



Valeo

**Euro 3,000,000,000**  
**Euro Medium Term Note Programme**  
**Due from one month from the date of original issue**

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this Base Prospectus (the “**Base Prospectus**”), Valeo, *société anonyme* (the “**Issuer**” or “**Valeo**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 3,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

Application has been made to the *Autorité des marchés financiers* (the “**AMF**”) 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 of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (as amended in particular by Directive 2010/73/EU, the “**Prospectus Directive**”). This Base Prospectus received the visa no. 16-161 on 3 May 2016 from the AMF. Application may be made (i) to the regulated market of Euronext in Paris (“**Euronext Paris**”) during the period of twelve (12) months from the date of this Base Prospectus for Notes issued under the Programme to be admitted to trading on Euronext Paris and/or (ii) to the listing authority of any other Member State of the European Economic Area (“**EEA**”) for Notes issued under the Programme to be admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments, as amended (a “**Regulated Market**”). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be determined based on then prevailing market conditions and will be set forth in the final terms (the “**Final Terms**”) (a form of which is contained herein). The Final Terms will, with respect to Notes to be listed and admitted to trading on Euronext Paris, be delivered to Euronext Paris and the Final Terms related to Notes admitted to trading on any Regulated Market of the EEA will be published on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the website of the Issuer ([www.valeo.com](http://www.valeo.com)).

This Base Prospectus shall, for the purpose of Notes listed and admitted to trading on Euronext Paris and/or any other Regulated Market in a Member State of the EEA, be updated annually.

In the case of any Notes which are to be admitted to trading on a Regulated Market within the EEA and/or offered to the public in a Member State of the EEA which requires the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be Euro 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

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

This Base Prospectus supersedes and replaces the base prospectus dated 7 May 2015 and all supplements to the Base Prospectus thereto (each a “**Supplement**”) and shall be in force for a period of one (1) year as of the date of this Base Prospectus.

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

Dematerialised Notes may, at the option of the Issuer, be (i) 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., as operator of the Euroclear System (“**Euroclear**”) and the depository bank for Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or (ii) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*nominatif pur*), in which case they will be inscribed either in an account maintained by the Issuer or by a registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the fortieth (40<sup>th</sup>) calendar day after the issue date of the Notes (subject to postponement as described in “Temporary Global Certificates issued in respect of Materialised Bearer Notes”) upon certification as to non U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche (as defined in “General Description of the Programme”) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The long term debt of the Issuer has been rated “Baa2, stable outlook” by Moody's Investors Service (“**Moody's**”) on 12 May 2015, and BBB, positive outlook, by Standard and Poor's Ratings Services (“**S&P**”) on 3 March 2016. Notes issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. Moody's and S&P are a credit rating agencies established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the “**CRA Regulation**”) and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with the CRA Regulation. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to Notes issued under the Programme. 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 credit rating agency without notice.

Notes issued under this Programme have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities laws. Accordingly, the Notes will be offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”). For a description of certain restrictions on offers, sales, resales and transfers see “Subscription and Sale - Selling Restrictions”.

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

This Base Prospectus and the documents incorporated by reference will be (a) published on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the Issuer ([www.valeo.com](http://www.valeo.com)) and (b) available for inspection and copy without charges, during normal business day and hours, any business day of the week, at the registered office of the Issuer and at the specified offices of any Paying Agent set out at the end of this Base Prospectus.

Arrangers

**BNP PARIBAS**

**HSBC**

Dealers

**BNP PARIBAS  
CREDIT AGRICOLE CIB  
HSBC  
MUFG  
MIZUHO SECURITIES**

**CITIGROUP  
CM-CIC MARKET SOLUTIONS  
J.P. MORGAN  
NATIXIS  
SOCIETE GENERALE CORPORATE &  
INVESTMENT BANKING**

The date of this Base Prospectus is 3 May 2016

This Base Prospectus, together with supplements to this Base Prospectus from time to time, comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive as defined below.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference and shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus (see “Documents Incorporated by Reference” below), and may only be used for the purpose for which it has been published. In relation to each separate issue of Notes, the final offer price and the amount of such Notes will be determined by the Issuer and the relevant Dealers (as defined below) in accordance with prevailing market conditions at the time of issue of the Notes and will be set out in the relevant Final Terms.

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 Arrangers (each as defined in “General Description of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries (*filiales*) taken as a whole (the “**Group**”) since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently 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. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OF AMERICA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING OF THE NOTES WILL BE MADE AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS LOCATED OUTSIDE OF THE UNITED STATES OF AMERICA IN OFFSHORE TRANSACTIONS AS DEFINED IN AND IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PURSUANT TO REGULATION S. THE NOTES INCLUDE MATERIALISED NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF MATERIALISED NOTES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OF, U.S. PERSONS. IN ADDITION, UNTIL 40 DAYS AFTER THE COMMENCEMENT OF ANY OFFERING OF NOTES, AN OFFER OR SALE OF NOTES WITHIN THE UNITED STATES OF AMERICA BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE OFFERING) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

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

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

The Arrangers and the Dealers have not separately verified the information or representations contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arrangers makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or

completeness of any of the information or representations contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The contents of this Base Prospectus are not to be construed as legal, business or tax advice. Each potential purchaser of Notes should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Dealers or the Arrangers has reviewed or undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

Some sections of this Base Prospectus and, in particular, the sections entitled "Description of Valeo" and "Recent Developments", and of the documents incorporated by reference referred to in the section entitled "Documents incorporated by Reference" of the Base Prospectus, contain forward-looking statements. The Issuer may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its offering circulars, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuer's beliefs and expectations, are forward looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events.

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## **RISK FACTORS**

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

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons than those identified in the statements below. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including any Documents Incorporated by Reference herein (as further described in “Documents Incorporated by Reference” below), and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Issuer prior to investing in Notes issued under the Programme.*

### **1. Risk factors relating to the Issuer**

The risk factors relating to the Issuer and its activity are set out in particular in pages 62 to 73 of the *Document de Référence* of the Issuer for the year ended 31 December 2015 incorporated by reference into this Base Prospectus, as set out in the section “Documents Incorporated by Reference” of this Base Prospectus and include the following:

- operational risks, including (i) risks associated with the automotive equipment industry, (ii) risks related to new product development, (iii) supplier failure risk, (iv) geopolitical risks and (v) IT systems failure risk;
- environmental and industrial risks (environmental, industrial and natural disaster risks);
- legal risks, including (i) intellectual property risks (patents and trademarks), (ii) risks related to sales of products and services, (iii) risks of failure to comply with the Code of Ethics or the law and (iv) claims, litigation, and governmental, legal and arbitration proceedings;
- financial risks, including (i) liquidity risk, (ii) commodity risk (iii) foreign currency risk, (iv) interest rate risk, (v) banking counterparty risk, (vi) equity risk and (vii) customer credit risk.

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

*The following paragraphs describe some risk factors that are material to the Notes to be offered and/or admitted to trading in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular series of Notes and the suitability of investing in the Notes in light of their particular circumstances.*

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable Supplement to this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the prospective investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

## 2.2 ***Credit risk***

Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations. If the credit worthiness of the Issuer deteriorates (i) the Issuer may be unable to honor its obligations with respect to the Notes and (ii) the value of the Notes may decrease and investors may lose all or part of their investment.

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

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

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

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

The Issuer has the option, if so provided in the relevant Final Terms, to redeem the Notes, in whole or in part, or in whole but not in part, as the case may be, under a call option as provided in Condition 6(b), a residual maturity call option as provided in Condition (6)(j), a clean-up call option as provided in Condition 6(k), and/or, unless specified as not being applicable in the relevant Final Terms, a make-whole redemption option as provided in Condition 6(f).

In particular, with respect to the clean-up call option, there is no obligation under the Terms and Conditions of the Notes for the Issuer to inform investors if and when the limit needed to exercise the clean-up call option has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the clean-up call option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

In the case of a partial redemption of Notes, such partial redemption may be effected, at the option of the Issuer, either by (i) reducing the nominal amount of all such Notes in proportion to the aggregate nominal amount redeemed or (ii) redeeming in full only some of the Notes.

Depending on the proportion of the principal amount of all of the Notes so reduced or the number of Notes redeemed, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

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

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

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

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

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. Certain tax effects on Noteholders generally in France and in Hong Kong, and as a result of the EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments as amended from time to time are described under the "Taxation" paragraph of the Terms and Conditions of the Notes and/or the "Taxation" section below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

*Interest rate risk on Fixed Rate Notes*

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

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



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

*Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds*

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.

*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.

### 3.1 ***Risks related to the Notes generally***

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

*Modification of the Conditions*

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 11, and a General Meeting can be held. The Terms and Conditions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 11.

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

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer may, and in certain circumstances must, redeem all outstanding Notes in accordance with the “Terms and Conditions of the Notes”.

### *Potential Conflicts of Interest*

All or some of the Dealers and their affiliates (including their parent companies) have and/or may in the future engage, in the ordinary course of business, 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. They have or may, in the ordinary course of 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 (ii) act as financial advisors 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.

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

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

### *Change of law*

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

### *Taxation*

Prospective investors and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. Potential investors are advised not to rely upon the description contained in the general description section of this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the prospective investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

### *EU Savings Directive*

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the “**EU Savings Directive**”) requires each Member State to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the EU Savings Directive made by a paying agent within its jurisdiction to

(or under circumstances to the benefit of) a beneficial owner (within the meaning of the EU Savings Directive) resident in that other Member State, except that Austria instead imposes a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information. The rate of such withholding tax equals thirty-five (35) per cent. until the end of the transitional period.

The Council of the European Union has adopted Council Directive 2011/16/EU on administrative cooperation in the field of taxation, (as amended by Council Directive 2014/107/EU) (the “**DAC**”), pursuant to which Member States are generally required to apply new measures on mandatory automatic exchange of information as from 1 January 2016 (1 January 2017 in the case of Austria). The DAC is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes.

In order to avoid overlap between the EU Savings Directive and the DAC, the Council of the European Union adopted on 10 November 2015 a Council Directive 2015/2060/EU repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before that date).

A number of third countries and territories have adopted similar measures to the EU Savings Directive. Some of those measures have been revised to be aligned with the DAC, and other such measures may be similarly revised in the future.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax.

Investors should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive and the DAC on their investment. See also “Taxation - EU Savings Directive”.

*Transactions on the Notes could be subject to the European financial transaction tax, if adopted*

On 14 February 2013, the European Commission adopted a proposal for a directive on the financial transaction tax (hereafter “FTT”) to be implemented under the enhanced cooperation procedure by eleven Member States initially (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain; the “**Participating Member States**”). Member States may join or leave the group of Participating Member States at later stages. The proposal will be negotiated by Member States, and, subject to an agreement being reached by the Participating Member States, a final directive will be enacted. The Participating Member State will then implement the directive in local legislation. If the proposed directive is adopted and implemented in local legislation, Noteholders may be exposed to increased transaction costs with respect to financial transactions carried out with respect to the Notes.

In December 2015, a joint statement was issued by Participating Member States (excluding Estonia), indicating an intention to make decisions on the remaining open issues by the end of June 2016.

The FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

### *French insolvency law*

Holders of Notes will be automatically grouped for the defence of their common interests in a *masse*, as defined in Condition 11 of the Terms and Conditions of the Notes “Representations of Noteholders”. However, under French insolvency law as amended by ordinance no. 2008-1345 dated 18 December 2008 which came into force on 15 February 2009, by law no. 2010-1249 dated 22 October 2010 applicable as from 1 March 2011, by law no. 2012-387 dated 22 March 2012 applicable as of 24 March 2012, by ordinance no. 2014-326 applicable as of 1<sup>st</sup> July 2014, and by law no. 2015-990 applicable as of 8 August 2015, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

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

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

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

The proposed plan must take into account the subordination agreements entered into by creditors before the opening of the procedure.

Decisions of the Assembly will be taken by a two-third (2/3<sup>rd</sup>) majority (calculated as a proportion of the debt securities held by the holders which have cast a vote at such Assembly). No quorum is required to hold the Assembly. The holders whose rights are not modified by the proposed plan or who are to be fully repaid at the date of either (i) the adoption of the plan by the court or (ii) the admission of their claims in the insolvency estate do not participate to the vote.

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 conflict with compulsory insolvency law provisions that apply in these circumstances.

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

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

- (i) Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi 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.

However, there has been significant reduction in control by the PRC Government in recent years, particularly 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.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement 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 on a case-by-case basis 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 being developed.

Although starting from 1 October 2016, the Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the 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 out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

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

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

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

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

is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

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

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

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

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. Recently, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

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

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

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

- (vi) Investment in Renminbi Notes is subject to currency risks

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be. In addition, the investment in Renminbi Notes may be subject to currency risks, as the U.S./RMB exchange rate fluctuates.

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

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

developments occur in the international financial markets in the future, the market price of Renminbi Notes could be adversely affected.

- (viii) Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong, in accordance with the clearing system prevailing rules and procedures. Unless otherwise specified herein, the Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

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

Under the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise Holder from the transfer of Renminbi Notes but its implementation rules have reduced the enterprise income tax rate to 10 per cent. if such gains are regarded as income derived from sources within the PRC. The *PRC Individual Income Tax Law* levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes if such gain is regarded as income derived from sources within the PRC.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

- (x) In certain circumstances Noteholders may be subject to U.S. withholding tax

The United States has enacted rules, commonly referred to as "FATCA," that generally impose a new reporting and withholding regime with respect to certain payments made by entities that are classified as financial institutions under FATCA. The United States has also entered into an intergovernmental agreement regarding the implementation of FATCA with France (the "IGA"). Valeo does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Any such withholding would not apply before 1 January 2019. Also, Notes issued prior to the six-month

anniversary after final regulations that define the term "foreign pass thru payment" are filed with the U.S. Federal Register and that are classified as debt for U.S. federal income tax purposes are generally exempt from these rules.

In the event that any withholding imposed because of FATCA, the Issuer will have no obligation to make additional payments in respect of such withholding.

### 3.2 ***Risks related to the market generally***

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

*The trading market for debt securities may be volatile and may be adversely impacted by many events*

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

*An active trading market for the Notes may not develop*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

The Issuer is entitled to buy the Notes, as described in Condition 6(g), and the Issuer may issue further notes, as described in Condition 14(a). Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

*Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in "Terms and Conditions of the Notes" below). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.



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

*Credit ratings may not reflect all risks*

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

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

*Interests of the Dealers*

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

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description of the Programme is qualified in its entirety by the remainder of this Base Prospectus. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and will be subject to the Terms and Conditions of the Notes set out in this Base Prospectus.*

*Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this general description.*

<b>Issuer:</b>	Valeo
<b>Description:</b>	Euro Medium Term Note Programme for the continuous offer of Notes (the " <b>Programme</b> ")
<b>Arrangers:</b>	BNP Paribas and HSBC Bank plc
<b>Dealers:</b>	BNP Paribas Citigroup Global Markets Limited Crédit Industriel et Commercial S.A Crédit Agricole Corporate and Investment Bank HSBC Bank plc J.P. Morgan Securities plc Mitsubishi UFJ Securities International plc MizuhoInternational plc Natixis Société Générale
	<p>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 "<b>Permanent Dealers</b>" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "<b>Dealers</b>" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Programme Limit:</b>	Euro 3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The principal amount of Notes outstanding under the Programme may be increased, as provided in an amended and restated dealer agreement dated 3 May 2016 between the Issuer, the Permanent Dealers and the Arrangers.
<b>Fiscal Agent and Principal Paying Agent:</b>	BNP Paribas Securities Services
<b>Paying Agent:</b>	BNP Paribas Securities Services (Affiliated with Euroclear France under number 29106)
<b>Risk Factors:</b>	<b>Risk factors relating to the Issuer</b>  Risks factors linked to the Issuer and its activity are described on pages 62 to 73 of the <i>Document de Référence</i> of the Issuer for the financial year ended 31 December 2015 which was

filed with the AMF on 25 March 2016 under the registration number no. D.16-0211 and which is incorporated by reference herein (see section headed "Documents Incorporated by Reference" of this Base Prospectus), and include the following:

- operational risks, including (i) risks associated with the automotive equipment industry, (ii) risks related to new product development, (iii) supplier failure risk (iv) geopolitical risks and (v) IT systems failure risk;
- environmental and industrial risks (environmental, industrial and natural disaster risks);
- legal risks, including (i) intellectual property risks (patents and trademarks), (ii) risks related to sales of products and services, (iii) risks of failure to comply with the Code of Ethics or the law and (iv) claims, litigation, and governmental, legal and arbitration proceedings;
- financial risks, including (i) liquidity risk, (ii) commodity risk (iii) foreign currency risk, (iv) interest rate risk, (v) banking counterparty risk, (vi) equity risk and (vii) customer credit risk.

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

There are certain additional risk factors which are material for the purpose of assessing the risks related to the Notes issued under the Programme including the following:

- the Notes may not be a suitable investment for all investors;
- credit risk;
- risks related to the structure of a particular issue of Notes, including (i) any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated, (ii) a Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs, (iii) a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes, (iv) interest rate risk on Fixed Rate Notes, (v) investors will not be able to calculate in advance their rate of return on Floating Rate Notes, (vi) Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds and (vii) Notes issued at a substantial discount or premium;
- risks related to the Notes generally, including (i) modification of the Conditions, (ii) the Notes may be redeemed prior to maturity, (iii) change of law, (iv) EU Savings Directive, (v) taxation, (vi) European financial transaction tax, (vii) French insolvency law and (viii)

risks relating to Renminbi-denominated Notes;

- risks related to the market generally, including (i) the trading market for debt securities may be volatile and may be adversely impacted by many events, (ii) an active trading market for the Notes may not develop, (iii) exchange rate risks and exchange controls, (iv) credit ratings may not reflect all risks, (v) legal investment considerations may restrict certain investments and (vi) interests of the Dealers.

See “**Risk Factors**” above for further details.

**Method of Issue:**

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

**Maturities:**

Subject to compliance with all relevant laws, regulations and directives, any maturity from one (1) month from the date of original issue.

**Currencies:**

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

**Denomination(s):**

Notes will be in such denomination(s) as may be specified in the relevant Final Terms save that, unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one (1) year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

The minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

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 will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) equally with all other present or future unsecured and unsubordinated 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 Notes as set out in Condition 9 - see “Terms and Conditions of the Notes - Events of Default”.

**Redemption Amount:**

The relevant Final Terms will specify the redemption amounts payable. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one (1) year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**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.

**Early Redemption:**

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

**Make-whole Redemption by the Issuer:**

Unless otherwise 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 (but not in part), at any time or from time to time, prior to their Maturity Date, at the Make-whole Redemption Amount.

**Residual Maturity Call Option:**

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days’ irrevocable notice in accordance with Condition 15 to the Noteholders redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three months before the Maturity Date.

**Clean-Up Call Option:**

If a Clean-Up Call Option is specified in the relevant Final Terms and if 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, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem on a date to be specified in such notice the remaining Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

**Change of Control Put Option**

If at any time while any Note remains outstanding (i) a Change of Control occurs and (ii) within the Change of Control Period (A) (if at the time that the Change of Control occurs the Notes are rated with the agreement of the Issuer) a Rating Downgrade in respect of that Change of Control occurs and has not been cured prior to the expiry of the Change of Control Period, or (B) (if at such time the Notes are not rated) a Negative Rating Event in respect of that Change of Control occurs (either case, a "Put Event"), the holder of each Note will have the option (the "Put Option") (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 6) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Put) (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Put).

**Taxation:**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes issued by the Issuer 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.

Payments of interest and other revenues made by the Issuer on the Notes (except Notes which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code). will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code 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 General Tax Code (a "Non-Cooperative State"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code. The 75% withholding tax is applicable

irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

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

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French General Tax Code, nor, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non-deductibility of interest and other revenues and the withholding tax set out under Article 119 *bis* 2 that may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "Exception"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 (n°550 and 990), BOI-RPPM-RCM-30-10-20-40-20140211 (n°70), BOI-IR-DOMIC-10-20-20-60-20150320 (n°10) the Notes issued by the Issuer will benefit from the Exception without the Issuer having to provide any proof of the main purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a 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 depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article

L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Interest and other revenues on Notes issued by the Issuer which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 that were issued (or deemed to be issued) outside France, as provided under Article 131 *quater* of the French General Tax Code, provided that their term has not been prorogated as from that date, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues on Notes issued by the Issuer which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French General Tax Code solely on account of their being paid on a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Pursuant to articles 125 A of the French General Tax Code (i.e. where the paying agent (*établissement payeur*) is located in France) and subject to certain exceptions, interest and other similar revenues received as from 1 January 2013 by French tax resident individuals are subject to a 24% levy withheld at source, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied at source at an aggregate rate of 15.5% on interest and other similar revenues paid to French tax resident individuals. Holders of Notes who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 24% levy and the 15.5% social security contributions are collected, where the paying agent is not located in France.

**Interest Periods and Interest Rates:**

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

**Fixed Rate Notes:**

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

**Floating Rate Notes:**

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

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International



Swaps and Derivatives Association, Inc.; or

- (ii) by reference to LIBOR, LIBID, LIMEAN, or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms), in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

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

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

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

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

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*) form. No physical documents of title will be issued in respect of Dematerialised Notes. See “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination”.

Materialised Notes will be in bearer materialised 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.

**Clearing Systems:** Euroclear France as central depository in relation to Dematerialised Notes and Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.

**Initial Delivery of Dematerialised Notes:** Not later than (1) one Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited by the Issuer, with the assistance of the relevant Dealer, with Euroclear France as central depository.

**Initial Delivery of Materialised** On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in

<b>Notes:</b>	respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
<b>Listing and admission to trading:</b>	Listing and admission to trading on Euronext Paris or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
<b>Rating:</b>	The long term debt of the Issuer has been rated Baa2, stable outlook by Moody's Investors Service (" <b>Moody's</b> ") on 12 May 2015, and BBB, positive outlook, by Standard and Poor's Ratings Services (" <b>S&amp;P</b> ") on 3 March 2016. Notes issued under the Programme may be rated or unrated. The relevant Final Terms will specify (i) the rating of Notes, if any, and (ii) whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to Notes issued under the Programme. 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.
<b>Selling Restrictions:</b>	<p>There are restrictions on the offer and sale of Notes and the distribution of the Base Prospectus or any other offering material relating to the Notes in various jurisdictions, including the European Economic Area and certain of its Member States (in particular the United Kingdom and France), Japan, the People's Republic of China, Hong Kong, Singapore and the United States. See "Subscription and Sale". In connection with the offering and sale of a particular Tranche, selling restrictions may be modified and any such modification or supplement will be set out in a supplement to the Base Prospectus.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.</p> <p>Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor rules thereto (the "<b>D Rules</b>") unless (i) the relevant Final Terms state that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor rules thereto (the "<b>C Rules</b>") or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax</p>

Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following sections identified in the cross-reference table below of the following documents which have been previously published and have been filed with the *Autorité des marchés financiers* (“AMF”) as competent authority in France for the purposes of the Prospectus Directive. Such sections shall be incorporated in, and shall be deemed to form part of, this Base Prospectus:

- (i) the sections identified in the cross-reference table below of the 2015 Document de Référence in the French language relating to the Issuer filed with the AMF on 25 March 2016 under no. D.16-0211, including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2015 and the related notes thereto (the “**2015 Reference Document**”) save that the third paragraph of the *Attestation du responsable du Document de référence contenant un rapport financier annuel* by Mr. Jacques Aschenbroich, *Président-Directeur Général* of the Issuer, referring, inter alia, to *the lettre de fin de travaux* of the statutory auditors of the Issuer on page 398 of such 2015 Reference Document and any reference thereto shall not be deemed incorporated herein;
- (ii) the sections identified in the cross-reference table below of the 2014 Document de Référence in the French language relating to the Issuer filed with the AMF on 27 March 2015 under no. D.15-0220, including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2014 and the related notes thereto (the “**2014 Reference Document**”) save that the third paragraph of the *Attestation du responsable du Document de référence contenant un rapport financier annuel* by Mr. Jacques Aschenbroich, *Directeur Général* of the Issuer, referring, inter alia, to *the lettre de fin de travaux* of the statutory auditors of the Issuer on page 375 of such 2014 Reference Document and any reference thereto shall not be deemed incorporated herein;
- (iii) the terms and conditions of the notes contained in the base prospectus of the Issuer dated 7 May 2015 which received visa no. 15-178 from the AMF, (the “**2015 EMTN Conditions**”);
- (iv) the terms and conditions of the notes contained in the base prospectus of the Issuer dated 23 April 2013 which received visa no. 13-174 from the AMF, (the “**2013 EMTN Conditions**”);
- (v) the terms and conditions of the notes contained in the base prospectus of the Issuer dated 13 April 2011 which received visa no. 11-108 from the AMF, (the “**2011 EMTN Conditions**”, and together with the 2013 EMTN Conditions and the 2015 EMTN Conditions, the “**Previous EMTN Conditions**”).

Free translations in the English language of the 2015 Reference Document and the 2014 Reference Document are available on the Issuer's website ([www.valeo.com](http://www.valeo.com)). These documents are available for information purposes only and are not incorporated by reference in this Base Prospectus. The only binding versions are the French language versions.

The Issuer will, at the specified office of each Paying Agent for the time being during normal business hours, make available, free of charge, a copy of any or all of the documents incorporated by reference (the “**Documents Incorporated by Reference**”) herein. All Documents Incorporated by Reference in this Base Prospectus will also be available on the website of Valeo ([www.valeo.com](http://www.valeo.com)) and on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)).

The following table cross-references the pages of the Documents Incorporated by Reference. Any information not listed in the cross-reference list but included in the documents incorporated by reference is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended.

<b>Information incorporated by reference</b>	<b>2015 Reference Document</b>	<b>2014 Reference Document</b>
	<b>1. PERSONS RESPONSIBLE</b>	
1.1. Names of the persons responsible for the information given in the prospectus	p. 398	–
1.2. Declaration of the persons responsible	p. 398	–
	<b>2. STATUTORY AUDITORS</b>	
2.1. Names and addresses of the Issuer's auditors (together with their membership of a professional body)	p. 396, 397	–
2.2. Change of situation of the auditors	p. 396, 397	–
	<b>3. RISK FACTORS</b>	
3.1 Risk factors	p. 62 to 73	–
	<b>4. INFORMATION ABOUT THE ISSUER</b>	
	4.1. History and development of the Issuer	
4.1.1. Legal and commercial name	p. 390	–
4.1.2. Place of registration and registration number	p. 390	–
4.1.3. Date of incorporation and length of life	p. 390	–
4.1.4. Domicile, legal form, legislation, country of incorporation, address and telephone number	p. 390	–
4.1.5. Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	p. 263, 331, 359	–
	<b>5. BUSINESS OVERVIEW</b>	
	5.1. Principal activities	

<b>Information incorporated by reference</b>	<b>2015 Reference Document</b>	<b>2014 Reference Document</b>
5.1.1. Description of the Issuer's principal activities	p. 36 to 58	–
5.1.2. Competitive position	p. 40, 41, 44, 45, 49, 50, 53, 54, 57, 58	–
	<b>6. ORGANISATIONAL STRUCTURE</b>	
6.1. Description of the group and of the Issuer's position within it	p. 26 to 28, 393, 394	–
6.2. Dependence relationships within the group	p. 272 to 277, 285 to 288, 332 to 336, 358, 361 to 363, 393, 394	–
	<b>7. TREND INFORMATION</b>	
7.1. Statement of no material adverse change on the Issuer's prospects	p. 13, 14, 15, 263	–
	<b>8. PROFIT FORECASTS OR ESTIMATES</b>	
8.1. Principal assumptions	N/A	–
8.2. Statement by independent accountants or auditors	N/A	–
8.3. Comparable with historical financial information	N/A	–
	<b>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
9.1 Information concerning the administrative and management bodies	p. 78 to 110	–
9.2 Conflicts	p. 81, 82, 109, 110, 388	–
	<b>10. MAJOR SHAREHOLDERS</b>	
10.1. Information concerning control	p. 372 to 375, 386, 387	–
10.2. Description of arrangements which may result in a change of control	p. 386	–
	<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND</b>	

<b>Information incorporated by reference</b>	<b>2015 Reference Document</b>	<b>2014 Reference Document</b>
	<b>PROFITS AND LOSSES</b>	
	11.1. Historical financial information	
	<b>Consolidated financial statements 2015:</b>  p.264 to 336 - Balance sheet: p.266 - Income statement: p. 264 -Accounting policies: 270 to 272 -Explanatory notes: pages 270 to 336	<b>Consolidated financial statements 2014:</b>  p.240 to 315 - Balance sheet: p.242 - Income statement: p. 240 -Accounting policies: p. 246 to 251 -Explanatory notes: p. 246 to 315
	<b>Non consolidated financial statements 2015:</b>  p. 339 to 359 - Balance sheet: p. 340 - Income statement: p.339 - Accounting policies: p. 343 - Explanatory notes: p.343 to 359	<b>Non consolidated financial statements 2014:</b>  p. 318 to 337 - Balance sheet: p. 319 - Income statement: p.318 - Accounting policies: p. 322 to 323 - Explanatory notes: p.322 to 337
11.2. Financial statements	p. 264 to 337, 339 to 360	p. 240 to 316, 318 to 338
	11.3. Auditing of historical annual financial information	
11.3.1. Statement of audit of the historical annual financial information	p. 337, 359, 360	p. 316 and 338
11.3.2. Other audited information	p. 139, 248 to 249, 361 to 363	p. 129, 226 to 228, 339 to 341
11.3.3. Unaudited data	N/A	–
	11.4. Age of latest financial information	
11.4.1. Age of latest financial information	31 December 2015	–

<b>Information incorporated by reference</b>	<b>2015 Reference Document</b>	<b>2014 Reference Document</b>
11.5. Legal and arbitration proceedings	p. 66 to 69, 289 and 307 to 308	–
11.6. Significant change in the Issuer's financial or trading position	p. 263, 331, 359	–
<b>12. MATERIAL CONTRACTS</b>		
12. Material contracts	p. 395, 396	–
<b>13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST</b>		
13.1 Statement by experts	N/A	–
13.2 Statement by third party	N/A	–
<b>14. DOCUMENTS ON DISPLAY</b>		
14. Documents on display	p. 396	–

The Previous EMTN 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 Previous EMTN Conditions.

<b>PREVIOUS EMTN CONDITIONS</b>	
2015 EMTN Conditions	Pages 31 to 61
2013 EMTN Conditions	Pages 28 to 58
2011 EMTN Conditions	Pages 28 to 58



## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive, following the occurrence of a significant new factor, a material mistake or inaccuracy relating to the information included or incorporated by reference in this Base Prospectus which is capable of affecting the assessment of any Notes, 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 of a Member State of the European Economic Area, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the *Règlement Général* of the AMF.

## 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 (the “**2016 EMTN Conditions**”).

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

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

The Notes are issued with the benefit of an amended and restated agency agreement dated 3 May 2016 between the Issuer, BNP Paribas Securities Services, as fiscal agent and the other agents named in it (as amended or supplemented as at the Issue Date the “**Agency Agreement**”). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Directive 2004/39/EC on markets in financial instruments as amended.

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

In these Conditions, unless otherwise specified or the context otherwise requires, references below to “**day**” or “**days**” mean a calendar day.

Unless otherwise provided in the relevant Final Terms, Notes shall constitute *obligations* within the meaning of Article L. 213-5 of the French *Code monétaire et financier* (the “**Code**”).

### 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**”), as specified in the relevant Final Terms.
  - (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 of the Code by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (“**Euroclear France**”, acting as central depository) which shall credit the accounts of Account Holders (as defined below), 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**”).

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

If French law so provides, the Issuer may require the identification of the Noteholders unless such right is expressly excluded in the relevant Final Terms.

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

*In accordance with Articles L.211-3 et seq. and R.211-7 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 admitted to trading on a Regulated Market in circumstances which require the publication of a Base 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 other 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 (as defined below)). Dematerialised Notes shall be issued in one Specified Denomination only.
- (c) **Title:**
  - (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
  - (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue (“**Definitive Materialised Bearer Notes**”), shall pass by delivery.
  - (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any

writing on it or its theft or loss and no person shall be liable for so treating the holder.

- (iv) In these Conditions, “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Coupons, or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

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

prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.

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

## 2. **CONVERSION AND EXCHANGES OF NOTES**

### (a) **Dematerialised Notes**

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

### (b) **Materialised Notes**

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

## 3. **STATUS**

The Notes and, where applicable, any relative Coupons are direct, unconditional, 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 Coupons relating to them, remain outstanding, the Issuer will not, and will procure that none of its Material Subsidiaries (as defined below) will, create or permit to subsist any mortgage, charge, pledge or other security interest upon any of its business, undertakings, assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) incurred or guaranteed by it or by any Material Subsidiary (whether before or after the issue of the Notes) unless the Issuer's obligations under the Notes and Coupons are equally and rateably secured so as to rank *pari passu* with such Relevant Indebtedness or such guarantee in respect thereof.

For the purposes of this Condition:

- (a) **“Material Subsidiary”** means at any relevant time a Subsidiary of the Issuer:
  - (i) whose total assets, gross revenues, or operating income (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets, gross consolidated revenues or consolidated operating income, as the case may be) attributable to the Issuer represent not less than ten (10) per cent. of the total consolidated assets, the gross consolidated revenues or the consolidated operating income of the Issuer, as the case may be, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated subsidiaries; or
  - (ii) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Material Subsidiary
- (b) **“Relevant Indebtedness”** means any indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other securities (including *titres de créance négociables*) which are for the time being, or are capable of being, quoted, listed or ordinarily traded on any stock exchange, over-the-counter-market or other securities market.
- (c) **“Subsidiary”** has the meaning set forth in Articles L.233-1 and L.233-3 of the French *Code de Commerce*, as amended.

## 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 relation to any sum payable in Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer system or any successor thereto (TARGET 2) (the **“TARGET 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 relation to any sum payable in a Specified Currency other than Euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iv) in the case of a Specified Currency and/or one or more additional business centre(s) specified in the relevant Final Terms (the **“Business Centre(s)”**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s).

**“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 (1<sup>st</sup>) calendar day of such period to but excluding the last) (whether or not constituting an Interest Period, the **“Calculation Period”**):

- (i) if “**Actual/Actual (ISDA)**” is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by three hundred and sixty-five (365) (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of calendar days in that portion of the Calculation Period falling in a leap year divided by three hundred and sixty-six (366) and (B) the actual number of calendar days in that portion of the Calculation Period falling in a non-leap year divided by three hundred and sixty-five (365))
- (ii) if “**Actual/Actual (ICMA)**” is specified in the relevant Final Terms:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of calendar days in the Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (B) if the Calculation Period is longer than one 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 hereon or, if none is so specified, the Interest Payment Date

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

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

"Y<sub>2</sub>" is the year, expressed as a number, in which the calendar day immediately following the last calendar day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first calendar day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the calendar day immediately following the last calendar day included in the Calculation Period falls;

"D<sub>1</sub>" is the first (1<sup>st</sup>) calendar day, expressed as a number, of the Calculation Period, unless such number would be thirty-one (31), in which case D<sub>1</sub> will be thirty (30); and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last calendar day included in the Calculation Period, unless such number would be thirty-one (31) and D<sub>1</sub> is greater than twenty-nine (29), in which case D<sub>2</sub> will be thirty (30).

- (vi) if "30E/360" or "Eurobond Basis" is specified in the relevant Final Terms, the number of calendar days in the Calculation Period divided by three hundred and sixty (360) calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

"Y<sub>2</sub>" is the year, expressed as a number, in which the calendar day immediately following the last calendar day included in the Calculation Period falls;

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

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the calendar day immediately following the last calendar day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be thirty-one (31), in which case D<sub>1</sub> will be thirty (30); and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last calendar day included in the Calculation Period, unless such number would be thirty-one (31), in which case D<sub>2</sub> will be thirty (30);

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of calendar days in the Calculation Period divided by three hundred and sixty (360), calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$



where:

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

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

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

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

"**D1**" is the first (1<sup>st</sup>) calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last calendar day of February or (ii) such number would be thirty-one (31), in which case D1 will be thirty (30); and

"**D2**" is the calendar day, expressed as a number, immediately following the last calendar day included in the Calculation Period, unless (i) that day is the last calendar day of February but not the maturity date (as specified in the applicable Final Terms) or (ii) such number would be thirty-one (31), in which case D2 will be thirty (30).

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first (1<sup>st</sup>) calendar day of the Interest Accrual Period to which such Interest Determination Date relates

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

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first (1<sup>st</sup>) 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, an Interest Accrual Period or the interest amount in relation to Renminbi Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the calendar day falling two (2) TARGET Business Days prior to the first (1<sup>st</sup>) calendar day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first (1<sup>st</sup>) calendar day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the calendar day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first (1<sup>st</sup>) calendar 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 (1<sup>st</sup>) Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the relevant Final Terms

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

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

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

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

**“Relevant Date”** means, in respect of any Note or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven (7) calendar days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation

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

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

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

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

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

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

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

- (c) **Interest on Floating Rate Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from 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 Specified Period after the preceding Interest Payment Date or, in the case of the first (1<sup>st</sup>) Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event

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

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

(A) ISDA Determination for Floating Rate Notes

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

- (a) the Floating Rate Option is 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 (1<sup>st</sup>) calendar day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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

In the applicable Final Terms, when the paragraph “ Floating Rate Note Provisions” specifies that the rate will be determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by linear interpolation by reference to two (2) rates based on the relevant Floating Rate, one of which corresponding to a maturity next shorter than the length of the relevant Interest Period and the other of which

corresponding to a maturity next longer than the length of the relevant Interest Period.

(B) Screen Rate Determination for Floating Rate Notes

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

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
  - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,  
  
in each case appearing on such Page at the Relevant Time on the Interest Determination Date
- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial

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

In the applicable Final Terms, when the paragraph "Benchmark" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by linear interpolation by reference to two (2) rates based on the relevant Floating Rate Benchmark, one of which corresponding to a maturity next shorter than the length of the relevant Interest Period and the other of which corresponding to a maturity next longer than the length of the relevant Interest Period.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be, unless otherwise provided in the relevant Final Terms, the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(d)(i)).
- (e) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (f) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts, Rate Multipliers and Rounding:**
  - (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph
  - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being

rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

- (g) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Make-whole Redemption Amounts:** As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Make-whole Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Make-whole Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4<sup>th</sup>) Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (i) **Calculation Agent and Reference Banks:** The Issuer shall use its best efforts to procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or

to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-whole 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 office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.

- (j) **CNY Notes:** Notwithstanding the foregoing, each CNY 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 (4th) 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. Unless otherwise agreed in the relevant Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of calendar days in the relevant Interest Period or, as applicable, other period concerned and dividing it by three hundred and sixty-five (365), and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

## 6. REDEMPTION, PURCHASE AND OPTIONS

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below including any Issuer's option in accordance with Condition 6(b) or any Noteholders' option in accordance with Condition 6(c), 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 in the Final Terms, is its nominal amount).
- (b) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other



notice period as may be specified in the relevant Final Terms), redeem or exercise any Issuer's option (as may be described) in relation to all, or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed as specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed as specified in the relevant Final Terms.

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

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

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

So long as the Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris 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 a leading newspaper of general circulation in France 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.

(c) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:**

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

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Principal Paying Agent specified in the

Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (ii) If at any time while any Note remains outstanding (i) a Change of Control occurs and (ii) within the Change of Control Period (A) (if at the time that the Change of Control occurs the Notes are rated with the agreement of the Issuer) a Rating Downgrade in respect of that Change of Control occurs and has not been cured prior to the expiry of the Change of Control Period, or (B) (if at such time the Notes are not rated) a Negative Rating Event in respect of that Change of Control occurs (either case, a "Put Event"), the holder of each Note will have the option (the "Put Option") (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 6) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Put) (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Put).

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly owns or acquires, (A) more than fifty (50) per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than fifty (50) per cent. of the voting rights normally exercisable at a general meeting 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 a potential future Change of Control; and
- (B) the date of the first public announcement that a Change of Control has occurred,

and ending ninety (90) calendar days after the date of the public announcement that such Change of Control has occurred.

"**Investment Grade Rating**" means a rating of Baa3 by Moody's or its equivalent for the time being, or better.

A "**Negative Rating Event**" shall be deemed to have occurred if (i) the Issuer does not on or before the forty-fifth (45<sup>th</sup>) Business Day after the relevant Change of Control seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or publicly confirms or having been so requested by the Issuer informs the Issuer or the Paying Agent in writing that its declining to assign an Investment Grade Rating was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

**"Rating Agency"** means Moody's Investors Service ("Moody's"), Inc. and its successor or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency at the invitation of the Issuer is (x) withdrawn or (y) changed from an Investment Grade Rating to a non Investment Grade Rating (Ba1 by Moody's, or its equivalents for the time being, or worse) or (z) (if the rating assigned to the Notes by any Rating Agency at the invitation of the Issuer shall be below an Investment Grade Rating) lowered by one full rating notch (for example, from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm or having been so requested by the Issuer does not inform the Issuer or the Paying Agent in writing that the reduction was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

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 and the circumstances giving rise to it and the procedure for exercising the Put Option.

To exercise the Put Option to require redemption or, as the case may be, purchase of a Note under this Condition 6(c), the holder of that Note must, on any Business Day (as defined in Condition 5(a)) in the city of the specified office of the relevant Paying Agent falling within the period (the **"Put Period"**) of forty-five (45) calendar days after a Put Event Notice is given, (i) deliver at the specified office of any Paying Agent, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (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(c) and (ii) transfer (or procure the transfer of) the Note to the securities account of the Paying Agent specified by the Issuer in the Put Event Notice for the account of the Issuer.

The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Paying Agent for the account of the Issuer as provided above, on the date which is the seventh (7<sup>th</sup>) calendar day after the last calendar day of the Put Period (an **"Optional Redemption Date (Put)"**), unless previously redeemed and purchased. Payment in respect of any Note so transferred will be made on the Optional Redemption Date (Put) by transfer to the bank account specified in the Put Option Notice. A Put Option Notice once given shall be irrevocable.

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 Put Option (whether as a result of any purchase or redemption arising there from or otherwise), unless such cost or loss is attributable to a breach by the Issuer and/or the Paying Agent of its obligations in connection with any Put Option.

(d) **Early Redemption:**

(i) Zero Coupon Notes:

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

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

(ii) Other Notes:

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

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

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) below, the Issuer may, at its option, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), subject to having given not more than forty-five (45) nor less than fifteen (15) 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 provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date is past, as soon as practicable thereafter.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on (A) the latest practicable Interest Payment Date (if this Note is a Floating Rate Note) on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) at any time (if this Note is not a Floating Rate Note), provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(f) **Make-whole Redemption by the Issuer:**

- (i) Unless otherwise specified in the relevant Final Terms, the Issuer may, having given:
- (A) not less than 15 nor more than 30 calendar days' notice to the Noteholders in accordance with Condition 15; and
- (B) not less than 15 calendar days before the giving of the notice referred to in paragraph (A) above, notice to the Fiscal Agent, the Calculation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**") redeem all (but not some only) of the Notes then outstanding at any time prior to their Maturity Date at their relevant Make-whole Redemption Amount.

- (ii) For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Make-whole Redemption Amount"** means an amount calculated by the Calculation Agent and equal to the greater of (x) 100 per cent. of the principal 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 (excluding any interest accrued on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Rate plus a Make-whole Redemption Margin, plus in each case, any interest accrued on the Notes to, but excluding, the Make-whole Redemption Date.

**"Make-whole Redemption Margin"** means the margin specified as such in the relevant Final Terms.

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

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

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

**"Reference Security"** means the security specified as such in the relevant Final Terms.

If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and published in accordance with Condition 15.

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

The Make-whole Redemption Rate will be published 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.

- (g) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmaturing Coupons and unexchanged Talons

relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to applicable laws and regulations. Notes so purchased by the Issuer may be held and resold in accordance with Article L.213-1 A of the French *Code monétaire et financier*, for the purpose of enhancing the liquidity of the Notes, provided that the Issuer will not be entitled to hold the Notes for a period exceeding one (1) year from their purchase date, in accordance with Article D.213-1-A of the French *Code monétaire et financier*.

- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer may, at its sole option, be held or cancelled in accordance with applicable laws and regulations. Notes will be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. To the extent that the Notes are listed and admitted to trading on Euronext Paris, the Issuer will inform Euronext about such cancellation.
- (i) **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 would become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest).
- (j) **Residual Maturity Call Option:** If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three months before the Maturity Date.
- (k) **Clean-Up Call Option:** If a Clean-Up Call Option is specified in the relevant Final Terms and if 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, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem on a date to be specified in such notice the remaining Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

## 7. PAYMENTS AND TALONS

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank designated by the Noteholders. All payments validly

made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

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

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

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with



Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

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

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

(i) Unless Materialised Bearer Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Bearer Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of ten (10) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).

(ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Materialised Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (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), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.
- (i) **Alternative Payment in U.S. Dollar:** Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-transferability or Illiquidity (each as defined below) occurs, or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of Renminbi Notes, the Issuer on giving not less than five (5) nor more than thirty (30) calendar days irrevocable notice in accordance with Condition 15 "Notices" to the Noteholders prior to the due date for payment, shall be entitled to satisfy its obligations in respect of any such payment by making any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar account of the relevant Account Holders for the benefit of the Noteholders. For the avoidance of doubt, any payment made under such circumstances of the U.S. Dollar Equivalent will constitute valid payment, and will not constitute a default in respect of the Notes within the meaning of Condition 9.

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

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

For the purpose of this Condition 7(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 the Renminbi Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted on or after

the issue date of such Renminbi Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Non-transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted on or after the issue date of the relevant Renminbi Notes 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.

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

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

“**Renminbi 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.

“**Renminbi Spot Rate**” for a Renminbi Rate Calculation Date means the spot U.S. dollar/CNY exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the Renminbi Rate Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such Renminbi 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 rate is available, the Renminbi Rate Calculation Agent will determine the Renminbi Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Renminbi Rate Calculation Date as the most recently available U.S. dollar/CNY official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

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

## 8. TAXATION

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

- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:
- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with France other than the mere holding of the Note or Coupon;
  - (ii) **Presentation more than thirty (30) calendar days after the Relevant Date:** in the case of Materialised Notes, more than thirty (30) calendar days after the Relevant Date except to the extent that the Noteholder or the Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on or before the thirtieth (30<sup>th</sup>) such calendar day of such time period; or
  - (iii) **Payment by another paying agent:** presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another paying agent in a Member State of the European Union.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to “becomes due” shall be interpreted in accordance with the provisions of Condition 5(h)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven (7) calendar days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all 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 addition to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all Arrears of Interest) payable pursuant to Condition 5 or any amendment or addition to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9. **EVENTS OF DEFAULT**

The Representative (as defined in Condition 11), upon request of any Noteholder, unless such request is manifestly ill founded, may, upon written notice to the Issuer and the Fiscal Agent after the application of the relevant grace period, if any, and before all defaults shall have been remedied, cause the Notes to become immediately due and payable, whereupon the Notes shall become immediately due and payable at their principal amount, plus accrued interest, without any other formality, if any of the following events (each an “**Event of Default**”) shall occur:

- (a) the Issuer is in default for more than fifteen (15) calendar days (in the case of interest) and seven (7) calendar days (in the case of principal) for the payment on any Note (including the payment of any additional amounts in accordance with Condition 8), when the same shall become due and payable; or
- (b) the Issuer is in default in the performance of, or compliance with, any of its other obligations under the Notes and such default has not been cured within thirty (30) calendar days after the receipt by the Fiscal Agent of the written notice of such default by the Representative; or
- (c) any other present or future indebtedness of the Issuer for money borrowed or raised in excess of Euro 35,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, or becomes capable of being declared, due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period therefor or any steps are taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer for, or in respect of, any such indebtedness of others are not honoured when due and called upon (subject to any originally applicable grace period) unless the Issuer challenges in good faith the default under such indebtedness or the validity of the enforcement of any such guarantee or indemnity before a court of competent jurisdiction, in which case none of the foregoing events will constitute an Event of Default until a final judgement has been rendered by such relevant court; or
- (d) the Issuer sells or otherwise disposes of all or substantially all of its assets or ceases to carry on the whole or substantially the whole of its business or an order is made or an effective resolution passed for its winding-up, dissolution or liquidation, unless such disposal, winding up, dissolution, liquidation or cessation is made or takes place in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination with or to any other corporation and the liabilities under the Notes are transferred to and assumed by such other corporation and provided that the long-term credit rating assigned by any of Standard & Poor's Rating Services or Moody's Investors Services, Inc. (or, in each case, any successor rating agency) to such other corporation immediately following such merger, consolidation, reconstruction, amalgamation or other form of combination is not less than the long-term credit rating assigned by such agency to the Issuer immediately prior to such merger, consolidation, reconstruction, amalgamation or other form of combination; or
- (e) (A) the Issuer (i) makes any proposal for a general moratorium in relation to its debts or (ii) a corporate protection procedure (*procédure de sauvegarde, procédure de sauvegarde accélérée ou procédure de sauvegarde financière accélérée*) or (B) a judgment is issued for (i) the judicial reorganization (*redressement judiciaire*) of the Issuer or (ii) the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer in the context of insolvency or bankruptcy proceedings or the Issuer is subject to any other insolvency or bankruptcy proceedings.

10. **PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 11. REPRESENTATION OF NOTEHOLDERS

Except as otherwise provided by the relevant Final Terms, 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**”), provided that:

- (i) with respect to Series of Notes that are not being issued outside of France within the meaning of Article L.228-90 of the French *Code de Commerce*, the *Masse* will be governed by all the provisions of the French *Code de Commerce*, as amended;
- (ii) with respect to Series of Notes issued or deemed to be issued outside of France within the meaning of Article L.228-90 of the French *Code de Commerce*, the *Masse* will be governed by the provisions of the French *Code de Commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 I (1°) and (2°), the second sentence of the first *alinéa* of L.228-71, L.228-72 insofar as it refers to L.228-65 (1°), R.228-67, R.228-69, R.228-72 and R.228-79 thereof, subject to the following provisions:

### (a) Legal Personality

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

### (b) Representative

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

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

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

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

(c) **Powers of Representative**

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

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

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

(d) **General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

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

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify<sup>1</sup>, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one (1) vote or, in the case of Notes issued with more than one Specified Denomination, one (1) vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) **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.

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<sup>1</sup> *At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.*

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor authorise or accept a postponement of the date of payment of interest on or a modification of the terms of repayment of or the rate of interest on the Notes, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third (2/3) majority of votes held by Noteholders attending such General Meetings or represented thereat.

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

(f) **Information to Noteholders**

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

(g) **Expenses**

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

(h) **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.

*In respect of any Tranche of Notes issued outside of France within the meaning of Article L.228-90 of the French Code de commerce, this Condition 11 may, if so specified in the relevant Final Terms, be waived, amended or supplemented.*

In this Condition 11, the expression “outstanding” does not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-1 A of the French *Code monétaire et financier* which are held by the Issuer and not cancelled.

12. **MODIFICATIONS**

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



13. **REPLACEMENT OF DEFINITIVE NOTES, COUPONS AND TALONS**

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

14. **FURTHER ISSUES AND CONSOLIDATION**

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

15. **NOTICES**

- (a) Subject to Condition 15(d), notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth (4<sup>th</sup>) weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, notices shall be valid if published in a daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are admitted to trading is located which, in the case of Euronext Paris, is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are admitted to trading

is located which, in the case of Euronext Paris is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.

- (c) 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, provided that so long as such Notes are admitted to trading on any Regulated Market, notice shall be published as otherwise required by the applicable rules of that Regulated Market, as the case may be. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au nominatif ou au porteur*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15 (a), (b) and (c) above; except that (i) so long as such Notes are listed on any Regulated Market and the rules applicable to such Regulated Market so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading is/are located which, in the case of Euronext Paris is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11(d) shall also be published in a leading newspaper of general circulation in Europe.

16. **GOVERNING LAW AND JURISDICTION**

- (a) **Governing Law:** The Notes (and, where applicable, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Coupons or Talons will be submitted to the exclusive jurisdiction of the competent courts in Paris.

## **TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED BEARER NOTES**

### **Temporary Global Certificates**

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

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

### **Exchange**

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

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

### **Delivery of Definitive Materialised Bearer Notes**

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes. In this Base Prospectus, Definitive Materialised Bearer Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

### **Exchange Date**

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the calendar day falling after the expiry of 40 (forty) calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such calendar day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the calendar day falling after the expiry of forty (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 the Issuer's general corporate purposes unless otherwise specified in the relevant Final Terms.

## **DESCRIPTION OF VALEO**

*The description of the Issuer is set out in pages 26 to 28, 32 to 33, 36 to 60, 263, 272 to 277, 285 to 288, 331 to 336, 358, 359, 361 to 363, 390 to 394 of the Document de Référence of the Issuer for the year ended 31 December 2015 incorporated by reference herein (See the “Documents Incorporated by Reference” section set forth above in this Base Prospectus).*

## RECENT DEVELOPMENTS

*April 26, 2016 Press release – “Sales up 10% on a like-for-like basis to 3,917 million euros*

*Original equipment sales jumped 10% on a like-for-like basis, beating global automotive production by 9 percentage points”*

Jacques Aschenbroich, Chairman and Chief Executive Officer of Valeo (Euronext: FR), commented:

*“The 10% like-for-like increase in consolidated sales in the first quarter confirms Valeo's growth momentum. Like-for-like original equipment sales growth accelerated – also to 10% – outpacing the market in all production regions. Growth is expected to continue at around this magnitude throughout the second quarter.*

*We are also delighted to have welcomed onboard the peiker and Spheros teams during the first quarter of the year, as well as announcing a new joint venture with Siemens in high-voltage powertrains. The know-how of these leading companies will enable Valeo to strengthen its expertise and technological positioning in high-growth markets.”*

### First-quarter 2016

- **Consolidated sales of 3,917 million euros**, up 10% on a like-for-like basis (up 9.4% on a reported basis).
- **Original equipment sales up 10%** on a like-for-like basis (also up 10% on a reported basis), outpacing global automotive production by 9 percentage points:
  - Europe: up 11%<sup>(1)</sup>, 10 percentage points higher than automotive production
  - China: up 13%<sup>(1)</sup>, 9 percentage points higher than automotive production
  - Asia excluding China: up 9%<sup>(1)</sup>, 10 percentage points higher than automotive production
  - North America: up 11%<sup>(1)</sup>, 6 percentage points higher than automotive production
  - South America: down 12%<sup>(1)</sup>, compared to the 25% slump in automotive production
- **Aftermarket sales up 6%** on a like-for-like basis (up 3% on a reported basis)

### 2016 outlook

Based on the following assumptions:

-an increase in global automotive production of around 2.5%, including:

- around 2% in Europe,
- around 5% in China,
- around 2% in North America;

-raw material prices and exchange rates in line with current levels;

Valeo confirms its objectives for 2016:

- strong sales growth, outperforming the market in the main production regions, including China;
- a slight increase in operating margin<sup>(2)</sup> (as a percentage of sales), despite the increase in net R&D expenditure to fuel the Group's future growth in CO2 emissions reduction and intuitive driving.

Following the meeting of its Board of Directors today, Valeo released its sales figures for the first quarter of 2016:

### Automotive production up 1% in first-quarter 2016

Automotive production expanded by 1% year on year in the first quarter of 2016, benefiting from:

- growth in North America (up 5%) and Europe excluding Russia (up 3%); and
- continued expansion in Asia (up 1%), driven by production momentum in China (up 4%).

However, production in South America continued its sharp decline (down 25%).

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<sup>1</sup> Like-for-like (constant Group structure and exchange rates)

<sup>2</sup> Including share in net earnings of equity-accounted companies, see Financial Glossary

Automotive production (year-on-year change)

	First-quarter 2016*
<b>TOTAL</b>	<b>+1%</b>
Europe and Africa	+1%
excluding Russia	+3%
Asia, Middle East & Oceania	+1%
of which China	+4%
excluding China	-1%
North America	+5%
South America	-2.5%

\* LMC automotive production estimates

**Sales up 10% like for like (up 9.4% on a reported basis)**

**Sales for the first quarter** advanced 10% like for like (up 9.4% on a reported basis) to 3,917 million euros.

**Changes in exchange rates** during the period had a negative 1% impact.

**Changes in Group structure** had a positive 1% impact on sales for the period, with peiker (acquired end - February 2016) contributing 31 million euros to consolidated sales in the first quarter of the year.

Sales (in €m)

	As a % of Q1 2016 sales	First-quarter*			
		2015	2016	change	LFL Change * **
<b>Total</b>	<b>100%</b>	<b>3,581</b>	<b>3,917</b>	<b>+9%</b>	<b>+10%</b>
of which:					
Original equipment	88%	3,113	3,437	+10%	+10%
Aftermarket	10%	400	411	+3%	+6%
Miscellaneous	2%	68	69	+2%	+3%

\* Unaudited

\*\* Like for like

**Original equipment sales** came out at 3,437 million euros (88% of total sales), up 10% on a like-for-like basis. This performance reflects the gradual entry into production of the high order intake recorded by the Group over the last few years.

**Aftermarket sales** (10% of total sales) rose by 6% over the period on a like-for-like basis.

**Miscellaneous sales** (2% of total sales), mainly consisting of tooling revenues related to the launch of new projects, increased by 3% like for like (up 2% on a reported basis).

**Original equipment sales jumped 10% on a like-for-like basis, beating global automotive production by 9 percentage points**

Valeo delivered market-beating growth driven by:

- an improved product mix resulting from technological innovations for CO2 emissions reduction and intuitive driving;
- its balanced customer and geographic positioning.

Original equipment sales (by destination, in millions of euros)

	First-quarter*			
	2015	2016	LFL change	Difference vs. market* **
<b>TOTAL</b>	<b>3,113</b>	<b>3,437</b>	<b>+10%</b>	<b>+9 pts</b>
Europe & Africa	1,542	1,734	+11%	+10 pts
Asia, Middle East & Oceania	814	885	+11%	+10 pts
China	409	451	+13%	+9 pts
excluding China	405	434	+9%	+10 pts
North America	674	762	+11%	+6 pts
South America	83	56	-12%	+13 pts

\* Unaudited

\*\* Based on LMC automotive production estimates

The Group grew faster than the market across all automotive production regions:

- in **Europe** (including Africa), like-for-like original equipment sales advanced 10%, lifted by an attractive portfolio of products with high technological value, a favorable customer mix and the Group's limited presence in Russia, outpacing automotive production by 9 percentage points;
- in **China**, like-for-like original equipment sales advanced 13%, beating automotive production by 9 percentage points;
- in **Asia excluding China**, like-for-like original equipment sales climbed 9%, outperforming automotive production by 10 percentage points;
- in **North America**, like-for-like original equipment sales were up 11%, beating automotive production by 6 percentage points;
- in **South America**, like-for-like original equipment sales were down 12%, compared to the 25% slump in automotive production.

#### **Valeo is benefiting from the geographical alignment of its businesses...**

Changes in sales produced by Valeo in the different production regions reflect in particular movements in exchange rates.

During the first quarter of 2016:

- the share of original equipment sales produced in Western Europe remained stable at 35%;
- the share of original equipment sales produced in Asia remained stable at 26%;
- the share of original equipment sales produced in North America remained stable at 22%;
- the share of original equipment sales produced in South America decreased by 1 percentage point to 1%.

#### **...and continues to maintain a balanced, diverse customer portfolio**

During the first quarter of 2016:

- German customers accounted for 30% of original equipment sales, up 1 percentage point;
- Asian customers accounted for 26% of original equipment sales, up 1 percentage point;
- US customers accounted for 23% of original equipment sales, stable year on year;
- French customers accounted for 16% of original equipment sales, down 1 percentage point on the same year-ago period.

#### **Above-market performances for all four Business Groups, with especially strong growth in Comfort & Driving Assistance Systems and Visibility Systems**

As is the case for the consolidated Group, the sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Sales by Business Group\* (in millions of euros)



	First-quarter**			
	2015	2016	Change in sales	Change in OE sales***
Comfort & Driving Assistance	657	794	+21%****	+17%
Powertrain	948	983	+4%	+6%
Thermal	1,007	1,063	+6%	+7%
Visibility	1,022	1,119	+10%	+13%

\* Including intersegment sales

\*\* Unaudited

\*\*\* Constant Group structure and exchange rates

\*\*\*\* Including peiker

Growth in original equipment sales outperformed automotive production in all Business Groups.

During the first quarter of 2016:

- Like-for-like original equipment sales for the **Comfort & Driving Assistance Systems** and **Visibility Systems Business Groups** increased by 17% and 13%, respectively, reflecting the market's growing interest in intuitive driving products (display screens and parking assistance, vision and radar systems) as well as for LED technology in the lighting business.
- Driven by the gradual entry into production of innovative technologies aimed at reducing CO2 emissions (high-output alternator, dual-clutch, dampers, air intake modules, battery thermal management, etc.), like-for-like original equipment sales for the **Powertrain Systems** and **Thermal Systems Business Groups** rose 6% and 7%, respectively, outpacing growth in automotive production.

## 2016 outlook

Based on the following assumptions:

- an increase in global automotive production of around 2.5%, including:
  - around 2% in Europe,
  - around 5% in China,
  - around 2% in North America;
- raw material prices and exchange rates in line with current levels;

Valeo confirms its objectives for 2016:

- strong sales growth, outperforming the market in the main production regions, including China;
- a slight increase in operating margin<sup>1</sup> (as a percentage of sales), despite the increase in net R&D expenditure to fuel the Group's future growth in CO2 emissions reduction and intuitive driving.

## Highlights

On March 3, 2016, Standard & Poor's upgraded Valeo's credit rating outlook from "stable" to "positive", and confirmed its long-term BBB and short-term A-2 ratings.

On March 8, 2016, the acquisition of peiker, which was announced on December 21, 2015, was confirmed further to clearance from the relevant anti-trust authorities. The acquisition will enable Valeo to broaden its range of automotive geolocation and mobile connectivity solutions and enhance its driving assistance systems.

On March 11, 2016, Valeo announced the successful placement of 600 million euros' worth of new bonds paying a fixed-rate coupon of 1.625% and maturing on March 18, 2026.

On March 31, 2016, the acquisition of Spheros, which was announced on December 23, 2015, was confirmed further to clearance from the relevant anti-trust authorities. This acquisition will allow Valeo to

<sup>1</sup> Including share in net earnings of equity-accounted companies, see Financial Glossary.

extend its thermal management activities to the fast-growing bus market, boosted by the development of public transportation throughout the world at a time of ever greater urbanization.

On April 18, 2016, Valeo announced its plan to form a 50-50 joint venture with Siemens dedicated to high-voltage powertrains. The joint venture will capitalize on Valeo's and Siemens' leading positions in their respective sectors, with the ultimate goal of creating a global leader in the fast-growing automotive electrification market. The two industry leaders are joining forces to offer a comprehensive and innovative range of high-voltage (above 60V) components and systems for all types of electric vehicles (hybrids, plug-in hybrids and full electric vehicles), including e-motors, onboard chargers, inverters and DC/DC converters.

### **Upcoming events**

Annual Shareholders' Meeting: May 26, 2016

First-half 2016 results: July 26, 2016

Third-quarter 2016 sales: October 20, 2016

### **Financial Glossary**

- **Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.

### **Safe Harbor statement**

Statements contained in this press release, which are not historical fact, constitute "Forward-Looking Statements". These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Even though Valeo's management feels that the Forward-Looking Statements are reasonable as at the date of this press release, investors are put on notice that the Forward-Looking Statements are subject to numerous factors, risks and uncertainties that are difficult to predict and generally beyond Valeo's control, which could cause actual results and events to differ materially from those expressed or projected in the Forward-Looking Statements. Such factors include, among others, the Company's ability to generate cost savings or manufacturing efficiencies to offset or exceed contractually or competitively required price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise the risks resulting from the investigations currently being carried out by the anti-trust authorities as identified in the Registration Document and risks relating to legal action resulting from such investigations, risks which relate to being a supplier in the automotive industry and to the development of new products and risks due to certain global and regional economic conditions. Also included are environmental and industrial risks as well as risks and uncertainties described or identified in the public documents submitted by Valeo to the French financial markets authority (Autorité des marchés financiers – AMF), including those set out in the "Risk Factors" section of Valeo's Registration Document registered with the AMF on March 25, 2016 (under no. D.16-0211).

The company assumes no responsibility for any estimates made by analysts and any other information prepared by third parties which may be used in this press release. Valeo does not intend or assume any obligation to review or to confirm the estimates of analysts or to update any Forward-Looking Statements to reflect events or circumstances which occur subsequent to the date of this press release.

### ***April 18, 2016 Press release – “Valeo announces a project to enter into a 50 /50 Joint Venture Agreement with Siemens dedicated to High Voltage Powertrains”***

Valeo today announced a project to enter into a 50/50 joint venture agreement with Siemens dedicated to high voltage powertrains. The joint venture would capitalize on Valeo's and Siemens' leading positions in their respective sectors, with the ultimate goal of creating a global leader in the fast-growing market of automotive electrification.

The two industry leaders would join forces to offer the most complete and innovative range of high voltage (above 60V) components and systems for all types of electric vehicles (hybrids, plug-in hybrids and full electric vehicles): e-motors, onboard chargers, inverters, DC/DC converters.

Valeo would contribute to the joint venture its high voltage power electronics business (onboard chargers, inverters, DC/DC converters) employing around 200 people of which 90 are based in France. Its under-60V powertrain activity would not be part of this joint venture. Siemens would contribute to the joint venture its E-Car Powertrain Systems Business Unit (e-motors, inverters) employing around 500 people of which 370 are based in Germany and 130 in China.

The joint venture would be headquartered in Erlangen, Germany.

The newly created entity would leverage on Valeo's and Siemens' strong complementarity in terms of product portfolio and geographical spread generating synergies in manufacturing and sourcing. Its strengths in production and development would allow to target customers on a global level as well as in specific key markets.

*"We are delighted at the perspective of combining our strengths with Siemens in electrified powertrain systems," said Jacques Aschenbroich, Chairman and Chief Executive Officer of Valeo. "With the expertise offered by Siemens, a leader in power electronics and electric motor products, Valeo would maintain its technological lead by offering a comprehensive line-up of technologies ranging from micro-hybrid to all-electric solutions. This joint venture also illustrates the ability of European companies to develop leading industrial partnerships to bring breakthrough technologies to the global market."*

Klaus Helmrich, Member of the Managing Board of Siemens AG, said: *"The Valeo Siemens joint venture is yet another example of forming a true Europe based company. Combining Siemens' extensive experience in electric motors and inverters with Valeo's automotive business expertise and worldwide customer base would provide both companies with a solid basis in the growing electro mobility market."*

The project is subject to consultation of the employee representatives and approval by the relevant authorities.

#### **March 31, 2016 Press release – "Valeo acquires the German company Spheros"**

After having received the clearance from antitrust authorities, Valeo confirms the acquisition of Spheros, the worldwide leader in air conditioning for buses, from Deutsche Beteiligungs AG (DBAG) as announced on December 23, 2015.

This acquisition will allow Valeo to extend its thermal management activities in the fast growing bus market and will be accretive on Valeo's earnings from the first year.

*"We are delighted to welcome Spheros' teams to Valeo" said Jacques Aschenbroich, Valeo's Chairman and Chief Executive Officer. "Their technological know-how, combined with the expertise of our Thermal Systems teams will enable the Group to consolidate its leadership in the air conditioning market. The integration of the 1,100 people at Spheros – leaders in the bus air conditioning market – represents a unique growth opportunity for Valeo, which will capitalize on the operation to develop a comprehensive range of air conditioning solutions to meet the needs of manufacturers of all types of vehicles, from passenger cars to buses."*

#### **March 11, 2016 Press release – "Valeo announces the outcome of its 600 million euro bond issue with maturity in March 18, 2026"**

Valeo announced the placement of 600 million euros' worth of new bonds with maturity in March 18, 2026.

This bond issue enabled the placement in favorable conditions of 600 million euros' worth of bonds with 10-year maturity and a coupon of 1.625%. BNP Paribas, HSBC, MUFG, Natixis and Société Générale were joint leader managers on this transaction.

## TAXATION

*The following is a summary limited to certain tax considerations relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This summary is based on the laws in force as of the date of this Base Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.*

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

### **EU Savings Directive**

On 3 June 2003, the Council of the European Union (“EU”) adopted directive 2003/48/EC on taxation of savings income in the form of interest payments (“**EU Savings Directive**”). Pursuant to the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income within the meaning of the EU Savings Directive paid by a paying agent (within the meaning of the EU Savings Directive) located within its jurisdiction to, or under certain circumstances collected to the benefit of, a beneficial owner (within the meaning of the EU Savings Directive) resident in that other Member State. For a transitional period, however, Austria (unless during such period it elects otherwise) instead operates an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, Austria will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the rate of the withholding is of 35%. The transitional period is to terminate at the end of first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

The Council of the European Union has adopted Council Directive 2011/16/EU on administrative cooperation in the field of taxation, (as amended by Council Directive 2014/107/EU) (the “**DAC**”), pursuant to which Member States are generally required to apply new measures on mandatory automatic exchange of information as from 1 January 2016 (1 January 2017 in the case of Austria). The DAC is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes.

In order to avoid overlap between the EU Savings Directive and the DAC, the Council of the European Union adopted on 10 November 2015 a Council Directive 2015/2060/EU repealing the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before that date).

A number of third countries and territories have adopted similar measures to the EU Savings Directive. Some of those measures have been revised to be aligned with the DAC, and other such measures may be similarly revised in the future.

Investors should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive and the DAC on their investment. See also “Taxation - EU Savings Directive”.

### **France Taxation**

The descriptions below are intended as a basic summary of certain withholding tax consequences that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

#### *EU Savings Directive*

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

#### *Withholding tax*

#### ***Notes issued by the Issuer other than those which are to be assimilated (assimilées) with Notes issued before 1 March 2010***

Payments of interest and other revenues made by the Issuer on the Notes (except Notes which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code 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 General Tax Code (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code. The 75% withholding tax is applicable irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

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

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French General Tax Code, nor, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non-deductibility of interest and other revenues and the withholding tax set out under Article 119 *bis* 2 that may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 (n°550 and 990), BOI-RPPM-RCM-30-10-20-40-20140211 (n°70), BOI-IR-DOMIC-10-20-20-60-20150320 (n°10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

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

the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

***Notes issued by the Issuer which are to be assimilated (assimilées) with Notes issued before 1 March 2010***

Interest and other revenues on Notes issued by the Issuer which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 that were issued (or deemed to be issued) outside France, as provided under Article 131 *quarter* of the French General Tax Code, provided that their term has not been prorogated as from that date, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues on Notes issued by the Issuer which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French General Tax Code solely on account of their being paid on a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

*Withholding tax applicable to French resident individuals*

Pursuant to articles 125 A of the French General Tax Code (i.e. where the paying agent (*établissement payeur*) is located in France) and subject to certain exceptions, interests and other similar revenues received as from 1 January 2013 by French tax resident individuals are subject to a 24% levy withheld at source, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied at source at an aggregate rate of 15.5% on interest and other similar revenues paid to French tax resident individuals. Holders of Notes who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 24% levy and the 15.5% social security contributions are collected, where the paying agent is not located in France.

**Hong Kong Taxation**

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

*Withholding tax*

Under existing Hong Kong law, payments of principal and interest in respect of the Notes may be made without withholding for or on account of any Hong Kong taxes.

*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).

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

- a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

- b) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a corporation) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

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

#### *Stamp Duty*

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

- a) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable, or may at the option of any person be repaid, in the currency of Hong Kong; or
- b) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable, it is payable by the Issuer on the issue of the bearer Notes at a rate of HK\$3 per HK\$100 or part thereof of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of bearer Notes.

No stamp duty is payable on the issue of registered Notes.

Stamp duty may be payable on any transfer of registered Notes. Stamp duty will, however, not be payable on any transfers of registered Notes, provided that either:

- a) the registered Notes are denominated in a currency other than the currency of Hong Kong and are not redeemable, or may at the option of any person be redeemed, in the currency of Hong Kong; or
- b) the registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of registered Notes it will be payable at the rate of 0.2% (of which 0.1% is payable by the seller and 0.1% is payable by the purchaser) normally by reference to the consideration or its value. If, in the case of either the sale or purchase of such registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5.00 on each instrument of transfer executed in relation to any transfer of the registered Notes if the relevant transfer is required to be registered in Hong Kong.

#### **PRC Taxation**

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

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 3 May 2016 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by that Dealer. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The 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

#### *Public Offer Selling Restriction under the Prospectus Directive*

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

- (a) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) **Fewer than 150 natural or legal persons:** at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (c) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, or
- (d) **Minimum denomination:** at any time if the denomination per Note being offered amounts to no less than €100,000,

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

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any



measure implementing the Prospectus Directive in that Member State, and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

The Public Offer Selling Restriction under the Prospectus Directive selling restriction is in addition to any other selling restrictions set out below.

#### *France*

Each of the Dealers and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes have been and shall only be made in France to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1, of the French *Code monétaire et financier* (the “**Code**”) and other applicable regulations.
- (b) 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 other than to those investors (if any) to whom offers and sales of the Notes in France may be made, as described above.
- (c) Materialised Notes may only be issued outside of France.

#### *Selling Restrictions addressing Additional United Kingdom Securities Laws*

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

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

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### *United States*

The Notes have not been and will not be registered under the Securities Act or the securities laws of any U.S. state and may not be offered or sold, directly or indirectly, within the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in certain transactions not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in offshore transactions in reliance on an exemption from registration under the Securities Act pursuant to Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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 United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the “**I.R. Code**”) and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, except as permitted by the Dealer Agreement, it has not offered or sold and it will not offer, sell or, in the case of Materialised Bearer Notes, deliver, Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the completion of the distribution of any identifiable Tranche of which such Notes are a part (the “**Distribution Compliance Period**”), as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the lead manager, within the United States of America 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 of America or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S, except that in reference to the term Materialised Bearer Notes, the term “U.S. person” also shall have the meaning given to it by the I.R. Code and the regulations thereunder.

In addition, until forty (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 tranche of Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States to non U.S. persons and the listing of the Notes on Euronext Paris. 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 or to any U.S. person. 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.

### *Japan*

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

### *Hong Kong*

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

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

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

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold by it or any of its affiliates, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

### *Singapore*

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the "SFA"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased by persons who are relevant persons specified under Section 275 of the SFA, namely:

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

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 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person as 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);
- (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 in particular 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 an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and that it will obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale. None of the Issuer or any other Dealer shall have responsibility therefore.

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

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

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

**Final Terms dated [●]**

**Valeo**

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

under the Euro 3,000,000,000 **Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 3 May 2016 which received visa no. 16-161 from the *Autorité des marchés financiers* (the “**AMF**”) on 3 May 2016 [and the supplement to the Base Prospectus dated [●] which received visa no. [●] from the AMF on [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended in particular by Directive 2010/73/EU (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the supplement to the Base Prospectus] [and the Final Terms] [is] [are] available, in accordance with Article 14 of Directive 2003/71/EC, for viewing at the office of the Paying Agents during normal business hours and on the websites of (a) the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.valeo.com](http://www.valeo.com)) and copies may be obtained free of charge from Valeo, 43 rue Bayen, 75017 Paris, France. [In addition<sup>1</sup>, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at/on] [●]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a 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 [2011/2013/2015] EMTN Conditions. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended in particular by Directive 2010/73/EU (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 3 May 2016 which received visa no. 16-161 from the AMF on 3 May 2016 [and the supplement to the Base Prospectus dated [●] which received visa no.[●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are the [2011/2013/2015] EMTN Conditions. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [[2011/2013/2015] EMTN Conditions and the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●] and [●]. [The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available, in accordance with Article 14 of Prospectus Directive, for viewing at the office of the Paying Agents during normal business hours and on the websites of (a) the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.valeo.com](http://www.valeo.com)) and copies may be

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

obtained free of charge from Valeo, 43 rue Bayen, 75017 Paris, France. [In addition<sup>1</sup>, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at/on] [•]].

1. (i) Issuer: Valeo
2. [(i)] Series Number: [•]  
[(ii)] Tranche Number: [•]  
[(iii)] Date on which the Notes become fungible [Not Applicable/ The Notes will be assimilated (*assimilées*) and form a single series with the existing [*insert description of the Series*] issued by the Issuer on [*insert date*] (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. Specified Currency or Currencies: [•]
4. Aggregate Principal Amount of Notes : [•]  
[(i)] Series: [•]  
[(ii)] Tranche: [•]]
5. Issue Price: [•] per cent. of the Aggregate Principal Amount [plus accrued interest from [*insert date*] ( *if applicable*)]
6. Specified Denomination: [•]
7. (i) Issue Date: [•]  
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [• per cent. Fixed Rate]  
[[*specify reference rate*] +/- [•] per cent. Floating Rate]  
[Zero Coupon]
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11. Change of Interest or Basis: [Applicable/Not applicable]  
[*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there*]

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

12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [Make-whole Redemption by the Issuer]  
  
 [Residual Maturity Call Option]  
 [Clean-Up Call Option]  
  
 [(further particulars specified below)]
13. Change of Control: Condition 6(c)(ii) will apply
14. (i) Status of the Notes: Unsubordinated Notes
- [(ii)] [Date of corporate authorisations for issuance of Notes: [Resolution of the General Meeting of the shareholders of the Issuer dated [●]] [Resolution of the Board of Directors of the Issuer dated [●] [and the *décision d'émission* dated [●] (*in the case of syndicated issue only*)] [(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)]
15. Method of distribution: [Syndicated/Non-syndicated]

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

16. Fixed Rate Note Provisions [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable additional Business Centre(s) for the definition of "Business Day"]*<sup>1</sup>/not adjusted]
- (iii) Fixed Coupon Amount[(s)]<sup>2</sup>: [●] per Note of [●] Specified Denomination
- (iv) Broken Amount(s): [Not Applicable / [●] payable on the Interest Payment Date falling [in/on] [●]]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA /ISDA) include any option from the 2016 EMTN Conditions / other]
- (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*

<sup>1</sup> This option should be selected for Renminbi Notes.

<sup>2</sup> Not applicable for Renminbi Notes.

*Count Fraction is Actual/Actual (ICMA) or for Renminbi Notes)*

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]

(viii) Party responsible for calculating Interest Amounts (if not the Calculation Agent)<sup>1</sup> [•]/[Not Applicable]

17. Floating Rate Note Provisions [Applicable/Not Applicable]

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

(i) Interest Period(s): [•]

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

(iii) First Interest Payment Date: [•]

(iv) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]

(v) Business Centre(s): [•]

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

(vii) Party responsible for calculating the Rate(s) of Interest and / or Interest Amount(s) (if not the [Fiscal Agent]): [•]

(viii) Screen Rate Determination: [Applicable / Not Applicable]

– Reference Rate: [•]

– Interest Determination Date(s): [•]

– Relevant Screen Page: [•]

– Benchmark: [LIBOR, LIBID, LIMEAN, CMS, EURIBOR or other benchmark]

*(If the Rate of Interest is determined by linear interpolation in respect of the [first/last] Interest Period [short/long],*

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<sup>1</sup> Renminbi Notes only.



*insert the relevant interest period(s) and the relevant two rates used for such determination)*

- (ix) ISDA Determination: [Applicable / Not Applicable]
    - Floating Rate Option: [●]
    - Designated Maturity: [●]
    - Reset Date: [●]
  - (x) Margin(s): [+/-][●] per cent. per annum
  - (xi) Minimum Rate of Interest: [[●] per cent. per annum / Not Applicable]
  - (xii) Maximum Rate of Interest: [●] per cent. per annum
  - (xiii) Day Count Fraction: [●]
18. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum
  - (ii) Reference Price: [●]
  - (iii) Any other formula/basis of determining amount payable: [●]

**PROVISIONS RELATING TO REDEMPTION**

19. Issuer Call Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Call): [●]
  - (ii) Optional Redemption Amount(s) (Call) of each Note: [●] per Note of [●] specified denomination
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [●]
    - (b) Maximum Redemption Amount: [●]
  - (iv) Notice period: [●]
20. Make-whole Redemption by the [Applicable/Not Applicable]

- Issuer: *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Notice Period<sup>1</sup>: [●]
- (ii) Parties to be notified (if other than set out in Condition 6(f)) [[●] /Not Applicable]
- (iii) Make-whole Redemption Margin: [●]
- (iv) Make-whole Redemption Rate: [Reference Dealer Quotation/Reference Screen Rate]
- (v) Reference Screen Rate: [[●] /Not Applicable]
- (vi) Reference Security: [[●] /Not Applicable]
- (vii) Reference Dealers: [Not applicable/As set out in the Conditions]
21. Residual Maturity Call Option: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Date from which the Residual Maturity Call Option may be exercised: The Issuer may exercise the Residual Maturity Call Option starting on [●] and at any time thereafter.
22. Clean-Up Call Option: [Applicable/Not Applicable]
23. Investor Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount(s) (Put) of each Note: [●] per Note of [●] specified denomination

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<sup>1</sup> *If setting notice periods which are different to those provided in the conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent.*

- (iii) Notice period: [●]
24. Put Option upon Change of Control: Condition 6(c)(ii) will apply
25. Final Redemption Amount of each Note [[●] per Note of [●] specified denomination]
26. Early Redemption Amount (Tax)
- Early Redemption Amount(s) [●]  
(Tax) of each Note payable on redemption for taxation reasons on an event of default or other early redemption:

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: [Dematerialised Notes/Materialised Notes] (*Materialised Notes are only in bearer form*) [Delete as appropriate]
- (i) Form of Dematerialised Notes: [Applicable/Not Applicable] (If applicable, *specify whether bearer dematerialised form (au porteur) / registered dematerialised form (au nominatif administré) / fully registered dematerialised form (au nominatif pur)*)
- (ii) Registration Agent: [Not Applicable/If Applicable, give name and details] (*Note that a Registration Agent may be appointed in relation to Dematerialised Notes in fully registered form (au nominatif pur) only*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Bearer Materialised Notes on [●] (the “Exchange Date”), being 40 calendar days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] (*Only applicable to Materialised Notes*)
- (v) [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 1(a)(i): [Applicable] (*If the possibility to request identification information of the Noteholders as provided by Condition 1(a)(i) is contemplated, delete this paragraph*)]
28. Financial Centre(s): [Not Applicable/give details] [*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii) and 17(ii) relates*]
29. Talons for future Coupons to be attached to Definitive Bearer Materialised Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]

30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
31. Consolidation provisions: [Not Applicable/The provisions [in Condition 14(b)] apply]
32. "Masse" [The Notes are issued outside France and Condition 11(ii) applies/The Notes are not issued outside France and Condition 11(i) applies] *(If Condition 11(i) or Condition 11(ii) applies, insert below details of Representative and Alternative Representative and remuneration, if any).*

## DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name of Dealer: [Not Applicable/give name]
35. US Selling Restrictions(Categories of potential investors to which the Notes are offered): Reg. S Compliance Category 2 applies to the Notes; [TEFRA C applies to the Materialised Notes/TEFRA D applies to the Materialised Notes/ TEFRA not applicable to Dematerialised Notes]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [*Euronext Paris /other (specify relevant regulated market)*] of the Notes described herein pursuant to the Euro 3,000,000,000 Euro Medium Term Note Programme of Valeo (the "**Issuer**").

## 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 in any material respect.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Paris/Other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on [Euronext Paris/other (*specify relevant regulated market*)] with effect from [ ]. [Application is expected to be made

by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/other (*specify relevant regulated market*)] with effect from [ ].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

(iii) Estimate of total expenses related to admission to trading: [●]

## 2. RATINGS

Ratings: [The Notes to be issued [have been]/[are expected to be] rated:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

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

[Each of [S & P, Moody's] is established in the European Union, registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”) and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with CRA Regulation.] /

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.] /

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

([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with CRA Regulation.] /

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

[The Notes will not be rated.]

**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 following statement:

“Save as discussed in the Section “Subscription and Sale” of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

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

**4. [Fixed Rate Notes only – YIELD**

Indication of yield: [●]. per cent. per annum

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

**5. THE NOMINAL INTEREST RATE AND PROVISIONS RELATING TO INTEREST PAYMENT**

(i) The date from which interest becomes payable and due dates for interest: [[●]/ [Not Applicable]

(ii) The time limit on the validity of claims to interest and repayment of principal: [[●]/ [Not Applicable]

(iii) Name of Calculation Agent: [●]

**6. OPERATIONAL INFORMATION**

(i) ISIN Code: [●]

(ii) Common Code: [●]

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

number(s):

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

(v) Names and addresses of Initial Paying Agent(s): [●]

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

(vii) Name and address of any paying agent(s) and depository agent(s) in each country (in addition to the Principal Paying Agent): [●]

## 7. GENERAL

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

## GENERAL INFORMATION

(1) *AMF visa and admission to trading of the Notes issued under the Programme*

Application has been made to the *Autorité des marchés financiers* to approve this document as a base prospectus. Application will be made in certain circumstances to Euronext Paris for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris.

This Base Prospectus received the visa No. 16-161 on 3 May 2016 from the AMF. Euronext Paris is a Regulated Market for the purposes of the Directive 2004/39/EC on markets in financial instruments, as amended. The Final Terms applicable to each Series of Notes listed and admitted to trading on any Regulated Market of the EEA will be filed with the AMF. If the Final Terms in relation to a Series of Notes do not specify the aggregate nominal amount of Notes admitted to trading on Euronext Paris, the relevant Final Terms will indicate the manner in and date on which such amount will be made public in accordance with Article 212-27 of the *Règlement Général* of the AMF.

However, Notes may be issued pursuant to the Programme which will not be listed and admitted to trading on Euronext Paris or any other stock exchange or which will be listed or admitted to trading on such Regulated Market as the Issuer and the relevant Dealer(s) may agree.

(2) *Corporate authorisations*

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the Programme, including the resolution of the Board of Directors (*conseil d'administration*) of the Issuer passed on 18 February 2016 authorizing the update of the Programme.

Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires the prior authorisation of the Board of Directors (*conseil d'administration*) of the Issuer, which may delegate its power to any of its members or to its Chief Executive Officer (*Directeur Général*).

For this purpose, the Board of Directors (*conseil d'administration*) of the Issuer authorised on 18 February 2016 its Chairman of the Board and Chief Executive Officer (*Président Directeur Général*) to issue bonds (*obligations*) under the Programme up to a maximum aggregate amount of €3 billion within the limits set by the Board of Directors (*conseil d'administration*).

(3) *Material adverse change in the prospects of the Issuer*

Save as disclosed in item 7.1 of the cross reference table on page 29 in this Base Prospectus (including the Documents Incorporated by Reference), there has been no material adverse change in the prospects of the Issuer since 31 December 2015.

(4) *No significant change in the financial or trading position of the Issuer*

Save as disclosed in item 11.6 of the cross reference table on page 31 in this Base Prospectus (including the Documents Incorporated by Reference), there has been no significant change in the financial or trading position of the Issuer since 31 December 2015.

(5) *Legal and arbitration proceedings*

Save as disclosed in item 11.5 of the cross reference table on page 31 in this Base Prospectus (including the Documents Incorporated by Reference), the Issuer is not, nor has been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of 12 months prior to the



date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

(6) *Definitive Bearer Materialised Note*

Each Definitive Bearer Materialised Note, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

(7) *Clearing systems*

Application may be made for Notes to be accepted for clearance through Euroclear France and/or Euroclear and Clearstream, Luxembourg systems. The appropriate Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

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.

(8) *Documents on display*

For so long as Notes issued under the Programme are outstanding, copies of the following documents will be available, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection free of charge at the specified offices of the Fiscal Agent or each of the Paying Agents:

- (i) the *statuts* of the Issuer,
- (ii) any Final Terms relating to Notes that are admitted to trading on Euronext Paris or any other Regulated Market,
- (iii) a copy of the Documents Incorporated by Reference, which comprise the 2014 Reference Document and the 2015 Reference Document of the Issuer, together with any supplement to the Documents Incorporated by Reference,
- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus, and
- (v) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert any part of which is included or referred to in this Base Prospectus in respect of each issue of Notes.

(9) *Publication of the Base Prospectus and the Final Terms*

This Base Prospectus, any Supplement to this Base Prospectus and any documents incorporated by reference in this Base Prospectus or in any Supplement, will be published on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.valeo.com](http://www.valeo.com)). The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Directive will be published, so long as such Notes are admitted to trading on any Regulated Market, on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.valeo.com](http://www.valeo.com)).

In addition, should the Notes be admitted to trading on a Regulated Market other than Euronext Paris, in accordance with the Prospectus Directive, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the

website of (x) the Regulated Market where the Notes have been admitted to trading or (y) the competent authority of the Member State of the EEA where the Notes have been admitted to trading.

(10) *Publication of accounts*

Copies of the 2014 and 2015 annual reports and of non-consolidated and consolidated accounts of the Issuer (including any published semi-annual interim consolidated accounts) (in each case as soon as they are published) may be obtained, and copies of the Agency Agreement will be available for collection, at the specified offices of each of the Paying Agents during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), so long as any of the Notes is outstanding.

(11) *Statutory auditors*

Ernst & Young et Autres, 1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1, France and Mazars, 61, rue Henri Régnault, 92075 Paris-La Défense Cedex France have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the two financial years ended December 31, 2014 and December 31, 2015. The statutory auditors' reports on the consolidated financial statements of the Issuer for the financial year ended December 31, 2014 incorporated by reference into this Base Prospectus, contain an emphasis of matter of a technical nature. Ernst & Young et Autres and Mazars are members of the French professional body *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

(12) *Ratings*

The long term debt of the Issuer has been rated Baa2, stable outlook by Moody's Investors Service ("**Moody's**") on 12 May 2015 and BBB, positive outlook, by Standard and Poor's Ratings Services ("**S&P**") on 3 March 2016. Notes issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency without notice.

(13) *Stabilisation*

In connection with the issue of any Tranche of Notes, one or more Dealers may act as stabilising manager(s) (the "**Stabilising Manager(s)**"). The identity of the Stabilising Manager(s) (or persons acting on the behalf of any Stabilising Manager(s)) will be disclosed in the relevant Final Terms. The Stabilising Manager(s) (or any person acting on the behalf of the Stabilising Manager(s)) 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 the behalf of the Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the relevant Tranche of Notes and sixty (60) calendar days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

(14) *References in this Base Prospectus*

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" or "euro" are to the lawful currency of the participating Member States of the European Union which was introduced on 1 January 1999, references to "£", "pounds

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

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

## PERSON RESPONSIBLE FOR BASE PROSPECTUS

### Person responsible for this Base Prospectus

Jacques Aschenbroich, Chairman of the Board and Chief Executive Officer.

### Declaration by person responsible for this Base Prospectus

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

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014 included on page 316 of Chapter 5 of the 2014 Reference Document (as defined in "Documents incorporated by reference") contains the following emphasis of matter of a technical nature:

"Without qualifying our opinion, we draw your attention to notes 1.3.1.2, 1.3.2 and 1.3.3 to the consolidated financial statements which outline the effects related to the first application of IFRS 11 – "Joint Arrangements" and the change in the presentation of the consolidated statement of income."

The Statutory Auditors' report on the annual financial statements for the year ended 31 December 2015 included on pages 359 and 360 of Chapter 5 of the 2015 Reference Document (as defined in "Documents incorporated by reference") contains the following emphasis of matter of a technical nature:

"Without qualifying our opinion, we draw your attention to Note 9.1 "Tax Group and taxable income" to the financial statements which outlines the effects related to the change in accounting method on the provision for repayment of tax losses to subsidiaries that are members of the tax consolidation group of which Valeo is the head."

Paris, 3 May 2016

**Valeo**

43, rue Bayen  
75848 Paris Cedex 17  
France

Duly represented by Jacques Aschenbroich  
Chairman of the Board and Chief Executive Officer



*Autorité des marchés financiers*

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the "AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa n°16-161 on 3 May 2016. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-1 of the French *Code monétaire et financier*, the visa was 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 an approval by the AMF of the opportunity of the transactions contemplated hereby nor that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of notes on the basis of this Base Prospectus shall be subject to the publication of Final Terms setting out the terms of the securities being issued.

**Registered Office of the Issuer**

**Valeo**  
43, rue Bayen  
75017 Paris  
France

**Arrangers**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**Dealers**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Crédit Agricole Corporate and Investment Bank**  
9, quai du Président Paul Doumer  
92920 Paris La Défense Cedex  
France

**Crédit Industriel et Commercial S.A.**  
6, avenue de Provence  
75452 Paris cedex 09  
France

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Mitsubishi UFJ Securities International plc**  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AJ  
United Kingdom

**Mizuho International plc**  
Bracken House  
One Friday Street  
London EC4M 9JA  
United Kingdom

**Natixis**  
30 avenue Pierre Mendès France  
75013 Paris  
France

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

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

**Consolidation Agent**

**BNP Paribas Securities Services**  
(Affiliated with Euroclear France under number 29106)

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

Attention : Corporate Trust Services

**Auditors to the Issuer**

**Ernst & Young et Autres**

1, place des Saisons  
92400 Courbevoie  
Paris La Défense 1  
France

**Mazars**

61, rue Henri Régault  
92075 Paris-La Défense Cedex  
France

**Legal Advisers**

*as to French law*

**To the Issuer**

**Cleary Gottlieb Steen & Hamilton LLP**

12, rue de Tilsitt  
75008 Paris  
France

**To the Dealers**

**Clifford Chance Europe LLP**

1, rue d'Astorg  
CS 60058,  
75377 Paris Cedex 08  
France