



*(established as a société anonyme with limited liability in France)*

**€5,000,000,000**

## **Euro Medium Term Note Programme**

Under this €5,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Thales (the "**Issuer**" or the "**Company**") may from time to time issue notes (the "**Notes**") to one or more of the Dealers specified in "General Description of the Programme" herein and any additional Dealers appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together, the "Dealers"). Notes may be denominated in any currency agreed between itself and the relevant Dealer(s) (as defined below) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

This Base Prospectus (together with any supplements hereto, each a "**Supplement**") constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129, as may be amended from time to time (the "**Prospectus Regulation**"). This Base Prospectus has been approved by the Autorité des marchés financiers (the "**AMF**") in France in its capacity as competent authority under the Prospectus Regulation and received the approval no 20-382 on 5 August 2020. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and of the quality of the Notes which are subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

For a period of twelve (12) months following the date of this Base Prospectus, application may be made (i) to the regulated market of Euronext Paris ("**Euronext Paris**") for the Notes 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**") or in the United Kingdom ("**UK**") for Notes to be admitted to trading on a Regulated Market (as defined below) in such Member State, provided that the Base Prospectus is completed by one or more supplements, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of any significant new factor, material mistake or material inaccuracy relating to the information included (including information incorporated by reference) in this Base Prospectus which may affect investors' assessment of the Notes. After 5 August 2021, the Base Prospectus, as supplemented, will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply. Euronext Paris is a regulated market (a "**Regulated Market**") for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended ("**MI FID II**"). 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.

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

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier*. No physical documents (including *certificats représentatifs* pursuant to Article R.211-7 of the *French Code monétaire et financier*) of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euronext Paris (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes – Form, Denomination and Title") including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking, S.A. ("**Clearstream**") or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 3(c)(iv)), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the fortieth calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes" below) 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 intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer.

In the case of any Notes which are to be listed and admitted to trading on a Regulated Market within the European Economic Area or in the United Kingdom or offered to the public in a Member State of the European Economic Area or in the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation (as defined above), the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes) or more.

See the "**Risk Factors**" section for a description of certain factors which should be considered by potential investors in connection with any investment in the Notes.

The Programme has been given a long-term public credit rating of BBB+ and a short-term public credit rating of A2 by S&P Global Ratings, acting through S&P Global Ratings French Branch, a division of the McGraw Hill Companies Inc. ("**Standard & Poor's**") and a senior

unsecured rating of A2 and a short-term rating of P-1 by Moody's Investors Service Limited ("**Moody's**"). The Issuer and its consolidated subsidiaries (the "**Group**") is rated A2 (outlook stable) by Moody's and BBB+ (outlook stable) by Standard & Poor's. Tranches of Notes issued under the Programme may be rated or unrated. Each of Moody's and Standard & Poor's is a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). As such each of Moody's and Standard & Poor's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such regulation and they appear on the latest update of the list of registered credit rating agencies (as of 14 November 2019) on the ESMA website <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>. The rating of the Notes (if any) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

This Base Prospectus should be read and construed together with any Supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Final Terms (as defined herein). This Base Prospectus supersedes the base prospectus dated 1 July 2019 issued in respect of the Programme.

Copies of this Base Prospectus, any supplements hereto and any Final Terms relating to Notes which are listed on Euronext Paris will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and copies of the Base Prospectus and each document incorporated by reference will be available on the website of the Issuer ([www.thalesgroup.com](http://www.thalesgroup.com)).

*Arranger*

**Société Générale Corporate & Investment Banking**

*Dealers*

**Barclays**

**BNP PARIBAS**

**Commerzbank**

**Crédit Agricole CIB**

**CIC MARKET SOLUTIONS**

**Deutsche Bank Aktiengesellschaft**

**J.P. Morgan**

**HSBC**

**Natixis**

**Santander Corporate & Investment Banking**

**SMBC Nikko**

**Société Générale Corporate & Investment Banking**

**UniCredit Bank**

## IMPORTANT NOTICES

This Base Prospectus should be read and construed together with any Supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

The Issuer has confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus (including for this purpose, the relevant Final Terms) contains all necessary information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and none of the Dealers and any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and each of the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and Notes in bearer form are subject to U.S. tax law requirements. Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act. Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**").

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "Subscription and Sale".

In this Base Prospectus, unless otherwise specified, reference to "**USD**", "**U.S. dollars**" or "**dollars**" are to United States dollars and reference to "**EUR**", "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

*This Base Prospectus contains certain statements as to the Issuer's competitive position. Please note that these statements are based upon the Issuer's own assessments of the markets in which it operates.*

*Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.*

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche of Notes and 60 calendar days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU on insurance distribution, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / target market** - The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the determination of the target market of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority ("**ESMA**") on 5 February 2018, and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration such determination; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

#### *Independent Review and Advice*

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

*Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.*

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

## *Taxation*

*Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial Notes.*

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this general description.*

<b>Issuer:</b>	Thales
<b>Arranger:</b>	Société Générale
<b>Dealers:</b>	Banco Santander, S.A., Barclays Bank Ireland PLC, BNP PARIBAS, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial S.A, Deutsche Bank Aktiengesellschaft, HSBC Bank plc, J.P. Morgan Securities plc, Natixis, SMBC Nikko Capital Markets Europe GmbH, SMBC Nikko Capital Markets Limited, Société Générale and UniCredit Bank AG and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Description:</b>	Euro Medium Term Note Programme.
<b>Fiscal Agent:</b>	CACEIS Corporate Trust
<b>Listing and admission to trading:</b>	Each Series may be listed on Euronext Paris and their admission to trading on the Regulated Market of the Euronext Paris and/or admitted to listing, trading and/or quotation by any other listing authority and/or quotation system, as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms or may be unlisted.
<b>Clearing Systems:</b>	Euroclear France as central depositary in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Initial Programme Amount:</b>	Up to €5,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement. In the event of an increase to the Initial Programme Amount, a supplement to the Base Prospectus will be prepared by the Issuer.
<b>Issuance in Series:</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue price, the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that in respect of Materialised Notes only, a Tranche may comprise Notes of different denominations.
<b>Final Terms:</b>	Each Tranche will be the subject of a Final Terms which, for the purposes of that Tranche only, completes the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as completed by the relevant Final Terms.
<b>Forms of Notes:</b>	Notes may be issued in either dematerialised form (" <b>Dematerialised Notes</b> ") or in materialised form (" <b>Materialised Notes</b> ").

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 and Title".

Materialised Notes will be in bearer materialised form only. A temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France. See "Terms and Conditions of the Notes - Form, Denomination and Title" below.

**Initial delivery of Notes:** No later than one Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.

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

**Currencies:** Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

**Status of the Notes:** Notes will be issued on an unsubordinated basis.

**Specified Denomination:** Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Issue Price:** Notes may be issued at any price, as specified in the relevant Final Terms.

**Maturities:** Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Redemption:** Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms.

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



<b>Acquisition Event Call Option:</b>	If specified as applicable in the relevant Final Terms, the Issuer may redeem the Notes in the case of an Acquisition Event as described in Condition 10(h) ( <i>Redemption on Acquisition Event</i> ).
<b>Tax Redemption:</b>	Early redemption will also be permitted for tax reasons as described in Condition 10(b) ( <i>Redemption, Purchase and Options – Redemption for tax reasons</i> ).
<b>Make-whole Redemption by the Issuer:</b>	Unless specified as not being applicable in the relevant Final Terms in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date at the Make-whole Redemption Amount.
<b>Clean-up Call Option:</b>	If the Clean-up Call Option is specified in the relevant Final Terms as being applicable, the Issuer may redeem, at par together with accrued interest (if any), all (but not some only) of the Notes of any Series for the time being outstanding, if, Notes representing an aggregate amount equal to or exceeding 80 per cent. of the original aggregate nominal amount of such Series (including any Notes which have been consolidated and form a single Series therewith) shall have been redeemed or purchased (and subsequently cancelled) by the Issuer in accordance with Condition 10(c) ( <i>Redemption at the Option of the Issuer</i> ) or Condition 10(f) ( <i>Make-whole Redemption by the Issuer</i> ).
<b>Redemption at the option of the Noteholders:</b>	The Final Terms in respect of each Series of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the holder of any such Note.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> <li>(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 the FBF Definitions (as published by the Fédération Bancaire Française), each as amended, supplemented and updated as at the Issue Date of the first Tranche of the Notes; or</li> <li>(ii) either the (a) offered quotation or (b) the arithmetic mean of the offered quotations for the reference rate(s) which appears or appear, as the case may be, on the relevant screen page as at the relevant Screen page time on the interest determination date in question, or by reference to a Successor Rate or Alternative Rate, as may be determined by the Independent Adviser if a Benchmark Event occurs.</li> <li>(iii) by reference to SONIA, calculated using either "Compounded Daily SONIA-Lag" or the "Observational Shift Method"; or</li> <li>(iv) by reference to Compounded SOFR or by reference to the Benchmark Replacement if a Benchmark Transition Event and its related Replacement Date have occurred,</li> </ul> <p style="margin-left: 40px;">in each case adjusted for any applicable Margin.</p>

Interest periods will be specified in the relevant Final Terms. Linear Interpolation may apply to the calculation of interest with respect to Floating Rate Notes where so specified in the relevant Final Terms.

- Fixed/Floating Rate Notes:** Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.
- Zero Coupon Notes:** Zero Coupon Notes (as defined in "Terms and Conditions of the Notes") may be issued at their nominal amount or at a discount to it and will not bear interest.
- 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. For the avoidance of doubt, the minimum rate of interest shall never be less than zero.
- Negative Pledge:** The Notes will have the benefit of a negative pledge as described in Condition 6 (*Negative Pledge*).
- Events of Default:** There will be Events of Default and a cross default as described in Condition 14 (*Events of Default*).
- Taxation:** All payments in respect of the Notes will be made without deduction for or on account of French withholding taxes, subject as provided in Condition 12 (*Taxation*). In the event that a deduction becomes due, the Issuer will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
- Redenomination:** In respect of any Tranche of Notes, if the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Notes may be redenominated in euro in accordance with Condition 20 (*Redenomination, Renominalisation and Reconventioning*) if so specified in the relevant Final Terms.
- Governing Law:** French law.
- Ratings:** Unless otherwise specified in the applicable Final Terms, the Programme has been given a long-term public credit rating of BBB+ and a short-term public credit rating of A2 by Standard & Poor's and a senior unsecured rating of A2 and a short-term rating of P-1 by Moody's. The Group is rated A2 (outlook stable) by Moody's and BBB+ (outlook stable) by Standard & Poor's. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.
- Selling Restrictions:** For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom,

France, The Netherlands, Switzerland, Belgium and Japan, see "Subscription and Sale" below. Further restrictions may be required in connection with any particular issue of Notes. Any such further restrictions will be specified in the relevant Final Terms.

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme.*

*In accordance with the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the risk factors set out below are limited to those that are specific to the Issuer and the Notes and material to an informed investor's decision to invest in the Notes. These risks are ranked and presented in decreasing order of importance within each category (and in no particular order of importance between categories).*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. Prospective investors should, however, read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Terms defined herein shall have the same meaning as in the "Terms and Conditions of the Notes".*

### A. RISK FACTORS RELATING TO THE ISSUER

Thales is exposed to numerous risks and uncertainties which could materially affect its business, reputation, financial position, results or ability to achieve its objectives. The risks described below are not the only ones that Thales faces. Other risks, currently unknown to Thales, or which presently appear to be non-significant, could also have an unfavourable impact on the business, profitability and financial position of the Group or its ability to achieve its objectives.

Generally, Thales may be faced with a number of operational and strategic risks, legal risks and financial risks.

The risks that may affect the Issuer's ability to fulfil its obligations issued under the Programme are set out on pages 49 to 61 of the *Document d'enregistrement universel* of the Issuer for the year ended 31 December 2019, as such pages are incorporated by reference in this Base Prospectus. The following risks are mentioned therein:

#### OPERATIONAL AND STRATEGIC RISKS

- Risks related to the global economic and geopolitical environment (including a risk factor focusing on the impact of Covid-19)
- Risks related to the competitive positioning of products and services
- Risks related to contract execution
- Risks related to the Group's attractiveness and to talent development and retention
- Risks related to the consolidation of Gemalto
- Risk of dependence on suppliers
- "Cyber" risks
- Environmental risks
- Risks related to investments

#### LEGAL AND REGULATORY RISKS

- Compliance
- Protecting intellectual property

## FINANCIAL RISKS

- Liquidity, interest rates, exchange rates and customer credit
- Pension commitments

On 30 July 2020, Thales published its 2020 Half Year Financial Report (as defined in the "*Documents Incorporated by Reference*" section). The following paragraphs on page 13 of the 2020 Half Year Financial Report, which relate to the abovementioned risk factors of Thales, are incorporated by reference in this Base Prospectus:

"The main risks and uncertainties as described in the Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 08 April 2020 – chapter 3, *Risk Factors, Internal Control and Risk Management* from page 46 – remain valid and applicable for the second half of 2020 fiscal year.

Especially, the half-year financial results confirmed the materiality of the risks described in paragraph 3.1.1 in regard to Covid-19 pandemic: demand-related risks, especially for civil aero, supply-chain-related risks and productivity-and-project-execution-related risks, considering the sanitary measures imposed."

### **B. RISK FACTORS RELATING TO THE NOTES**

#### **1. RISKS RELATING TO ALL SERIES OF NOTES**

##### **1.1 Credit risk.**

An investment in the Notes involves taking credit risk on the Issuer. Since the Notes are unsecured obligations of the Issuer pursuant to Condition 5 (*Status*), benefitting from no direct recourse to any assets or guarantees, the Noteholders can only rely on the ability of the Issuer to pay any amount due under the Notes. The Group is rated A2 (outlook stable) by Moody's and BBB+ (outlook stable) by Standard & Poor's, and the value of the Notes will depend on the creditworthiness of the Issuer and the level of such credit rating (as may be impacted by the risks relating to the Issuer described above). If the financial situation of the Issuer deteriorates, the potential impact on the Noteholders could be very significant because (i) the Issuer may not be able to fulfil all or part of its payment obligations under the Notes, (ii) the market value of the Notes may decrease, in particular if the credit rating deteriorates, and (iii) investors may lose all or part of their investment.

##### **1.2 The trading market for debt securities may be volatile and may be adversely impacted by many events which may affect their market value.**

The Programme allows for the Notes to be admitted to trading on Euronext Paris or on any other Regulated Market as may be agreed with the Issuer. Nevertheless, the market value of the Notes will be affected by a number of factors, including the value of the reference rates, yields, the time remaining to the maturity date and the creditworthiness of the Issuer. The value of the Notes or the reference rates depends on a number of interrelated factors, including economic, financial and political events and factors affecting capital markets generally and Euronext Paris and/or any other Regulated Market or the stock exchanges on which the Notes or the reference rates are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder. Accordingly, all or a substantial part of the capital invested by the Noteholder may be lost upon any transfer of the Notes.

##### **1.3 An active trading market for the Notes may not develop.**

The Programme allows for the Notes to be admitted to trading on Euronext Paris or on any other Regulated Market as may be agreed with the Issuer. However, Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Although particular series of Notes may specify that they are expected to be admitted to trading on Euronext Paris and/or any other Regulated Market in the EEA or in the UK (if the Issuer has requested that the Base Prospectus be notified to the competent authority of another EEA Member State or of the UK) there is no certainty that such admission to trading will occur, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there may be no development of, nor liquidity in, any trading market for any particular Tranche of Notes, 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 as 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 may have a negative impact on the liquidity of the Notes and result in low trading volumes. The degree of liquidity of the Notes may negatively impact the price at which an investor can dispose of the Notes where the investor is seeking to achieve a sale within a short timeframe. In such circumstances, the impact of this risk on the Noteholder would be high because Notes would likely have to be resold at a discount to the nominal value of the Notes. Furthermore, if additional and competing products are introduced in the markets, this may have a significant adverse effect on the market value of the Notes. Furthermore, if additional and competing products are introduced in the markets, this may have a significant adverse effect on the market value of the Notes.

#### 1.4 Exchange rate risks and exchange controls.

The Programme allows for Notes to be issued in a range of currencies (each, a "**Specified Currency**"). The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (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 or financial authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate, as well as the availability of the Specified Currency in which a Note is payable at the time of payment of interest and/or principal in respect of such Note. If this risk were to materialise, the Noteholders whose financial activities are carried out or dependent principally in a currency or currency unit other than the relevant Specified Currency could be negatively impacted. As a result, investors might receive less interest or principal than expected, or, at worst, no interest or principal.

## 2. LEGAL RISKS

### 2.1 French insolvency law.

Under French insolvency law, holders of debt securities issued by a French company, such as Thales which is incorporated in the Republic of France as a *société anonyme*, are grouped automatically into a single assembly of holders (the "**Assembly**") in case of the opening in the Republic of France of a safeguard procedure (*procédure de sauvegarde*) or, if initiated by Thales, 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*) of Thales, in order to defend their common interests.

The Assembly comprises holders of all debt securities (*obligations*) issued by the Issuer (including the Notes), whether or not under this Programme.

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

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

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required on convocation of the Assembly. 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 in 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 with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

It should be noted that Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt and amending Directive (EU) 2017/1132 dated 20 June 2019 (the "**Restructuring Directive**") shall be transposed by the Member States before 17 July 2021.

More specifically, the Restructuring Directive is expected to impact the process of adoption of restructuring plans under insolvency proceedings. Creditors (including the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that are sufficiently similar to justify considering the members of the class a homogenous group with commonality of interest. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority in the amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States at not higher than 75% in the amount of claims or interests in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority by applying a cross-class cram-down and consequently, becoming binding upon dissenting voting classes.

Therefore, when the Restructuring Directive is transposed into French law, it is expected that the holders of notes (including the Noteholders) will no longer deliberate on the proposed restructuring plan in a separate assembly, and accordingly they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, holders of notes (including the Noteholders) will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The commencement of insolvency proceedings against the Issuer could have a significant adverse effect on the market value of Notes issued by the Issuer. Any decisions taken by the Assembly or a class of affected parties, as the case may be, could negatively and significantly impact the Noteholders and cause them to lose all or a part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

## 2.2 **Modifications and waivers.**

Subject to the provisions of the Final Terms, 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 15 (*Representation of Noteholders*). The Terms and Conditions of the Notes contain provisions for Noteholders to consider matters affecting their interest generally to be adopted either through a general meeting (the "**General Meetings**") or by consent following a written consultation (the "**Written Decisions**", together with the General Meetings, the "**Collective Decisions**"). 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 or were not represented at the relevant meeting or did not consent to a Written Decision and Noteholders who voted in a manner contrary to the majority. In particular,

Noteholders may be asked to decide on any proposal relating to the modification of the Terms and Conditions through Collective Decisions as more fully described in Condition 15, subject to limitations provided by French law.

While it is not possible to assess the likelihood that the Terms and Conditions will need to be amended by way of a Collective Decision during the life of the Notes, if it were necessary it is possible that a majority of Noteholders could adopt a Collective Decision that would modify the Terms and Conditions in a way that could impair or limit the rights of the Noteholders, for example by waiving certain rights temporarily or permanently or by amending the financial conditions of the Notes and reducing their yield for Noteholders. These amendments could in turn have the effect of reducing the market value of the Notes.

### 2.3 **Change of law.**

The conditions of the Notes are based on and governed by French law and EU law and regulations in effect as at the date of this Base Prospectus. Judicial decisions or changes to French law, EU law and regulations or their administrative practice, official application or interpretation may take place after the date of this Base Prospectus. If any change in law was unfavourable to the Issuer or the Noteholders, it could have an adverse effect on the market value of the Notes and could have negative repercussions on the Noteholders' investment in the Notes.

## 3. **RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES**

### **Interest Rate Risks.**

#### (a) **Fixed Interest Rate Risk.**

Investment in Notes that pay a fixed rate of interest ("**Fixed Rate Notes**") involves the risk that if market interest rates subsequently increase above the rate paid in the Fixed Rate Notes, this may adversely affect the value of the Fixed Rate Notes. The Terms and Conditions of the Notes allow the Issuer to issue Fixed Rate Notes to Noteholders (see Condition 7 (*Fixed Rate Notes Provisions*)). While the nominal interest rate of a Fixed Rate Note is specified in the relevant Final Terms and is determined for the term of such Note or a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the Fixed Rate Note on the secondary market varies in the opposite direction. If the Market Interest Rate increases, the price of the Fixed Rate Note typically decreases, until the yield of such Fixed Rate Note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a Fixed Rate Note typically increases, until the yield of such Fixed Rate Note equals approximately the Market Interest Rate. Noteholders should be aware that movements of the Market Interest Rate are hard to anticipate and can adversely affect the price of the Notes in the secondary market and could cause Noteholders to lose part of the capital invested if they decide to sell Notes during a period in which the market interest rate exceeds the fixed rate of the Notes.

#### (b) **Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.**

The Terms and Conditions of the Notes allow the Issuer to issue Notes that bear interest at a floating rate of interest ("**Floating Rate Notes**") to Noteholders (see Condition 8 (*Floating Rate Notes Provisions*)). A key difference between Floating Rate Notes and Fixed Rate Notes (issued pursuant to Condition 7 (*Fixed Rate Notes Provisions*)) is that interest income on Floating Rate Notes cannot be anticipated. The floating rate of interest is comprised of a reference rate and a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. This stated volatility may have a significant adverse effect on the market value of the Notes.

If the relevant Final Terms 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.

#### (c) **Fixed/Floating Rate Notes.**



The Terms and Conditions allow the Issuer to issue Notes with a fixed rate of interest that is later converted to a floating rate of interest and vice versa (see Condition 8(m) (*Fixed/Floating Rate Notes*)). The Fixed/Floating Rate Notes bear interest at a rate that, automatically or upon decision of the Issuer at a date specified in the Final Terms, can be converted from a fixed rate to a floating rate or from a floating rate to a fixed rate. The (automatic or optional) conversion may affect the secondary market and the market value of the Notes as it can lead to a reduction of the total borrowing costs. If a fixed rate is converted into a floating rate, the rate spread between the fixed rate and the floating rate may be less in favour than the rate spreads on comparable Floating Rate Notes that have the same reference rate. In addition, the new floating rate may be, at any time, lower than the interest rates of other Notes. If a floating rate is converted into a fixed rate, the fixed rate may be lower than the rates applicable to these Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant negative effect on the market value of the Notes.

(d) **Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.**

The Terms and Conditions allow the Issuer to issue zero coupon Notes (see Condition 9 (Zero Coupon Notes Provisions)) which are non-interest-bearing. 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. Therefore, in similar market conditions the holders of Zero Coupon Notes could be subject to higher losses on their investments than the holders of other instruments such as Fixed Rate or Floating Rate Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant negative effect on the value of the Notes.

(e) **Risks related to the regulation and reform of "benchmarks".**

Pursuant to Condition 8(c) (*Screen Rate Determination - IBOR*), the applicable Final Terms for a Series of Floating Rate Notes specify that the Rate of Interest for such Notes will be determined by reference to the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks". "Benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods, or have other consequences which cannot be predicted. Any such consequence could have an adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and has been in force since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Notwithstanding the provisions of Condition 8(c)(v) (*Benchmark discontinuation*) which seek to offset any adverse effects for the Noteholders, the Benchmark Regulation could have a material impact on the market value and return of any Notes referencing a "benchmark", including, in particular, if the methodology or other terms of the relevant "benchmark" are changed in order to comply with the requirements of the Benchmark Regulation, and such changes could, among other things, have the effect of reducing or increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark". Any of the

above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Notes which are linked to such benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which a benchmark is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies pursuant to Condition 8(f) or Condition 8(g) respectively, be relying upon the provision by reference banks of offered quotations for the relevant benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies pursuant to Condition 8(c), result in the effective application of a fixed rate based on the rate which applied for the immediately preceding Interest Period for which the benchmark was available. Any of the foregoing could have a material adverse effect on the market value or liquidity of, and return on, any Notes linked to a "benchmark".

*Future discontinuance of LIBOR and other benchmarks may adversely affect the value of Notes which reference LIBOR or other benchmarks*

On 27 July 2017, the Chief Executive of the UK Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions of outstanding Notes of any Series, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and as a result may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

*Occurrence of a Benchmark Event or a Benchmark Transition Event*

In the case of Screen Rate Determination for Notes linked to or referencing an inter-bank offered rate "benchmark" pursuant to Condition 8(c), the Terms and Conditions of the Notes at Condition 8(c)(v)(6) provide for certain fallback arrangements in the event that Screen Rate Determination is specified to be "Applicable" in the applicable Final Terms and a Benchmark Event occurs in relation to the Relevant Rate (which may be an inter-bank offered rate such as LIBOR or EURIBOR) or other relevant reference rate, and/or any page on which such benchmark may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Floating Rate Notes by reference to such benchmark under the Benchmarks Regulation or otherwise.

Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in Condition 8(c)(v)(6)), with or without the application of an Adjustment Spread (as defined in Condition 8(c)(v)(6)), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the Successor Rate or Alternative Rate, all as determined by the Independent Adviser (as defined in Condition 8(c)(v)(6)).

No consent of the Noteholders shall be required in connection with effecting any Successor Rate or Alternative Rate (as applicable). In addition, no consent of the Noteholders shall be required in connection with any other related adjustments and/or amendments to the Terms and Conditions of the Floating Rate Notes which are made in order to effect any Successor Rate or Alternative Rate (as applicable).

In certain circumstances, and as specified in Condition 8(c)(v), including (i) where no Successor Rate or Alternative Rate (as applicable) is determined (ii) due to uncertainty relating to the availability of a Successor Rate or Alternative Rate (as the case may be), or (iii) if the Issuer is unable to appoint an Independent Adviser or, if an Independent Adviser is appointed, such Independent Adviser is unable to act, the fallback rules may not apply as expected at the relevant time. In such a scenario, alternative fallback rules may be applied, resulting in the rate of interest for such Interest Period being based on the rate which applied for the immediately preceding Interest Period (as indicated in the relevant Final Terms), as set out in the risk factor entitled "*Risks related to the regulation and reform of "benchmarks"*" above.

It is possible that, in the event that a Benchmark Event occurs, it will take some time before a clear successor rate or alternative rate is established in the market. Accordingly, Condition 8(c)(v)(6) provides as a further fallback that, following the designation of a Successor Rate or an Alternative Rate, if the Independent Adviser determines that the Successor Rate or Alternative Rate is no longer substantially comparable to the Relevant Rate or does not constitute an industry accepted successor rate, the Issuer shall appoint or re-appoint an Independent Adviser for the purpose of confirming the Successor Rate or Alternative Rate (as applicable) or determining a replacement Successor Rate or Alternative Rate in accordance with Condition 8(c)(v)(6). If the Independent Adviser is unable to or otherwise does not determine a replacement Successor Rate or Alternative Rate (as applicable), then the previously-designated Successor Rate or Alternative Rate will remain unchanged despite the fact that it may no longer be substantially comparable to the Relevant Rate or that it may no longer constitute an industry accepted rate, which may have a negative effect on the market value and yield of the Notes.

In addition, in the case of any Floating Rate Notes to be determined in accordance with the SOFR provisions pursuant to Condition 8(e), if the Calculation Agent (in consultation with the Issuer) determines on or prior to the relevant Reference Time that a Benchmark Transition Event (as described in the Conditions) has occurred, the Calculation Agent (in consultation with the Issuer) shall select a Benchmark Replacement which will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Calculation Agent (in consultation with the Issuer) will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Noteholders.

The Successor Rate or Alternative Rate or the Benchmark Replacement (as applicable) may have no or a very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, given the uncertainty concerning the availability of successor, alternative or replacement rates (as applicable) and the involvement of an Independent Adviser or Calculation Agent (as applicable), the relevant fallback provisions may not operate as intended at the relevant time and the Successor Rate or Alternative Rate or Benchmark Replacement (as applicable) may perform differently from the discontinued Relevant Rate or Benchmark (as applicable).

There can be no assurance that any Adjustment Spread or Conforming Changes (as applicable) applied to any Series of Floating Rate Notes will adequately compensate for this impact. Any such adjustment could have unexpected consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. This could in turn have quite a negative impact on the rate of interest on, and trading value of, the affected Floating Rate Notes. Moreover, any holders of such Floating Rate Notes that enter into hedging instruments based on the Relevant Rate may find their hedges to be ineffective, and they may incur costs in unwinding such hedges and replacing them with instruments tied to the successor, alternative or replacement rate (as applicable).

Any such consequences could have a negative effect on the liquidity and value of, and return on, any such Floating Rate Notes linked to or referencing such "benchmarks" because the occurrence of a Benchmark Event could result in a loss of a portion of the principal amount invested in the relevant Floating Rate Notes.

*The market continues to develop in relation to SOFR as reference rate for Floating Rate Notes*

Pursuant to Condition 8(e), the Issuer has the option to issue Notes for which the Rate of Interest is Compounded SOFR plus or minus a Margin (as specified in the relevant Final Terms). Investors should be aware that the market continues to develop in relation to the Secured Overnight Financing Rate ("SOFR") as a reference rate in the capital markets and its adoption as an alternative to U.S. LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SOFR, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term). The nascent development of Compounded Daily SOFR rates as an interest reference rate for the Eurobond markets, as well as continued development of SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of Compounded Daily SOFR as a reference rate for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing Compounded Daily SOFR. The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions as applicable to the Notes. Furthermore, the Issuer may in future issue Notes referencing SOFR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives or SOFR and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing Compounded Daily SOFR.

*SOFR differs from U.S. LIBOR in a number of material respects and has a limited history*

The Issuer may issue floating rate notes denominated in U.S. Dollar that are calculated by reference to U.S. LIBOR (pursuant to Condition 8(c)) or SOFR (pursuant to Condition 8(e)). Compounded Daily SOFR differs from U.S. LIBOR in a number of material respects, including that Compounded Daily SOFR is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SOFR may behave materially differently as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on April 3, 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SOFR began in April 2018 and it therefore has a limited history. The future performance of SOFR may therefore be difficult to predict based on the limited historical performance. The level of SOFR during the term of the Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR such as correlations, may change in the future.

Furthermore, the Interest Rate is only capable of being determined at the end of the relevant Reference Period and immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based Notes, if the Notes become due and payable as a result of an Event of Default under Condition 12 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

*The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR*

In relation to any Notes linked to SOFR, The Federal Reserve Bank of New York (or any successor), as administrator of SOFR, may after the relevant Issue Date make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the administrator may after the relevant Issue Date alter, discontinue or suspend calculation or dissemination of SOFR (in which case the fallback methods of determining the interest rate on the Notes

specified in Condition 8(e) will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SOFR.

#### *Risks relating to Notes which are linked to SONIA*

Where, pursuant to Condition 8(d), the applicable Final Terms for a Series of Floating Rate Notes specify that the Rate of Interest for such Notes will be determined by reference to SONIA, investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Notes that reference a SONIA rate issued under this Base Prospectus. The nascent development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Interest Period and shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference a SONIA rate to reliably estimate the amount of interest that will be payable on such Notes. In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivative and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing a SONIA rate.

#### **4. Early redemption risks**

##### **4.1 The Notes may be redeemed prior to maturity for taxation reasons.**

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 the jurisdiction of the Issuer or a political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with Condition 10(b) (*Redemption for Taxation Reasons*). Such early redemption would be at the Early Redemption Amount of such Notes, which in almost all cases would be their principal amount. As a consequence of such early redemption the yields received upon redemption may be lower than expected, and the redemption price of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a result, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such a case would not receive the total amount of the capital invested.

##### **4.2 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 including a Call Option by the Issuer as described in Condition 10(c) (*Call Option*), or a Make-Whole Redemption by the Issuer as described in Condition 10(f) (*Make-Whole Redemption by the Issuer*) or a Clean-up Call Option by the Issuer as described in Condition 10(g) (*Clean-up Call Option*). As a consequence of any such early redemption, the yields received upon redemption may be lower than expected, and the redemption price of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a result, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such a case would not receive the total amount of the capital invested.

Furthermore, Noteholders 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 above factors mean that the very existence of these early redemption options in a particular Series of Notes could limit the market value of such Notes.

The Notes may also be redeemed early if an Acquisition Event (as described in Condition 10(h) (*Redemption on Acquisition Event*)) occurs. With respect to such a Redemption on Acquisition Event, the probability and risks related to the nonconsummation of the proposed acquisition of the Acquisition Target (as defined in the relevant Final Terms) may depend on a variety of factors, including (but not limited to) securing competition, foreign investment and other regulatory approvals, obtaining consents from commercial counterparties or creditors of the Acquisition Target, completing required employee consultation procedures and the implementation of the Group's strategy with respect to the particular Acquisition Target, some of which will be outside of the control of the Issuer. In addition, should the completion of the proposed acquisition of the Acquisition Target not be completed within the Acquisition Notice Period, the Issuer will have the right (but not the obligation) to exercise the Redemption on Acquisition Event at the Acquisition Event Redemption Amount (as defined in the relevant Final Terms) and in such case Noteholders would not receive the total return expected to receive on the Notes. Moreover, investors that choose to reinvest monies they receive through a Redemption on Acquisition Event may be able to do so only in securities with a lower yield than the redeemed Notes. Conversely, if the proposed acquisition of the Acquisition Target is not consummated, and the Issuer determines not to redeem the Notes, the Notes will remain outstanding as obligations of the Issuer and the Acquisition Target will not be a member of the Group. The existence of these early redemption options in a particular Series of Notes could limit the market value of such Notes.

In addition, with respect to the Clean-up Call Option (Condition 10(g) (*Clean-up Call Option*)), there is no obligation on the Issuer to inform investors if and when 80 per cent. or more of the original aggregate principal amount of the relevant Series of Notes has been redeemed or is about to be redeemed, 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 or lower than the expected return.

#### **4.3 Partial redemption at the option of the Issuer or redemption at the option of the Noteholders.**

Depending on the number of Notes of the same Series in respect of which a partial redemption of the Notes at the option of the Noteholders or at the option of the Issuer is made, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

Depending on the number of Notes of the same Series in respect of which a partial redemption is, at the option of the Issuer provided in Conditions 10(d) (*Partial redemption*) or 10(f) (*Make-Whole Redemption by the Issuer*) or at the option of the Noteholders provided in Conditions 10(e) (*Redemption at the Option of the Noteholders*), made, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid which, depending on the extent of the illiquidity, may have a direct and significant impact on any remaining Noteholders seeking to dispose of their Notes. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following sections identified in paragraphs (a) – (f) and 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"). Such sections shall be incorporated in, and shall be deemed to form part of, this Prospectus:

- (a) the [2020 half year financial report](#) of the Issuer in the French language published on 24 July 2020 (the "**2020 Half Year Financial Report**"),
- (b) the sections identified in the cross-reference table below of the [2019 Document d'enregistrement universel](#) in the French language relating to the Issuer, filed with the AMF on 8 April 2020 under no. D.20-0273, including the statutory audited consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2019 and the related notes thereto (the "**2019 Universal Registration Document**");
- (c) the sections identified in the cross-reference table below of the [2018 Document de Référence](#) in the French language relating to the Issuer filed with the AMF on 8 April 2019 under no. D.19-0286, including the statutory audited consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2018 and the related notes thereto (the "**2018 Reference Document**");
- (d) the section "Terms and Conditions of the Notes" (the "**2019 Conditions**") of the [base prospectus](#) dated 1 July 2019 which received visa no. 19-308 from the AMF (the "**2019 Base Prospectus**");
- (e) the section "Terms and Conditions of the Notes" (the "**2018 Conditions**") of the [base prospectus](#) dated 29 June 2018 which received visa no. 18-274 from the AMF (the "**2018 Base Prospectus**"); and
- (f) the section "Terms and Conditions of the Notes" (the "**2017 Conditions**") of the [base prospectus](#) dated 30 May 2017 which received visa no. 17-241 from the AMF (the "**2017 Base Prospectus**").

save that any statement contained in this Base Prospectus or in any document incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

The Base Prospectus and all documents incorporated by reference therein and English translations of the 2020 Half Year Financial Report, the 2019 Universal Registration Document and the 2018 Reference Document will be available on the website of the Issuer ([www.thalesgroup.com](http://www.thalesgroup.com)). Provision of such documents does not constitute a representation that such documents have not been modified or superseded in whole or in part as specified above. The Base Prospectus and any supplement to the Base Prospectus will also be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

In relation to each issue of Notes, this Base Prospectus shall be completed by the applicable Final Terms. The Final Terms related to Notes admitted to trading on Euronext Paris will be published on the websites of (x) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (y) the Issuer ([www.thalesgroup.com](http://www.thalesgroup.com)). If the Notes are admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the documents incorporated by reference) does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

For the purposes of the Prospectus Regulation, the information incorporated by reference in this Base Prospectus is set out in the cross reference table below. Where only certain parts of the information requested to be disclosed by the Issuer as a result of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation are incorporated by reference, the non-incorporated parts are either not relevant for investors or contained elsewhere in this Base Prospectus.

Any information not listed in the cross reference table below, but included in the documents listed above is given for information purposes only.

The information incorporated by reference above is available as follows:

<b>Cross-reference list in respect of information incorporated by reference Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 Registration document for wholesale non-equity securities</b>	
<b>INFORMATION INCORPORATED BY REFERENCE</b>	<b>RELEVANT DOCUMENT AND PAGES IN THE RELEVANT DOCUMENT</b>
<b>3. RISK FACTORS</b>	
3.1 Risk Factors that may affect the Issuer's ability to fulfil its obligations under the securities	Page 13 (in relation to the paragraphs identified on page 13 of this Base Prospectus only), 2020 Half Year Financial Report  Pages 49-61, 2019 Universal Registration Document
<b>4. INFORMATION ABOUT THE ISSUER</b>	
4.1.1 The legal and commercial name of the issuer	Page 162, 2019 Universal Registration Document
4.1.2 The place of registration of the issuer, its registration number and legal entity identifier ('LEI')	Page 162, 2019 Universal Registration Document
4.1.3 The date of incorporation and the length of the life of the issuer, except where the period is indefinite	Page 162, 2019 Universal Registration Document
4.1.4 The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	Page 162, 2019 Universal Registration Document
<b>5. BUSINESS OVERVIEW</b>	
<u>5.1 Principal activities</u>	
5.1.1 A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed	Pages 8-9 and 18-28, 2019 Universal Registration Document
5.1.2 The basis for any statements in the registration document made by the issuer regarding its competitive position	Pages 8-9 and 18-28, 2019 Universal Registration Document
<b>6. ORGANISATIONAL STRUCTURE</b>	
6.1 If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	Pages 44-45, 2019 Universal Registration Document
<b>7. TREND INFORMATION</b>	
7.1 A description of: (a) any material adverse change in the prospects of the issuer since the date of its last published audited financial statements; and (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document.  If neither of the above are applicable then the issuer should include (an) appropriate negative statement(s).	Pages 2-13, 2020 Half Year Financial Report



<b>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
<p>9.1 Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	<p>Pages 68-76 and 90, 2019 Universal Registration Document</p> <p>Not Applicable</p>
<p><u>9.2 Administrative, Management, and Supervisory bodies conflicts of interests</u></p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated.</p> <p>In the event that there are no such conflicts, a statement to that effect that no such conflicts exist must be made.</p>	<p>Pages 68-76, 2019 Universal Registration Document</p> <p>Page 82, 2019 Universal Registration Document</p>
<b>10. MAJOR SHAREHOLDERS</b>	
<p>10.1 To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and described the nature of such control, and describe the measures in place to ensure that such control is not abused</p>	<p>Pages 163-174, 2019 Universal Registration Document</p>
<p>10.2 A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer</p>	<p>Page 167, 2019 Universal Registration Document</p>
<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
<u>11.1 Historical financial information</u>	
<p>11.1.1 Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year</p>	<p><i>Unaudited Interim Consolidated Financial Statements</i></p> <p>Pages 16-38, 2020 Half Year Financial Report</p> <p><i>Statutory Consolidated Financial Statements</i></p> <p>Pages 184-270, 2019 Universal Registration Document</p> <p>Pages 174-259, 2018 Reference Document</p>
<p>11.1.4 Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:</p>	

(a) the balance sheet;	<p><i>Unaudited Interim Consolidated Financial Statements</i></p> <p>Page 22, 2020 Half Year Financial Report (unaudited interim balance sheet)</p> <p><i>Statutory Consolidated Financial Statements</i></p> <p>Pages 187-188, 2019 Universal Registration Document</p> <p>Pages 177-178, 2018 Reference Document</p>
(b) the income statement;	<p><i>Unaudited Interim Consolidated Financial Statements</i></p> <p>Pages 18-19, 2020 Half Year Financial Report (unaudited interim income statement)</p> <p><i>Statutory Consolidated Financial Statements</i></p> <p>Page 184, 2019 Universal Registration Document</p> <p>Page 174, 2018 Reference Document</p>
(c) the accounting policies and explanatory notes.	<p><i>Unaudited Interim Consolidated Financial Statements</i></p> <p>Pages 24-38, 2020 Half Year Financial Report</p> <p><i>Statutory Consolidated Financial Statements</i></p> <p>Pages 191-232, 2019 Universal Registration Document</p> <p>Pages 181-222, 2018 Reference Document</p>
11.1.5 If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	<p><i>Unaudited Interim Consolidated Financial Statements</i></p> <p>Pages 16-38, 2020 Half Year Financial Report</p> <p><i>Statutory Consolidated Financial Statements</i></p> <p>Pages 184-270, 2019 Universal Registration Document</p>

	Pages 174-259, 2018 Reference Document
<u>11.2 Auditing of historical annual financial information</u>	
<p>11.2.1 The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply:</p> <p>(a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document:</p> <p style="padding-left: 40px;">i. a prominent statement disclosing which auditing standards have been applied;</p> <p style="padding-left: 40px;">ii. an explanation of any significant departures from International Standards on Auditing;</p> <p>(b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.</p>	<p><i>Unaudited Interim Consolidated Financial Statements</i></p> <p>Pages 39-41, 2020 Half Year Financial Report (review report only)</p> <p><i>Statutory Consolidated Financial Statements</i></p> <p>Pages 264-270, 2019 Universal Registration Document</p> <p>Pages 254-259, 2018 Reference Document</p>
<u>11.3 Legal and arbitration proceedings</u>	
<p>11.3.1 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement</p>	Page 256, 2019 Universal Registration Document

The 2019 Conditions, the 2018 Conditions and the 2017 Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimiliées*) and form a single series with notes already issued under the 2019 Base Prospectus, the 2018 Base Prospectus and the 2017 Base Prospectus respectively. Non-incorporated parts of the 2019 Base Prospectus, the 2018 Base Prospectus and the 2017 Base Prospectus are not relevant for investors.

<b>EMTN previous conditions</b>	
2019 Base Prospectus	25 to 56
2018 Base Prospectus	42 to 67
2017 Base Prospectus	41 to 66

## **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 23 of the Prospectus Regulation and Article 18 of the Commission Delegated Regulation (EU) 2019/979, following the occurrence of a significant new factor, a material mistake or inaccuracy or omission relating to the information included or incorporated by reference in this Base Prospectus which may affect the assessment of any Notes, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus, which, in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Paris or on a Regulated Market, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Regulation. Any such supplement will be submitted to the AMF for approval.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes.*

*In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions (as defined below) 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.*

### 1. Introduction

- (a) *Programme:* Thales (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €5,000,000,000 in aggregate principal amount of notes (the "Notes").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions subject to completion by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are issued with the benefit of an agency agreement dated 5 August 2020 between the Issuer and CACEIS Corporate Trust, as fiscal agent and the other agents named in it (the "**Agency Agreement**"). The fiscal agent, the paying agent and the calculation agent for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agent**" (which expression shall include the Fiscal Agent and any additional Paying Agent) and the "**Calculation Agent**". Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of the Fiscal Agent and the Paying Agent.
- (d) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent.

### 2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET2 Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the

Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** means that the relevant date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event that date shall be brought forward to the immediately preceding Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Day Count Fraction"** means (subject as provided in Condition 7 (*Fixed Rate Note Provisions*)), in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if **"Actual/Actual"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **"Actual/Actual (FBF)"** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of calendar days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Interest Period). If the Interest Period is of a duration of more than one (1) year, the basis shall be calculated as follows:

- (A) the number of complete years shall be counted back from the last calendar day of the Interest Period; and
  - (B) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition
- (iv) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

Where

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

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

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

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

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

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

Where

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

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

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

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

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

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

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

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

Where

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

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

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

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

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

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the maturity date (as specified in the applicable Final Terms) or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

*provided, however, that in each such case, the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.*

"**Early Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation) any indemnity in respect of such indebtedness.

"**ICMA**" means the International Capital Markets Association;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility; or
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases,

but excluding any such indebtedness owed by one company within the Issuer's group of companies (including the Issuer) to another such company.

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;



**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.));

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"Margin"** has the meaning given in the relevant Final Terms;

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Final Terms;

**"Outstanding"** means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a) (*Payments and Talons – Dematerialised Notes*), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) (*Payments and Talons – Dematerialised Notes*) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in the Agency Agreement and remain available for payment against presentation and surrender of Materialised Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled or purchased and held as provided in the Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Notes that have been surrendered in exchange for replacement Materialised Notes, (ii) (for the purpose only of determining how many such Materialised Notes are outstanding and

without prejudice to their status for any other purpose) those Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions;

**"Participating Member State"** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency, *provided, however*, that:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Principal Subsidiary"** means at any relevant time a Subsidiary of the Issuer at least 70 per cent. of whose share capital and voting rights are owned, directly or indirectly, by the Issuer and whose total assets and operating income (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets and consolidated operating income, as the case may be) attributable to the Issuer represent no less than 10 per cent. of the total consolidated assets and the consolidated operating income of the Issuer, 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;

**"Project Financing"** means any financing of the acquisition, construction or development of any asset in connection with a particular project where, pursuant to the terms of the agreement or agreements under which the financing is provided, the creditors involved agree to look to the asset financed or the revenues to be generated by the operation of, or loss or damage to, the financed asset as the principal source of repayment and, once the asset, the acquisition, construction or development of which is being financed has been acquired, built or developed

and is in use or operation, as the primary source of repayment for the monies to be advanced on the security of such asset;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms. The Rate of Interest shall at all times not be less than zero;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**"Redemption Notice"** means a notice in the form of Schedule 8 of the Agency Agreement which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four (or if the Principal Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** has the meaning given in the relevant Final Terms;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond or note (*obligations*) instrument which at the time of issue is, or is intended by the Issuer to be, or which at any time thereafter the Issuer shall authorise to be, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, the Reuter Monitor Money Rates Service, Bloomberg and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest (*sûreté réelle*), including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Specified Currency"** has the meaning given in the relevant Final Terms;

**"Specified Office"** has the meaning given in the Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Final Terms;

**"Subsidiary"** means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) as defined in article L233-1 of the French Code de Commerce or

any other person or entity controlling directly or indirectly such person or entity within the meaning of article L233-3 of the French *Code de Commerce*;

"**Talon**" means a talon for further Coupons;

"**Treaty**" means the Treaty establishing the European Communities, as amended by the Treaty on European Union;

"**TARGET2 Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement; and
- (vii) if an expression is stated in paragraph (a) above to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes.

### 3. **Form, Denomination and Title**

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

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

Dematerialised Notes are issued, at the option of the Issuer, 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**").

Unless this option is expressly excluded in the relevant Final Terms in accordance with the provisions of Article L.228-2 of the French *Code de commerce*, the Issuer may at any time request from the central depository the following identification information of the holders of Dematerialised Notes in bearer form (*au porteur*): the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, e-mail address as well as the quantity of Notes held by each of them and any restrictions applicable to the Notes.

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 SA/NV, as operator of the Euroclear System ("**Euroclear**") and the depository bank for Clearstream Banking, S.A. ("**Clearstream**").

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

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

- (b) **Denomination:** Notes shall be issued in the specified denomination set out in the relevant Final Terms (the "**Specified Denomination**") save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under 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). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised 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**", "**holder of Notes**" or, as the case may be, "**holder of any Note**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the 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.

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

#### 5. **Status**

The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

#### 6. **Negative Pledge**

So long as any of the Notes, and if applicable any Coupons relating to them remain outstanding, the Issuer shall not, and the Issuer shall procure that its Principal Subsidiaries will not, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes and Coupons equally and rateably therewith or (b) providing such other security for the Notes as may be approved at a General Meeting of the Noteholders.

The above provision shall not apply to the following:

- (a) any Security Interest existing at the time of acquisition of any asset acquired by it after the Issue Date and not created in contemplation of that acquisition;
- (b) any Security Interest to secure Indebtedness incurred in connection with any Project Financing; or
- (c) any Security Interest upon any of its present or future assets or revenues which is created pursuant to any securitisation arrangement whereby the Relevant Indebtedness secured by such Security Interest is limited to the value of such assets or revenues.

#### 7. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments and Talons*). Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as

well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is five days after date upon which the Fiscal Agent has received the full amount of the moneys payable and has notified the Noteholders to such effect.

- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Regular Interest Periods:* If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:
  - (i) the Notes shall for the purposes of this Condition 7 be "Regular Interest Period Notes";
  - (ii) the day and month (but not the year) on which any Interest Payment Date falls shall for the purposes of this Condition 7 be a "Regular Date"; and
  - (iii) each period from and including a Regular Date falling in any year to, but excluding the next succeeding Regular Date shall for the purposes of this Condition 7 be a "Regular Period".
- (e) *Irregular first or last Interest Periods:* If the Notes would be Regular Interest Period Notes but for the fact that either or both of:
  - (i) the interval between the Issue Date and the first Interest Payment Date; and
  - (ii) the interval between the Maturity Date and the immediately preceding Interest Payment Date,  
  
is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes, *provided, however, that* if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a "Regular Date".
- (f) *Irregular interest amount:* If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Day Count Fraction:* In respect of any period which is not a Regular Period the relevant day count fraction (the "**Day Count Fraction**") shall be determined in accordance with the following provisions:
  - (i) if the Day Count Fraction is specified in the relevant Final Terms as being 30/360, the relevant Day Count Fraction will be the number of days in the relevant period (calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed) divided by 360;
  - (ii) if the Day Count Fraction is specified in the relevant Final Terms as being Actual/Actual (ICMA) and the relevant period falls during a Regular Period, the relevant Day Count Fraction will be the number of days in the relevant period divided by the product of (A) the number of days in the Regular Period in which the relevant period falls and (B) the number of Regular Periods in any period of one year; and
    - (i) if the Day Count Fraction is specified in the relevant Final Terms as being Actual/Actual (ICMA) and the relevant period begins in one Regular Period

and ends in the next succeeding Regular Period, interest will be calculated on the basis of the sum of:

- (A) the number of days in the relevant period falling within the first such Regular Period divided by the product of (1) the number of days in the first such Regular Period and (2) the number of Regular Periods in any period of one year; and
  - (B) the number of days in the relevant period falling within the second such Regular Period divided by the product of (1) the number of days in the second such Regular Period and (2) the number of Regular Periods in any period of one year.
- (h) *Number of days:* For the purposes of this Condition 7, unless the Day Count Fraction is specified in the relevant Final Terms as being 30/360 (in which case the provisions of paragraph (g)(i) above shall apply), the number of days in any period shall be calculated on the basis of actual calendar days from and including the first day of the relevant period to but excluding the last day of the relevant period.

#### 8. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments and Talons*). Each Note will cease to bear interest from 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 of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is five days after the date upon which the Fiscal Agent has received the full amount of the moneys payable and has notified the Noteholders to such effect).
- (c) *Screen Rate Determination-IBOR:* If Screen Rate Determination-IBOR is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (B) determine the arithmetic means of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately



11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate (or as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(v) Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over other fallbacks specified in Condition 8(c).

(1) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 8(c)(v)(2)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 8(c)(v)(3)) and any Benchmark Amendments (in accordance with Condition 8(c)(v)(4)).

An Independent Adviser appointed pursuant to this Condition 8(c)(v) shall act in good faith as an expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the Noteholders for any determination made by it pursuant to this Condition 8(c)(v).

(2) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith that:

(I) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 8(c)(v)(3)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 8(c)(v)); or

(II) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 8(c)(v)(3)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 8(c)(v)).

(3) Adjustment Spread

If the Independent Adviser determines in good faith (i) that an Adjustment Spread is required to be applied to the Successor Rate or

the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(4) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 8(c)(v) and the Independent Adviser determines in good faith (A) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are strictly necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 8(c)(v)(5)), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 8(c)(v)(4), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(5) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 14, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 8(c)(v)). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(6) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Independent Adviser has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Terms and Conditions of the Notes will continue to apply to such determination, provided that such fallbacks may in certain circumstances, lead to apply the Rate of Interest determined as at the last preceding Interest Determination Date.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 8(c)(v)), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and

notified in accordance with this Condition 8(c)(v)) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions, including, for the avoidance of doubt, the fallbacks specified in Condition 8(c)(v)), will continue to apply).

(7) Definitions

In this Condition 8(c)(v):

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

- a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate.

**"Alternative Rate"** means, in the absence of Successor Rate, an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 8(c)(v) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period (if there is such a customary market usage at such time) and in the same Specified Currency as the Notes.

**"Benchmark Event"** means, with respect to an Original Reference Rate:

- a) the Original Reference Rate ceasing to exist or be published;
- b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the date specified in (b)(i);

- c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the date specified in (d)(i);
- e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months;
- f) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- g) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmarks Regulation (Regulation (EU) 2016/2011) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted.

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 8(c)(v)(1).

**"Original Reference Rate"** means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes.

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

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

supervisory authorities or (iv) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. If, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser will determine, among those successor or replacement rates, the one which is the most appropriate, taking into consideration, without limitation, the particular features of the relevant Notes.

(d) *Screen Rate Determination – SONIA:*

- (i) Where "Screen Rate Determination – SONIA" is specified in the relevant Final Terms as the manner in which a Rate of Interest is to be determined, such Rate of Interest for each Interest Period will be calculated by the Calculation Agent in accordance with Condition 8(d)(ii) or 8(d)(iii) below, subject to the provisions of Condition 8(d)(iv) to 8(d)(v) as applicable.
- (ii) Where the Calculation Method is specified in the relevant Final Terms as being "Lag Method", the Rate of Interest for each Interest Period will, subject as provided below, be "Compounded Daily SONIA-Lag" plus or minus (as specified in the applicable Final Terms) the Margin.
- (iii) Where the Calculation Method is specified in the relevant Final Terms as being "Observation Shift Method", the Rate of Interest for each Interest Period will, subject as provided below, be "Compounded Daily SONIA-Shift" plus or minus (as specified in the applicable Final Terms) the Margin.
- (iv) For the purposes of Condition 8(d)(ii):

**"Compounded Daily SONIA-Lag"**, with respect to an Interest Period, will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**"d"** means, for any Interest Period, the number of calendar days in such Interest Period;

**"do"** means, for any Interest Period, the number of London Banking Days in such Interest Period;

**"i"** means, for any Interest Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

**"London Banking Day"** or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**ni**" for any London Banking Day "i", in the relevant Interest Period the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"**p**" for any Interest Period, means the number of London Banking Days specified in the relevant Final Terms.

"**Reference Period**" means, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIAi-pLBD**" means, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling p London Banking Days prior to the relevant London Banking Day "i".

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA-Lag only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (v) For the purposes of Condition 8(d)(iii):

"**Compounded Daily SONIA-Shift**", with respect to an Interest Period, will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" means, for any Observation Period, the number of calendar days in such Observation Period;

"**do**" means, for any Observation Period, the number of London Banking Days in such Observation Period;

"**i**" means, for any Observation Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Observation Period to, and including, the last London Banking Day in such Observation Period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

**"London Banking Day"** or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**"ni"** for any London Banking Day "i", in the relevant Observation Period the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

**"p"** for any Interest Period, means the number of London Banking Days specified in the relevant Final Terms.

**"Observation Period"** means, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

**"SONIA Reference Rate"** means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

**"SONIAi"** means, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA Reference Rate.

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA-Shift only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

(vi) If, in respect of any London Banking Day in the relevant Reference Period or Observation Period, as the case may be, the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:

(1) (x) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (y) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous p London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(2) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

(vii) If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 8(d)(vii), the Interest Rate shall be (x) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of

the Margin relating to that last preceding Interest Period) or (y) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (viii) If the Notes become due and payable in accordance with Condition 14 (*Events of default*), the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date on which the Notes became due and payable and the Interest Rate on the Notes shall, for so long as the Notes remain outstanding, be the rate determined on such date.

(e) *Screen Rate Determination – SOFR*

- (A) This Condition 8(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the "Reference Rate" is specified in the relevant Final Terms as being "SOFR".
- (B) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent. In no event will the Rate of Interest for any Interest Period be less than the Minimum Rate of Interest.
- (C) For the purposes of this Condition 8(e):

**"Benchmark"** means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 8(e) (*Interest – Screen Rate Determination - SOFR*).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days in the Observation Period will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Calculation Agent (in consultation with the Issuer) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 8(e)(D) below will apply.

**"Interest Period"** means each period from, and including, an Interest Payment Date (or, in the case of the first Interest Period, the Interest Commencement Date) to, but excluding, the next Interest Payment Date (or, in the case of the final Interest Period, the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, the relevant redemption date);

**"Interest Payment Determination Dates"** means the date falling "p" U.S. Government Securities Business Days before each Interest Payment Date where "p" has the value ascribed to it in the relevant Final Terms;

**"U.S. Government Securities Business Day"** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association



recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**"Business Day"** means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

**"Observation Period"** in respect of each Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period;

**"SOFR"** with respect to any U.S. Government Securities Business Day, means:

(x) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **"SOFR Determination Time"**); or

(y) if the rate specified in (x) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, or any successor source; and

**"Compounded SOFR"** with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**"d<sub>0</sub>"** for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

**"i"** is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

**"SOFR<sub>i</sub>"** for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR in respect of that day "i";

**"n<sub>i</sub>"** for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government

Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1"); and

"d" is the number of calendar days in the relevant Observation Period.

- (A) If the Calculation Agent (in consultation with the Issuer) determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Calculation Agent (in consultation with the Issuer) will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Noteholders.

Any determination, decision or election that may be made by the Calculation Agent (in consultation with the Issuer) pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (x) will be conclusive and binding absent manifest error;
- (y) will be made by the Calculation Agent (in consultation with the Issuer); and
- (z) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

**"Benchmark"** means, initially, Compounded SOFR, as such term is defined above; provided that if the Calculation Agent (in consultation with the Issuer) on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Calculation Agent (in consultation with the Issuer) as of the Benchmark Replacement Date:

- (x) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (ii) the Benchmark Replacement Adjustment;
- (y) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment; or
- (z) the sum of: (i) the alternate rate of interest that has been selected by the Calculation Agent (in consultation with the Issuer) as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

(x) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(y) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(z) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent (in consultation with the Issuer) giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Calculation Agent (in consultation with the Issuer) may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Calculation Agent decides, in consultation with the Issuer, that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines, in consultation with the Issuer, that no market practice for use of the Benchmark Replacement exists, in such other manner as the Calculation Agent determines, in consultation with the Issuer, is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(x) in the case of clause (x) or (y) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(y) in the case of clause (z) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(x) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(y) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(z) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Calculation Agent (in consultation with the Issuer) after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(B) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 8(d) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

(f) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (g) *FBF Determination*: Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), “**FBF Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:
- (i) the Floating Rate is as specified in the relevant Final Terms, and
  - (ii) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first calendar day of that Interest Accrual Period unless otherwise specified in the relevant Final terms.

For the purposes of this sub-paragraph (B), “**Floating Rate**” (*Taux Variable*), “**Calculation Agent**” (*Agent*), “**Floating Rate Determination Date**” (*Date de Détermination du Taux Variable*) and “**Transaction**” (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that Euribor means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR01, as more fully described in the relevant Final Terms. “**FBF Definitions**” means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments a supplemented by the *Fédération Bancaire Française* (together the “**FBF Master Agreement**”), as amended, supplemented or updated, unless otherwise specified in the relevant Final Terms. Investors should consult the Issuer should they require a copy of the FBF Definitions.

- (h) *Linear Interpolation*: Where Linear Interpolation is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination-IBOR is specified in the relevant Final Terms as applicable), the relevant Floating Rate Option (where ISDA Determination is specified in the relevant Final Terms as applicable) or the relevant Floating Rate (where FBF Determination is specified in the relevant Final Terms as applicable) one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available (as determined by the Calculation Agent in relation to the relevant Series in accordance with clauses 8(c) or 8(d), as applicable, above) next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available (as determined by the Calculation Agent in relation to the relevant Series in accordance with clauses 8(c) or 8(d), as applicable, above) next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination-IBOR, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

- (i) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be

greater than the maximum or be less than the minimum so specified. The Minimum Rate of Interest shall at all times not be less than zero.

- (j) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction.
- (k) *Giving of Notices:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents and each stock exchange (if any) on which the Notes are then listed as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (m) *Fixed/Floating Rate Notes:* Fixed/Floating Rate Notes are Notes for which a change of interest basis (the "**Change of Interest Basis**") is specified to be applicable in the relevant Final Terms.

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

- (i) the Issuer may elect to convert on the date set out in the Final Terms (the "**Switch Date**") from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate. The Issuer election to change the interest basis (the "**Issuer Change of Interest Basis**") will be deemed effective upon receipt of a valid notification sent by the Issuer, in accordance with Condition 18 (*Notices*), to the relevant Noteholders within the period specified in the relevant Final Terms; or
- (ii) will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the "**Automatic Change of Interest Basis**").

#### 9. **Zero Coupon Note Provisions**

- (b) *Application:* Unless otherwise specified in the applicable Final Terms, this Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (c) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such

seventh day (except to the extent that there is any subsequent default in payment).

10. **Redemption, Purchase and Options**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount, which shall be the principal amount of such Note unless another amount is specified in the applicable Final Terms, on the Maturity Date, subject as provided in Condition 11 (*Payments and Talons*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
- (i) at any time (if neither the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 calendar days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of France or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided, however, that* no such notice of redemption shall be given earlier than:
  - (1) where the Notes may be redeemed at any time, 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
  - (2) where the Notes may be redeemed only on an Interest Payment Date, 60 calendar days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

In addition, if the Issuer would on the occasion of the next payment due under the Notes, and in the reasonable opinion of a duly authorised officer of the Issuer having knowledge of such matters, be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained above, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Notes then outstanding, upon giving not less than 30 nor more than 60 calendar days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date is past, as soon as practicable thereafter.

Notes redeemed pursuant to this Condition 10(b) will be redeemed at their Early Redemption Amount, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 calendar days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If only some of the Notes of a Series are to be redeemed or subject to the exercise of an Issuer's option, on such date (i) in the case of Materialised Notes, the Fiscal Agent shall make the drawing that is required in accordance with the Conditions and, where applicable, the Issuer shall be entitled to send representatives to attend such drawing and (ii) in the case of Dematerialised Notes, such partial redemption shall be made by reducing the aggregate nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed.
- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Redemption Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. 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 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;
- (f) *Make-whole Redemption by the Issuer:*

Unless specified as not being applicable in the relevant Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 calendar days' notice to the Noteholders in accordance with Condition 18 (*Notices*); and
- (ii) not less than 15 days before the giving of notice referred to in (a) above, notice to the Fiscal Agent, the Quotation 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, in whole or in part, the Notes then outstanding at any time prior to their Maturity Date at their relevant Make-whole Redemption Amount.

"**Calculation Date**" means the third Business Day (as defined above) prior to the Make-whole Redemption Date.

"**Make-whole Redemption Amount**" means the sum of:

- (i) the greater of (x) the Final Redemption 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 accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on either an annual or a semi-annual basis (as specified in the relevant Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and



- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified in the Final Terms.

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

**"Make-whole Redemption Rate"** means the average of the four quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("CET")).

**"Quotation Agent"** means CACEIS Corporate Trust.

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

**"Reference Security"** means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 18 (*Notices*).

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

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

In the case of a partial redemption of Notes, the relevant provisions of Condition 10(d) (*Partial Redemption*) shall apply *mutatis mutandis* to this Condition 10(f).

- (g) *Clean-up call option:* If the Clean-up Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, having given not less than 15 nor more than 30 calendar days' notice to the Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the Notes of any Series for the time being outstanding, if, immediately prior to the date that such notice is given, Notes representing an aggregate amount equal to or exceeding 80 per cent. of the original aggregate nominal amount of such Series (including, for the avoidance of any doubt, any Notes which have been consolidated and form a single Series therewith) shall have been redeemed or purchased (and subsequently cancelled) by the Issuer other than by way of a redemption at the option of the Issuer in accordance with Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 10(f) (*Make-whole Redemption by the Issuer*). Any such redemption shall be at par together, if appropriate, with any interest accrued to the date fixed for redemption.
- (h) Redemption on Acquisition Event:

If the Acquisition Event Call Option is specified as applicable in the relevant Final Terms and an Acquisition Event has occurred, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 18 to the Noteholders within the Acquisition Notice Period (as specified in the relevant Final Terms), at its option, redeem all (but not some only) of the Notes of the relevant Series then outstanding at the Acquisition Event Redemption Amount (as specified in the relevant Final Terms), together with any interest accrued to, but excluding, the date set for redemption. All Notes in respect of which any such

notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition. Concurrently with the publication of any notice of redemption pursuant to this Condition 10(h), the Issuer shall deliver to the Noteholders a certificate indicating that the Issuer is entitled to effect such redemption and certifying that an Acquisition Event has occurred.

For the purposes of this Condition:

an “**Acquisition Event**” shall be deemed to have occurred if the Issuer (i) has not, on or prior to the Acquisition Completion Date (as specified in the Final Terms), completed and closed the acquisition of the Acquisition Target (as specified in the Final Terms) or (ii) has publicly announced that it no longer intends to pursue the acquisition of the Acquisition Target.

- (i) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (h) above.
- (j) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(i) or, if none is so specified, a Day Count Fraction of 30E/360.

- (k) *Purchase:* The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to the applicable laws and/or regulations. All Notes so purchased by the Issuer may be held and resold in accordance with Articles L.213-0-1 and D. 213-0-1 of the Code for the purpose of enhancing the liquidity of the Notes.
- (l) *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 Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised 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 admitted to trading on Euronext Paris, the Issuer will inform Euronext about such cancellation.

## 11. **Payments and Talons**

- (a) *Dematerialised Notes:* Payments of principal and interest 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 Notes:* Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 11(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 11(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.
- (c) *Payments in the United States:* Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) *Payments Subject to Fiscal Laws:* All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions 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 and the Calculation 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 and the Registration Agent act solely as agents of the Issuer and, in each such case, do not assume any obligation or relationship of agency or trust for or with 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 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) 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), (iv) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (v) such other agents as may be required by any other Stock Exchange on which the Notes may be listed.

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

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 18 (*Notices*) below.

- (f) **Unmatured Coupons and unexchanged Talons:**
- (i) Unless Materialised Notes provide that the relevant Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 13 (*Prescription*)).

- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised 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 Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Materialised 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 Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Definitive Materialised Note.
- (vi) The provisions of paragraph (i) of this Condition 11(f) notwithstanding, if any Note should be issued with a maturity date and Interest Rate or Rates such that, on the presentation for payment of any such Notes without all unmatured Coupons attached thereto or surrendered therewith, the amount required by such paragraph (i) to be deducted in respect of such missing unmatured Coupons would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such missing unmatured Coupons shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of such paragraph (i) in respect of such Coupons as have not so become void, the amount required by such paragraph (i) to be deducted would not be greater than the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or the Make-Whole Redemption Amount, as the case may be, otherwise due for payment (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupons that the sum of principal so paid bears to the total principal due). Where the application of the foregoing sentence requires some but not all of such missing unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which missing unmatured Coupons (or proportion thereof) are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 13 (*Prescription*)).
- (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.

12. **Taxation**

- (a) **Withholding Tax:** All payments of principal and interest (if any) by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges whatsoever imposed or levied by or on behalf of France or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.
- (b) **Additional Amounts:** In the event that French law should require that any payments in respect of the Notes or the Coupons (if relevant) be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges whatsoever imposed or levied by or on behalf of the Republic of France, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders (if relevant) of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
- (i) by or on behalf of a holder (including a beneficial owner (*ayant droit*)) which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with France other than the mere holding (or beneficial ownership) of such Note or Coupon;
  - (ii) by or on behalf of a holder who could avoid such withholding or deduction by making a declaration of non-residence or similar claim for exemption but fails to do so; or
  - (iii) in relation to holders of Materialised Notes only, more than 30 calendar days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 calendar days; or
  - (iv) in relation to holders of Materialised Notes only, by or on behalf of a holder who would have been 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.

13. **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 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

14. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal or interest in respect of the Notes and such default is not remedied within a period of 15 calendar days from such date; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 calendar days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent requiring such default to be remedied; or
- (c) Cross-default:
- (i) any Indebtedness of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes due and payable prior to its stated maturity by reason of default of the Issuer; or

- (iii) the Issuer fails to pay when due any amount payable by it under any Guarantee of any Indebtedness or within any originally applicable grace period;

provided that (a) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €100,000,000 (or its equivalent in any other currency or currencies) and (b) such Indebtedness shall not include Indebtedness incurred in connection with Project Financing; or

- (d) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer; or
- (e) *Insolvency, etc*: if the Issuer enters into an amicable settlement (*accord amiable*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or, to the extent permitted by applicable law, if the Issuer makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (f) *Winding up, etc*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to a Permitted Transfer); or
- (g) *Analogous event*: any event occurs which under the laws of France has an analogous effect to any of the events referred to in paragraphs (d) to (f) above,

then the Representative (as defined in Condition 15 (*Representation of Noteholders*)), upon request of any Noteholder, may give written notice to the Issuer and the Fiscal Agent at its specified office that all the Notes held by such Noteholder are immediately repayable, whereupon the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer and the Fiscal Agent.

For the purposes of this Condition 14, "**Permitted Transfer**" means (a) any merger, amalgamation or group reorganisation either (i) where the surviving legal entity acquires the whole or substantially the whole of the assets of the Issuer and expressly and effectively or by law assumes all its obligations with respect to the Notes and has obtained all necessary authorisations therefor or (ii) the terms of which have been previously approved at a General Meeting.

#### 15. **Representation of Noteholders**

The Noteholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a *masse* (the "**Masse**") which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de Commerce* as amended by this Condition 15.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes, without prejudice to the rights that Noteholders may exercise individually in accordance with, and subject to, the provisions of the Conditions of the Notes.

- (a) *Legal Personality of the Masse*

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

- (b) *Representative*

The names and addresses of the Representative and its alternate (if any), will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of the Series of Notes will be the Representative of the single Masse of all subsequent 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. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternate, if any. Another Representative may be appointed. Collective Decisions in relation to the appointment or replacement of the Representative shall be published in accordance with Condition 15(j).

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.

(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.

(d) *Collective Decisions*

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**"), or (ii) by unanimous consent of the Noteholders following a written consultation (the "**Written Unanimous Decisions**"), or (iii) by the consent of one or more Noteholders holding together at least 75 per cent. of the principal amount of the Notes outstanding, following a written consultation (the "**Written Majority Decisions**", and together with the Written Unanimous Decisions, the "**Written Decisions**").

In accordance with Article R.228-71 of the French Code de commerce, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 15(j).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

(e) *General Meetings*

A General Meeting may be called at any time, 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 Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (mandataire) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the 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. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 15(j) not less than fifteen (15) calendar days prior to the date of the

General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, 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 and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed

(f) *Written Decisions*

At the initiative of the Issuer, Collective Decisions may also be taken by Written Unanimous Decisions or Written Majority Decisions.

(i) Written Unanimous Decision

Written Unanimous Decisions shall be signed by or on behalf of all the Noteholders without having to comply with formalities and time limits referred to in Condition 15(e). Approval of a Written Unanimous Decision may also be given by way of electronic communication allowing the identification of Noteholders in accordance with Article L.228-46-1 of the French Code de commerce ("**Electronic Consent**"). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Unanimous Decision may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 15(j).

(ii) Written Majority Decision

Notices seeking the approval of a Written Majority Decision, which shall include the text of the proposed resolutions together with any report thereon, will be published as provided under Condition 15(j) no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Majority Decision (the "**Written Majority Decision Date**"). Notices seeking the approval of a Written Majority Decision will contain the conditions of form and time limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Majority Decision. Noteholders expressing their approval or rejection before the Written Majority Decision Date will undertake not to dispose of their Notes until after the Written Majority Decision Date.

Written Majority Decisions shall be signed by one or more Noteholders holding together at least 75 per cent. of the principal amount of the Notes outstanding. Approval of a Written Majority Decision may also be given by Electronic Consent. Any Written Majority Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of the Noteholders. Such Written Majority Decisions may be contained in one document, or in several documents in like form each signed by or on one behalf of one or more of the Noteholders, and shall be published in accordance with Condition 15(j).

(g) *Expenses*



The Issuer shall pay all expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, 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 17 (*Further Issues*), shall, for the defence of their respective common interests, be grouped in a single Masse.

(i) *Sole Noteholder*

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

(j) *Notices for the purposes of this Condition 15*

Any notice to be given to Noteholders in accordance with this Condition 15 shall be published on the website of Thales (<https://www.thalesgroup.com/>) and,

- (i) in the case of the holders of Notes in registered form (*au nominatif*), mailed to them at their respective addresses, in which case they shall be deemed to have been given on the fourth (4th) weekday (being a day other than a Saturday or a Sunday) after the mailing; or
- (ii) in the case of the holders of Notes in bearer form (*au porteur*), 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.

Any decision to proceed with a transaction, notwithstanding the failure to obtain Noteholders' approval, as contemplated by Article L.228-72 of the French Code de commerce, will be notified to Noteholders in accordance with this Condition 15(j). Any Noteholder will then have the right to request redemption of its Notes at par within three (3) months of the date of notification, in which case the Issuer shall redeem such Noteholder within thirty (30) days of the Noteholder's request for redemption.

If a merger or a spin-off is contemplated by the Issuer, the Issuer will have the option to submit the proposal for approval by a Collective Decision of the Masse or to offer redemption at par to Noteholders pursuant to Article L. 228-73 of the French Code de commerce. Such redemption offer shall be notified to Noteholders in accordance with this paragraph 15(j). If the Masse does not approve the merger or spin-off proposal, any decision to proceed with the merger or spin-off will be notified to Noteholders in accordance with this paragraph 15(j).

In this Condition 15, the expression "outstanding" does not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-0-1 of the French *Code monétaire et financier* which are held by the Issuer and not cancelled.

16. **Replacement of Materialised Notes, Coupons and Talons**

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for 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 Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

17. **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 further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest specified in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to "Notes" shall be construed accordingly.

18. **Notices**

- (a) Subject to Condition 18(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 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 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 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 18(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.
- (e) For the avoidance of doubt, this Condition 18 shall not apply to notices to be given pursuant to Condition 15.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20. **Redenomination, Renominalisation and Reconventioning**

(a) *Application:* This Condition 20 (*Redenomination, Renominalisation and Reconventioning*) is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.

(b) *Notice of redenomination:* If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders and Couponholders, on giving at least 30 calendar days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

(c) *Redenomination:* Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

(i) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided, however, that*, if the Issuer determines, with the agreement of the Fiscal Agent that, the market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders and Couponholders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendments;

(ii) if Notes have been issued in definitive form:

(A) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in euro are available for exchange (provided that such Notes and Coupons are available) and no payments will be made in respect thereof;

(B) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 20) shall remain in full force and effect; and

(C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and

(iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro,

payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Communities.

- (d) *Interest: Following* redenomination of the Notes pursuant to this Condition 20, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder.
- (e) *Interest Determination Date:* If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination date shall be deemed to be the second TARGET2 Settlement Day before the first day of the relevant Interest Period.

## 21. **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:* The competent courts of Nanterre have jurisdiction to settle any dispute arising out of or in connection with any Notes, Coupons or Talons.

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

### **Temporary Global Certificates**

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream (the "**Common Depository**"), Euroclear or Clearstream 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 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 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):

- (a) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Subscription and Sale" below), in whole, but not in part, for the Definitive Materialised Notes; and
- (b) 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 Notes.

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

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, Definitive Materialised Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Materialised Notes shall be available at the specified 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 calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 17 (*Further Issues*), the Exchange Date for such Temporary Global Certificate shall be postponed to the calendar day falling after the expiry of 40 calendar days after the issue of such further Materialised Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general finance requirements. If in respect of any particular issue of Notes, there is another particular identified use of proceeds, this will be stated in the relevant Final Terms.

If Acquisition Event Call Option is specified as being applicable in the relevant Final Terms, the use of proceeds for acquisition consideration, directly or indirectly, in whole or in part, and related fees will be stated in the relevant Final Terms. The Final Terms will also state the potential use for general financing requirements if the Acquisition Event occurs but the Issuer elects not to use the Acquisition Event Call Option.

## **BUSINESS DESCRIPTION OF THALES**

Information relating to the Issuer, including its business description, has been incorporated by reference into this Base Prospectus in the section "Documents Incorporated by Reference" in the table therein.

In addition, the business address of the Board of Directors of Thales is Tour Carpe Diem, 31 place des Corolles, CS 20001 92098, Paris La Défense, 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  
EU REGULATED MARKET**

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU on insurance distribution, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

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

**Final Terms dated [●]**

**Thales**

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

under the **Euro 5,000,000,000 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 5 August 2020 which received approval no. 20-382 from the Autorité des marchés financiers (the "AMF") on 5 August 2020 [and the supplement to the Base Prospectus dated [●] which received approval no. [●] from the AMF on [●]] which together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time, the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation 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. [The Base Prospectus [and the supplement to the Base Prospectus] [and the Final Terms] [is] [are] available for viewing on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and copies may be obtained from the Issuer.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [30 May 2017/29 June 2018/1 July 2019]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time, the "**Prospectus Regulation**") and must be read in conjunction with the Base



Prospectus dated 5 August 2020 [and the supplement to the Base Prospectus dated [●] which received approval no.[●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Conditions which are extracted from the Base Prospectus dated [30 May 2017/29 June 2018/1 July 2019] [and the supplement to the Base Prospectus dated [●]] and are attached hereto. 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 Conditions and the Base Prospectus dated [30 May 2017/29 June 2018/1 July 2019] [and the supplement to the Base Prospectus dated [●]]. [The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and copies may be obtained from the Issuer.

- |     |  |  |
|-----|--|--|
| 1.  | Issuer   | Thales   |
| 2.  | (i) Series Number:                             | [●]  |
|     | (ii) Tranche Number:                           | [●]  |
|     | (iii) Date on which the Notes become fungible: | [Not Applicable/ The Notes shall be consolidated, from a single series and be interchangeable for trading purposes with the existing [ <i>insert issue amount</i> ] Notes due [ <i>insert maturity date</i> ] issued by the Issuer on [ <i>insert issue date</i> ]/the Issue Date] |
| 3.  | Specified Currency:                            | [●]  |
| 4.  | Aggregate Nominal Amount of Notes:             | [●]  |
|     | [(i) Series:                                   | [●]  |
|     | [(ii) Tranche:                                 | [●]  |
| 5.  | Issue Price:                                   | [●] per cent of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>if applicable</i> )]  |
| 6.  | Specified Denominations:                       | [●][ <i>one denomination only for Dematerialised Notes</i> ]   |
| 7.  | [(i) Issue Date:                               | [●]  |
|     | [(ii) Interest Commencement Date:              | [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:                                | [[●] % Fixed Rate]<br>[[ <i>specify reference rate</i> ] [●] % Floating Rate]<br>[Zero Coupon]<br>[●]<br>( <i>further particulars specified below</i> )  |
| 10. | Redemption/Payment Basis:                      | Redemption at par<br>[●]   |
| 11. | Change of Interest Redemption/Payment Basis:   | or [ <i>specify details of any provision for convertibility of Notes into another interest or redemption/payment basis</i> ]   |
| 12. | Put/Call Options:                              | [Not Applicable]<br>[Investor Put]   |

[Issuer Call]  
[Make-Whole Redemption by the Issuer]  
[Acquisition Event Call Option]  
[Clean-up Call Option]  
[(further particulars specified below)]

13. [Date [Board] approval for issuance of Notes obtained: [●] [and [●], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]*
14. Method of distribution: [Syndicated/Non-syndicated]

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

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs 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 Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Specified Denomination
- (iv) Broken Amount(s): [●] per Specified Denomination, payable on the Interest Payment Date falling [in/on] [●] [Not Applicable]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/365 (FBF) / Actual/Actual (FBF) / other]
- (vi) Interest Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other]

- (v) Business Centre(s): [•] [*Note that this item relates to interest period end dates and not to the date and place of payments*]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination-IBOR/FBF Determination/ISDA Determination/other]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [•]
- (viii) Screen Rate Determination-IBOR: [Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraphs of this paragraph*)
- Reference Rate: [•]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [•]
- (ix) Screen Rate Determination – SONIA: [Applicable/Not Applicable]
- "p" [•] / [Not Applicable]
  - Relevant Screen Page: [•]
  - Calculation Method: [Lag Method/Observation Shift Method/Not Applicable]
- (x) Screen Rate Determination – SOFR: [Applicable / Not Applicable]]
- (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- Reference Rate: [SOFR]
  - "p" [•]
  - Relevant Time [•]
  - Relevant Financial Centre [•]
- (xi) ISDA Determination: [Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraphs of this paragraph*)
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (xii) FBF Determination: [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-*

*paragraphs of this paragraph)*

- Floating Rate: [●]
  - Floating Rate Determination Date  
(*date de Détermination du Taux Variable*): [●]
  - (xiii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*).
  - Applicable Maturity: [●]
  - (xiv) Margin(s): [+/-][●] per cent per annum
  - (xv) Minimum Rate of Interest: [●] per cent per annum
  - (xvi) Maximum Rate of Interest: [●] per cent per annum
  - (xvii) Day Count Fraction: [●]
  - (xviii) Specified Period: [[●]/Not Applicable] (*specify when the Business Day Convention is FRN Convention, Floating Rate Convention or Eurodollar Convention*)
17. **Fixed/Floating Rate Notes Provisions:** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Issuer Change of Interest Basis: [Applicable/Not Applicable]
  - (ii) Automatic Change of Interest Basis: [Applicable/Not Applicable]
  - (iii) Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded): Determined in accordance with [Condition 7, as though the Notes were Fixed Rate Notes]/ [Condition 8, as though the Notes were Floating Rate Notes] with further variables set out in item [15/16] of these Final Terms
  - (iv) Rate of Interest applicable to the Interest Periods following the Switch Date (included): Determined in accordance with [Condition 7, as though the Notes were Fixed Rate Notes]/ [Condition 8, as though the Notes were Floating Rate Notes] with further variables set out in item [15/16] of these Final Terms
  - (v) Switch Date: [●]
  - (vi) Minimum notice period required for notice from the Issuer: [[●] Business Days prior to the Switch Date] / [(*for Automatic Change of Interest* :)] [Not Applicable]
18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

- (i) Accrual Yield: [●] per cent per annum
- (ii) Reference Price: [●]

**PROVISIONS RELATING TO REDEMPTION**

- 19. **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Specified Denomination
  - (iii) Notice period: [As per Conditions] /[not less than [●] days nor more than [●] days]
  
- 20. **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
  - (iii) Notice period: [●]
  
- 21. **Make-whole Redemption** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount (if other than set out in Condition 10(f)): [[●]/Not Applicable]
  - (ii) Make-whole Redemption Margin: [●]
  - (iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual]
  - (iv) Reference Security: [Not Applicable/[●]]
  - (v) Reference Dealers: [Not Applicable/[●]]
  
- 22. **Acquisition Event Call Option** [Applicable/Not Applicable]

- Acquisition Target: [●]
- Acquisition Completion Date: [●]
- Acquisition Event Redemption [●] per cent. of the aggregate principal amount of the Notes]
- Acquisition Notice Period: The period from [[●] / [the Issue Date]] to [[●] / the Acquisition Completion Date]
23. **Clean-up Call Option** [Applicable/Not Applicable]
24. **Final Redemption Amount of each Note** [[●] per Note of [●] Specified Denomination]
25. **Early Redemption Amount (taxation reasons)**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons on an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. **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 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]
27. Additional Financial Centre(s) or other special provisions relating to Payment Business Days: [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 15(ii) and 16(ii) relates*]
28. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]

29. Redenomination, renominalisation and reconventioning provisions: [Not Applicable/The provisions in Condition 20 apply]
30. Representation of holder of Notes/Masse *Insert below details of Representative or alternate Representative, if any, and remuneration, if any:*
- Name and address of the Representative: [●]
- [Name and address of the alternate Representative: [●]]
- [The Representative will be entitled to a remuneration of [●] per year/The Representative will not be entitled to a remuneration]
- [If the Notes are held by a sole Noteholder, insert the wording below:*
- As long as the Notes are held by a sole Noteholder, it shall exercise all rights and obligations assigned by law to the Representative and the general meeting of the Noteholders. A Representative will be appointed as soon as the Notes are held by several Noteholders.]

#### **DISTRIBUTION**

31. (i) If syndicated, names of Managers: [Not Applicable/give names and address(es)]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name(s) and address(es)]
32. If non-syndicated, name of Dealer: [Not Applicable/give name and address]
33. 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 Materialised Notes/TEFRA D applies to 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 and their admission to trading on the Regulated Market of the Euronext Paris /other (*specify*)] of the Notes described herein pursuant to the Euro 5,000,000,000 Euro Medium Term Note Programme of Thales.

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised



## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Paris /[●]/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] 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/[●] with effect from [●].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [●].

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

*(\*The exact legal name of the rating agency entity providing the rating should be specified.)*

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(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*

#### **Option 1- CRA established in the EEA or in the UK and registered under the CRA Regulation**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA or in the UK and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

#### **Option 2 -CRA established in the EEA or in the UK, not registered under the CRA Regulation but has applied for registration**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA or in the UK and has applied for registration under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**), although notification of the corresponding registration decision has not yet been provided by European

Securities and Markets Authority.

***Option 3 -CRA established in the EEA or in the UK, not registered under the CRA Regulation and not applied for registration***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA or in the UK and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

***Option 4 -CRA not established in the EEA or in the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA or in the UK but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the EEA or in the UK and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

***Option 5 -CRA is not established in the EEA or in the UK and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA or in the UK but is certified under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

***Option 6 -CRA neither established in the EEA or in the UK nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA or in the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation.

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 ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

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

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

- [(i)] Reasons for the offer: [General financing requirements]/[other]
- [(ii)] Estimated net proceeds: [●] *(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding)*
- [(iii)] Estimated total expenses: [●] *[include breakdown of expenses]*

5. **[FIXED RATE NOTES ONLY – YIELD**

- Indication of yield: [●]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

6. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) Depositories:
- Euroclear France to act as Central Depository: [Yes/No]
- Common Depository for Euroclear and Clearstream Luxembourg [Yes/No]
- Any clearing system[s] other than Euroclear and Clearstream and the relevant identification numbers[s]: [Not Applicable/give name(s) and number(s) [and addresses(es)]]
- (iv) Deliver: Delivery [against/free of] payment
- (v) Names and addresses of Initial Paying Agents: [●]
- (vi) Names and addresses of additional Paying Agent(s) (if any): [●]
- (vii) [FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively

sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]]

(viii) [CFI:

[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]]

## 7. [FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES

Details of historic [EURIBOR/LIBOR/SONIA/SOFR] rates can be obtained from [●].

### BENCHMARKS

Amounts payable under the Notes will be calculated by reference to [EURIBOR/LIBOR/SONIA/SOFR] which is provided by [•]. As at [•], [•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). [As far as the Issuer is aware the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banco Santander, S.A., Barclays Bank Ireland PLC, BNP PARIBAS, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial S.A, Deutsche Bank Aktiengesellschaft, HSBC Bank plc, J.P. Morgan Securities plc, Natixis, SMBC Nikko Capital Markets Europe GmbH, SMBC Nikko Capital Markets Limited, Société Générale and UniCredit Bank AG (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealer agreement dated 5 August 2020 (as amended or supplemented from time to time, the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

*Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Notes in bearer form 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 United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed and any further Dealers appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it has not offered and sold, and will not offer, sell or, in the case of Materialised Notes, deliver the Notes of any identifiable Tranche (a) as part of their distribution at any time and (b) otherwise until 40 calendar days after the date of issue of the relevant Tranche of Notes, only in accordance with Rule 903 of Regulation S of the Securities Act. Each Dealer has agreed and any further Dealers appointed under the Programme will be required to agree that it will have sent to each Dealer to which it sells Notes of such Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, neither the Dealers, their affiliates (if any) nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Dealers, their affiliates (if any) and any person acting on their behalf have complied with the offering restriction of Regulation S.

In addition, until 40 calendar days after the commencement of the offering of any Tranche of Notes, an offer or sale of Notes of such Tranche within the United States by a Dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

In addition, certain Series of Notes in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Notes will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealers may agree, as indicated in the relevant Final Terms. Each Dealer has agreed and any further Dealers appointed under the Programme will be required to agree that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### Prohibition of Sales to EEA and UK Retail Investors

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

- (a) For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### Selling restrictions addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed (and any further Dealers appointed under the Programme will be required to represent, warrant 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.

### France

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

- (i) it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French Code *monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors the

Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes; and

- (ii) Materialised Notes may only be issued outside of France.

## **Japan**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that 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**") and agrees or will agree, as the case may be, that it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to other for re-offering or resale, directly or indirectly, in Japan or to a 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 any other applicable laws, regulations and ministerial guidelines of Japan.

## **The Netherlands**

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext (Amsterdam) admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V., in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche of Notes are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "Zero Coupon Notes" are Notes that are in bearer form (i.e. Materialised Notes) and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## **Switzerland**

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more. This Base Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

## **Belgium**

The Notes are not intended to be sold to Belgian Consumers. Accordingly, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes to Belgian Consumers. For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and any acting for purposes which are outside his/her trade, business or profession.

## **General**

Other than with respect to the listing of the Notes on such stock exchange as may be specified in the Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation

thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will comply with any laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer, nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirement in any jurisdiction or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer and the relevant Dealer or, as the case may be, the Dealers. Any such supplement or modification will be set out in a supplement to this document. The relevant Dealers will be required to comply with such selling restrictions as so supplemented and/or modified.



## GENERAL INFORMATION

1. This Base Prospectus received the approval no. 20-382 on 5 August 2020 from the AMF. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

The Base Prospectus shall be valid for admission to trading of Notes on a Regulated Market for twelve (12) months after the approval by the AMF, until 5 August 2021, provided that it is completed by one or more supplements, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including information incorporated by reference) in this Base Prospectus which may affect the assessment of the Notes. After such date, the Base Prospectus will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and of the quality of the Notes which are subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Notes may also 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. The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the update of the Programme.
3. For this purpose, on 3 April 2019 the Board of Directors (*Conseil d'administration*) of the Issuer has authorised the Programme for a maximum aggregate amount of Notes outstanding at any one time of €3,000,000,000. On 24 March 2020, the Board of Directors (*Conseil d'administration*) authorised, for a duration of one year from 24 March 2020, the issue of Notes up to an aggregate nominal amount of €3,000,000,000. No authorisation procedures were required of the Issuer under French law for the establishment of the Programme.
4. As at the date of this Base Prospectus, to the extent known by the Issuer, no conflict of interest is identified between the duties of the members of the Board of Directors (*Conseil d'administration*) and the Chief Executive Officer with respect of the Issuer and their private interest and other duties.
5. Except as disclosed in this Base Prospectus in the documents incorporated by reference (including with respect to the impact of the sanitary crisis resulting from the coronavirus (COVID-19)), there has been no significant change in the financial position or financial performance of the Issuer or of the Group since 30 June 2020, and no material adverse change in the prospects of the Issuer since 31 December 2019.
6. Except as disclosed in this Base Prospectus in the documents incorporated by reference, neither the Issuer nor any of its Material Subsidiaries is or 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 last 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.
7. There are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.
8. Application may be made for the Notes to be accepted for clearance through Euroclear France and/or Euroclear and Clearstream, Luxembourg. The Common Code and the International

Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear France is 66, rue de la Victoire 75009 Paris, France, the address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg, Grand-Duchy of Luxembourg.

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

If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the relevant Final Terms.

The Legal Entity Identifier (LEI) of the Issuer is: 529900FNDVTQJOVVPZ19.

9. Ernst & Young Audit and Mazars have audited the Issuer's accounts for the years ended 31 December 2019 and 31 December 2018, without qualification, prepared in accordance with generally accepted accounting principles in France. Ernst & Young Audit and Mazars are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* and carry out their duties in accordance with the principles of the *Compagnie Nationale des Commissaires aux Comptes*.
10. The following documents can be inspected on the website of the Issuer ([www.thalesgroup.com](http://www.thalesgroup.com)):
  - (i) the up-to-date *statuts* of the Issuer;
  - (ii) the Final Terms for Notes that are listed and admitted to trading on the Regulated Market of Euronext Paris and/or any other Regulated Market; and
  - (iii) a copy of this Base Prospectus (including any documents incorporated by reference and any Supplements to this Base Prospectus).

The Agency Agreement (which includes the form of the *Lettre Comptable*, the form of the Temporary Global Certificate and the forms of the Definitive Materialised Notes and the Coupons, Receipts and Talons in relation thereto) will be available for inspection at the specified offices of the Fiscal Agent or each of the Paying Agents during normal business hours.

11. The yield is calculated at the Issue Date on the basis of the Issue Price and the rate of interest applicable to the Notes. It is not an indication of future yield. The yield of the relevant Notes, if applicable, will be stated in the Final Terms of the Notes.
12. In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or any person acting for the Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the relevant Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.
13. Amounts payable under the Floating Rate Notes may be calculated by reference to Reference Rates including EURIBOR, LIBOR or EUR CMS which are respectively provided by the EMMI with respect to EURIBOR and ICE with respect to LIBOR and CMS Rate. Each of ICE and the EMMI have been authorised as regulated benchmark administrators pursuant to Article 34 of the

Benchmark Regulation and appears on the public register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the ESMA register referred to above.

The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Base Prospectus or the relevant Final Terms to reflect any change in the registration status of the administrator.

14. In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "**Euro**" or "**euro**" are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, references to "£", "**pounds sterling**" and "**Sterling**" are to the lawful currency of the United Kingdom references to "¥", "**Yen**", "**yen**" and "**Japanese Yen**" are to the lawful currency of Japan, references to the "U.S." and the "**United States**" are to the United States of America and references to "U.S.\$" and "**U.S. Dollars**" are to the lawful currency of the United States of America.
15. 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. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Where there is a lending relationship between the Issuer and one or several Dealers, it cannot be excluded that all or part of the proceeds of an issue of Notes be used to repay or reimburse all or part of such loans. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph, the term "affiliate" also includes parent companies.

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

16. Any websites included in this Base Prospectus are for information purposes only and the information in such websites does not form any part of this Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

## PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS

### 1.1 Person responsible for the Base Prospectus

Thales, Tour Carpe Diem, 31 place des Corolles, CS 20001 92098 Paris La Défense, France.

### 1.2 Declaration by the person responsible for the Base Prospectus

I declare, to the best of my knowledge, that the information contained in this Base Prospectus is in accordance with the facts and that it contains no omission which could affect its import.

Thales  
Tour Carpe Diem  
31 place des Corolles  
CS 20001 92098 Paris La Défense

France

**duly represented by Jean-Claude CLIMEAU on 5 August 2020**



*Autorité des marchés financiers*

This Base Prospectus has been approved by the AMF in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Base Prospectus after having verified that the information it contains is complete, coherent and comprehensible in accordance with Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the Issuer and on the quality of the Notes described in this Base Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

The Base Prospectus has been approved on 5 August 2020 and is valid until 5 August 2021 and shall during this period, in accordance with Article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies. The Base Prospectus has been given the following approval number: 20-382.

**NAME AND REGISTERED OFFICE OF THE ISSUER**

**THALES**

Tour Carpe Diem  
31 place des Corolles  
CS 20001 92098 Paris La Défense  
France

**ARRANGER**

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France

**DEALERS**

**BANCO SANTANDER, S.A.**  
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Spain

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**UNICREDIT BANK AG**  
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**FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT**

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*To the Dealers as to French law:*

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