registration under Regulation (EC) No 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority]
- [[Insert credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended)]]
- [[Insert credit rating agency/ies] [is/are] not established in the European Union and [has/have each] not applied for registration under Regulation (EC) No 1060/2009 (as amended)]]

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

(Need to include a description of any interest, including conflicting ones, that is material to the [issue/offer], detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below):

“Save as discussed in [“*Subscription and Sale*”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.” *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to

the Prospectus under Article 16 of the Prospectus Directive)

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

(i) Reasons for the offer: [●]
(See [“Use of Proceeds”] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)]

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

(iii) Estimated total expenses: [●]
[Include breakdown of expenses]

5 [Fixed Rate Notes only – YIELD]

Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. For the avoidance of doubt, the yield does not take into account the adjustment of the Rate of Interest as specified in Condition 6(l).]

6 [Floating Rate Notes only – HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/CMS Rate/replicate other as specified in the Conditions] rates can be obtained from [Reuters]

7 [Inflation Linked Notes only – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING]

(i) Name of underlying index: [Consumer Price Index excluding tobacco for all households in metropolitan France (“CPI”) as calculated and published [monthly/[●]] by the *Institut National de la Statistique et des Etudes Economiques.*]/[Harmonised Index of Consumer Prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco (“HICP”) as calculated and published [monthly/[●]] by Eurostat.]

(ii) Information about the index, its volatility and past and future performance can be obtained: [●]
The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information]

8 OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

Depositaries

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

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

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

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/[●]]

9 DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
- (A) Date of the [Subscription] Agreement: [Not Applicable/[●]]
- (B) Names of Managers: [Not Applicable/give names]
(Include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, include a statement of the portion not covered.)
- (C) Stabilising Manager[s] if any: [Not Applicable/give name(s)]
- (iii) If non-syndicated, name and address of Dealer: [Not Applicable/give name]
- (iv) US Selling Restrictions (Categories of potential investors to which the Notes are offered): Reg. S Compliance Category 2 applies to the Notes; [TEFRA C/TEFRA D/TEFRA not applicable]

GENERAL INFORMATION

(1) Listing and admission to trading

This Base Prospectus has received visa n°17-616 from the AMF on 28 November 2017. Application has been made to list and admit the Notes to trading on Euronext Paris and/or on any other Regulated Market in a Member State of the EEA, as the case may be.

In compliance with Article 18 of the Prospectus Directive, application may also be made for the notification of certificate of approval to any competent authority of any Member State of the EEA.

(2) Corporate authorisations

Arkema 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 Arkema or (ii) the Ordinary General Meeting of the Issuer's shareholders if (a) the *statuts* of the Issuer so require (at the date hereof the *statuts* of Arkema do not require a resolution of the Ordinary General Meeting) or (b) the shareholders at an Ordinary General Meeting decide to authorise an issue of *obligations*, all pursuant to Article L.228-40 of the French *Code de commerce*. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, falls within the general powers of the *Président Directeur Général*.

(a) The update of the Programme and the increase of the Programme Limit to €2,750,000,000 has been authorised by a decision of the *Conseil d'administration* of Arkema on 8 November 2017.

(b) On 8 November 2017, the *Conseil d'administration* of Arkema authorised the issue of *obligations* up to a maximum aggregate amount outstanding of €1,000,000,000 per year and delegated to the *Président-Directeur général*, the *Directeur général finances* and the *Directeur financement et trésorerie* of the Issuer, acting together or separately, all powers to issue Notes up to said aggregate amount and to determine their terms and conditions.

(3) No significant change in the financial or trading position

Except as disclosed in the "Recent Developments" section of this Base Prospectus, there has been no significant change in the financial or trading position of Arkema or the Group since 30 September 2017.

(4) No material adverse change

There has been no material adverse change in the prospects of Arkema since 31 December 2016.

(5) Legal and arbitration proceedings

Save as disclosed in this Base Prospectus, Arkema is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which Arkema is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Arkema or the Group.

(6) Potential conflicts of interests between any duties to the issuing entity of the members of the board of directors

Save as disclosed in this Base Prospectus, to the knowledge of the Issuer, there are no other potential conflicts of interest between the duties, to the Issuer, of the members of the board of directors, the general management and their private interests and/or other duties. To the knowledge of the Issuer, there are no arrangements or agreements, with the main shareholders, customers or suppliers of the Issuer, pursuant to which a member of the board of directors or the general management has been appointed.

(7) Material contracts

Save as disclosed in this Base Prospectus, there are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to the Noteholders in respect of the Notes being issued.

(8) Clearing

Notes have been accepted for clearance through the Euroclear and Clearstream systems which are entities in charge of keeping the records. The Common Code, the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.

(9) Yield

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. For the avoidance of doubt, the yield indicated in the applicable Final Terms will not take into account the adjustment of the Rate of Interest as specified in Condition 6(1).

(10) Documents available

For so long as Notes issued under the Programme are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer, or otherwise, using any kinds of communication means, permitted by law, at the choice of the Issuer and from the specified offices of the Paying Agents, free of charge:

- (i) the *statuts* of the Issuer;
- (ii) a copy of the documents incorporated by reference in this Base Prospectus, which comprise the 2016 Reference Document, the 2015 Reference Document and the 2017 Half-Year Financial Report;
- (iii) each Final Terms for Notes that are listed and admitted to trading on Euronext Paris or any other regulated market in the EEA;
- (iv) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, on the websites of the Issuer (www.arkema.com) and of the AMF (www.amf-france.org):

- (i) the Final Terms for Notes that are listed and admitted to trading on Euronext Paris and/or in any Member State of the EEA; and
- (ii) this Base Prospectus together with any supplement to this Base Prospectus; and
- (iii) the documents incorporated by reference in this Base Prospectus (excluding the 2017 Half Year Financial Report in respect of the AMF website).

(11) Statutory auditors

KPMG Audit a department of KPMG S.A. and Ernst & Young Audit have audited and rendered unqualified audit reports on the consolidated financial statements of Arkema for the years ended 31 December 2016 and 2015 prepared in accordance with IFRS as adopted by the European Union. Both entities are regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

(12) Stabilisation

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

(13) Currencies

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “**€**”, “**Euro**”, “**EUR**” or “**euro**” are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, references to “**£**”, “**pounds sterling**”, “**GBP**” and “**Sterling**” are to the lawful currency of the United Kingdom, references to “**\$**”, “**USD**” and “**U.S. dollars**” are to the lawful currency of the United States of America, references to “**¥**”, “**JPY**”, “**Japanese yen**” and “**Yen**” are to the lawful currency of Japan and references to “**CHF**”, “**Swiss francs**” are to the lawful currency of Switzerland and references to “**Renminbi**” or “**RMB**” are to the currency of the PRC.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

We declare, to the best of our knowledge (having taken all reasonable care to ensure that such is the case), that the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Arkema
420, rue d'Estienne d'Orves
92700 Colombes
France

Duly represented by:

Christiane Chapuis

Directeur Financement et Trésorerie
authorised signatory
dated 28 November 2017



Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement Général*), in particular Articles 212-31 to 212-33, the *Autorité des marchés financiers* (“**AMF**”) has granted the visa No. 17-616 on 28 November 2017 to this Base Prospectus. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of whether the document is complete and comprehensible, and whether the information it contains is coherent. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

In accordance with Article 212-32 of the AMF's General Regulations (*Règlement Général*), any issue or admission to trading of securities under this Base Prospectus will be subject to the publication of the Final Terms.

ISSUER

Arkema
420, rue d'Estienne d'Orves
92700 Colombes
France

ARRANGER

NATIXIS
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75013 Paris
France

DEALERS

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10 Harewood Avenue
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United Kingdom

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Citigroup Centre
Canada Square
London E14 5LB
Canary Wharf
United Kingdom

Commerzbank Aktiengesellschaft
Kaiserstrasse 16 (Kaiserplatz)
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Federal Republic of Germany

Crédit Industriel et Commercial S.A.
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France

Crédit Agricole Corporate and Investment Bank
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92547 Montrouge Cedex
France

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NATIXIS
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France

SMBC Nikko Capital Markets Limited
One New Change
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United Kingdom

Société Générale
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FISCAL AGENT, PAYING AGENT, REDENOMINATION AGENT, CONSOLIDATION AGENT AND CALCULATION AGENT

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STATUTORY AUDITORS

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