

Base Prospectus dated 7 August 2018



€1,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Carrefour Banque ("**Carrefour Banque**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed €1,000,000,000 (or the equivalent in other currencies).

Application has been made to the Autorité des marchés financiers (the "**AMF**") for approval of this Base Prospectus in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général which implements Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This Base Prospectus received the visa no. 18-366 on 7 August 2018 from the AMF. Application may be made (i) to the regulated market of Euronext Paris ("**Euronext Paris**") during the period of twelve (12) months from the date of approval of this Base Prospectus for Notes issued under the Programme (the "**Programme**") to be admitted to trading on Euronext Paris and/or (ii) to the listing authority of any other Member State of the European Economic Area for Notes issued under the Programme to be admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market (a "**Regulated Market**") for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended.

The final terms of the Notes to be issued under the Programme will be determined at the time of the offering of each Tranche of Notes and will be set out in the relevant Final Terms (a form of which is contained herein). Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

This Base Prospectus supersedes and replaces the base prospectus dated 30 June 2017 as supplemented and shall be in force for a period of one (1) year as of the date of its approval by the AMF.

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. and R.211-1 of the French *Code monétaire et financier*. No physical documents of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes – Form, Denomination 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 1(c)(iv)), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

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.

The minimum denomination of the Notes shall be €100,000 (or its equivalent in any other currency) as at the date of issue of the Notes.

As at the date of this Base Prospectus, the Issuer has been designated a long-term credit rating of "BBB+" and a short-term credit rating of "A-2" and the Programme has been rated "BBB+" in respect of Unsubordinated Notes (as defined below) with a maturity of one year or more and "BBB-" in respect of Subordinated Notes (as defined below) by Standard & Poor's Credit Market Services France SAS ("**S&P**"). Notes issued under the Programme may, or may not, be rated. The rating (if any) may be specified in the relevant Final Terms. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies ("**CRA Regulation**"). If such credit rating agency is registered under the CRA Regulation, the Final Terms shall specify that such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Notes.

This Base Prospectus, any supplement thereto (if any) and the Final Terms of the Notes listed and admitted to trading on Euronext Paris shall be published on the website of the AMF (www.amf-france.org) and Carrefour Banque (www.carrefour-banque.fr/societe).

Arranger and Permanent Dealer for the Programme

Société Générale Corporate & Investment Banking

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

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

In this Base Prospectus, "**Arranger**" and "**Permanent Dealer**" means Société Générale and "**Dealer**" means any Permanent Dealer or any further dealer appointed in connection with the Programme or with any specific issue of Notes.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), or in the case of Materialised Notes, United States persons (as defined in the U.S. External Revenue Code of 1986, as amended, and regulations thereunder). The Notes are being offered and sold outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by 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 Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

Amounts payable under the Floating Rate Notes may be calculated by reference to EURIBOR, LIBOR or CMS Rate, as specified in the applicable Final Terms. EURIBOR, LIBOR and CMS Rate are respectively provided by the European Money Markets Institute ("**EMMI**") with respect to EURIBOR and ICE Benchmark Administration Limited ("**ICE**") with respect to LIBOR and CMS Rate. As at the date of this Base Prospectus, only ICE appears on the register of administrators and benchmarks established and maintained by ESMA 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 EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The applicable Final Terms will specify the administrator of any relevant benchmark used as a reference under the Floating Rate Notes and whether or not such administrator appears on the abovementioned register of administrators and benchmarks established and maintained by ESMA.

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

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RISK FACTORS

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

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. Prospective investors should read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision. The inability of the Issuer to pay interest, principal, or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

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

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

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Carrefour Banque's Shareholder Structure

Although Carrefour Banque is continuing to diversify its funding sources (see "Description of the Issuer – Funding and Liquidity"), Carrefour Banque relies to a large extent on its shareholders, Carrefour and BNP Paribas Personal Finance S.A., for its funding requirements. If either of the current shareholders ceases to be a shareholder of Carrefour Banque, this may have a significant effect on Carrefour Banque's ability to source funding in the future and may result in a deterioration in its financial condition and ability to pay its obligations as they fall due. The shareholders have historically financially supported the Issuer when necessary, though there can be no guarantee that they will continue to do so in the future.

Carrefour Banque's Organisational Structure

Carrefour Banque relies on other members of the Carrefour group for certain important functions relating to its business and for a number of support functions required to conduct its business, such as human resources, information technology and legal services. If, in the future, such members of the Carrefour group were to become unable or unwilling to provide these services to Carrefour Banque, Carrefour Banque's operations could be disrupted if it were not able to handle the relevant functions in-house and Carrefour Banque could incur substantial replacement costs for hiring in-house staff or contracting with other external providers.

Distribution of Carrefour Banque Products

Although it does have a network for distribution via telephone sales and via its website, Carrefour Banque distributes products to its customers mainly through Carrefour hypermarkets (specifically at dedicated financial services stands) and so relies on Carrefour's hypermarket chain for distribution. Therefore, if there is a decrease in Carrefour hypermarket customers this would lead to a decrease in Carrefour Banque customers.

Carrefour Banque is exposed to credit risk from its customers

There is a risk of loss arising from the failure of a customer to meet the payment or other terms of a loan or credit card debt. Carrefour Banque is exposed to credit risk from individual customers who have credit cards or loans with Carrefour Banque. Carrefour Banque has procedures in place to evaluate the credit profile of individual customers and specific committees that meet regularly to assess the credit risk of its loan portfolio (see "Description of the Issuer - Risk Management"), but the risk of customer default cannot be excluded. Carrefour Banque has no corporate banking activities and is reliant on its retail banking activities to generate revenues. Although lending to retail customers helps to ensure that Carrefour Banque's lending concentrations and single-party exposure remain low, it may also increase the overall credit risk in the loan portfolio since retail customers typically have less financial strength than corporate borrowers, and negative developments in the French economy could affect such borrowers more significantly than large corporate borrowers.

Carrefour Banque business is subject to consumer protection regulatory regimes in France

Carrefour Banque must comply with new and changing consumer credit regulations in France. Such consumer protection legislation regulates matters such as advertising to consumers, the information to be provided to borrowers regarding interest rates and loan conditions, pre-financing credit checks, borrowers' ability to cancel financing contracts, and the ability of borrowers to prepay loans. Regulations affect the maximum amounts that consumers can borrow and maximum interest rates (usury rates). Carrefour Banque's efforts to comply with these laws and regulations impose significant costs, and affect the conduct of its business. Additional regulation could add further significant costs or operational constraints that might impair the profitability of its business.

Carrefour Banque business is subject to banking supervisory regulations

Carrefour Banque has to bear costs of complying with banking supervisory regulations such as Basel III. An increase in regulation and capital requirements, in particular, in Europe and in France, could make certain parts of the business of Carrefour Banque more costly to operate and less competitive.

The new financial measures that have been or may be adopted include more stringent capital requirements and the creation of new and strengthened regulatory bodies. In many countries, the majority of these topics are subject to revision and need adapting to each country's framework by national regulators. On 1 January 2013, a directive and a regulation ("**CRR**"), collectively referred to as "**CRD IV**", replaced the former banking capital adequacy framework. A number of new requirements arising from the CRD IV was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of CRD IV at the legislative level was finalized under French law by Ordinance n°2014-158 dated 20 February 2014 and by other legislative and regulatory measures (including Ordinance n°2015-1024 dated 20 August 2015 and decrees dated 3 November 2014). However, CRD IV should be supplemented by technical standards which are not all finalised yet, and there remains uncertainty as to the final content of such standards. The potential impact of such measures thus remains subject to significant uncertainty. As a result, it is not possible to predict which new measures will ultimately be adopted, what their final form will be or what impact they will have on the Issuer's operations.

On 23 November 2016, the European Commission issued several legislative proposals for amending a number of key EU banking directives and regulations, including CRD IV/CRR, BRRD and the SRM (each as defined above or below), the purpose of which is among other things to more accurately reflect long-term funding risk and excessive leverage, increase the loss-absorption capacity of globally significant institutions, improve the treatment of market risks by increasing the risk sensitivity of the existing rules and increase convergence within the European Union in the area of insolvency law and restructuring proceedings, particularly through the introduction of a moratorium tool. These proposals remain subject to amendments by the European Parliament and the European Council and are scheduled to be adopted in 2019. It is not yet possible to assess the full impact of these proposals.

European Resolution Directive and French implementing legislation

Directive 2014/59/EU of the Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. It was designed to provide the regulatory authorities (the "**Relevant Resolution Authorities**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD and the Regulation 806/2014/EU of the European Parliament and of the Council of 15 July 2014 establishing a Single Resolution Mechanism for the Banking Union ("**SRM**") contain four resolution tools and powers which may be used alone or in combination where the Relevant Resolution Authorities consider that the institution is deemed to be at the point of non-viability, i.e. (a) the institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures or supervisory action would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is necessary in the public interest:

- the sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;
- the creation and use of a bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);
- asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising

their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and

- bail-in, which gives resolution authorities the power to write down certain claims (including down to zero) of unsecured creditors of a failing institution and to convert certain unsecured debt claims including the Notes to equity, which equity could also be subject to any future application of the general bail-in tool. In order to facilitate the implementation of bail-in tools, credit institutions and investment firms are required, under BRRD, to hold a sufficient amount of highly loss absorbing (bail-inable) liabilities to ensure that sufficient financial resources are available for write down or conversion into equity (the Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**"). The MREL framework set by the BRRD is currently in the process of being reformed through a proposal for: (i) a directive of the European Parliament and of the Council on loss-absorbing and recapitalisation capacity of credit institutions and investment firms (COM(2016) 852 final), 23 November 2016; (ii) a regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards loss-absorbing and recapitalisation capacity for credit institutions and investment firms (COM(2016) 851 final), 23 November 2016; and (iii) a directive of the European Parliament and of the Council as regards the ranking of unsecured debt instruments in insolvency hierarchy (COM(2016) 853 final), 23 November 2016. The latter proposal is in particular aimed at partially harmonising bank insolvency hierarchy at the European level, by creating a new asset class of "non-preferred" senior debt that should only be bailed-in in resolution after other capital instruments, but before other senior liabilities, it being noted that such category of debts has already been introduced under French law by the Sapin II law (please see below). Though, this proposed directive should not affect the existing stocks of bank debt and their statutory ranking in insolvency and will be applied to any issuance of bank debt following its date of application.

The BRRD also provides for additional resolution measures including, in particular and without limitation, the cancellation of debt securities or eligible liabilities, the variation of the terms of debt securities, the suspension of any obligation to pay or deliver financial instruments and/or the obligation for the relevant institution subject to resolution measures to issue new securities.

The BRRD also provides the right for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

When applying bail-in, the Relevant Resolution Authorities must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If and if only this total reduction is less than the amount needed, the Relevant Resolution Authorities will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors (such as holders of Unsubordinated Notes) in accordance with the hierarchy of claims in normal insolvency proceedings.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

The BRRD has been formally implemented into French law by an ordinance dated 20 August 2015 (*ordonnance No. 2015-1024 portant diverses dispositions d'adaptation de la législation au droit de l'Union Européenne en matière financière* – the "**Ordinance**"). This Ordinance amends and supplements the provisions of the French banking law dated 26 July 2013 on separation and regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) (the "**SRAB Law**") which had, among other things, given various resolution powers to the resolution board (the "**French Resolution Board**") of the French Prudential Supervisory Authority, the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**"). Furthermore, Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning, (ii) resolution planning and (iii) criteria to assess the resolvability of an institution or group, were published on 20 September 2015 to mostly implement the BRRD in France. Finally, law no. 2016-1691 of 9 December 2016 (known as "**Sapin II**" law) amended article L. 613-30-3 of the French *code monétaire et financier*, to introduce a new layer in the creditors hierarchy, in the event of an insolvency of a credit institution, with the creation and recognition of senior "non-preferred" debt instruments under French law. A further

decree is expected to achieve such reform, but the content and timeline of which remain unknown at this stage. Some provisions of a further Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017, amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy, is intended to be implemented in France by article 68 of the draft bill entitled *Plan d'action pour la croissance et la transformation des entreprises* ("**Pacte**"), which is scheduled to enter into force in early 2019. Such new law is substantially on same terms as the Sapin II law with respect to the creditors hierarchy and broadens the nature of entities falling into the scope of Article L. 613-30-3 of the French *code monétaire et financier*.

The SRAB and the Ordinance (together the "**French Resolution Regime**") provide that the French Resolution Board may, when the point of non-viability is reached, take any of the resolution measures as transposed from the BRRD (i.e. the sale of business, the creation and use of a bridge institution, the asset separation tool and the bail-in tool).

Under the French Resolution Regime, the Notes may be subject to write-down or conversion into equity in accordance with the creditors hierarchy applying in the event of an insolvency of a credit institution, which may result in such holders losing some or all of their investment. The exercise of any power under the French Resolution Regime or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

In addition, under the SRM, a centralised power of resolution is established and entrusted to a Single Resolution Board and to the national resolution authorities. Since 1 January 2015, the Single Resolution Board works in close cooperation with the ACPR (in particular, for the purpose of elaboration of resolution planning) and assumes full resolution powers since 1 January 2016.

It is not yet possible to assess the full impact of the BRRD and the French law provisions referred to above on the Issuer and there can be no assurance that its implementation or the taking of any actions currently contemplated in it will not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Competition could materially adversely affect Carrefour Banque's revenues and profitability

Carrefour Banque's principal competitors are commercial banks, consumer finance and insurance companies as well as other banks forming part of competitor supermarket chains. Some of Carrefour Banque's competitors may be able to offer lower rates if they have lower borrowing costs. If Carrefour Banque is unable to respond to the competitive environment in its major markets with attractive and profitable products and services, Carrefour Banque may lose market share in important areas of its business

Carrefour Banque's products are primarily limited to the French market

Carrefour Banque operates primarily within the French market. A weakening of the French economy could therefore bring about a decline in Carrefour Banque activity. As Carrefour Banque is looking to expand into other regions, the weakening of the economy in such other regions could bring about a decline in Carrefour Banque's activity.

Investors have recourse only to the Issuer

The Notes are the liabilities of the Issuer only, and investors will therefore only have recourse to the Issuer for payments due under the Notes. There are no guarantees provided by the shareholders of Carrefour Banque or any other persons in relation to the Notes, and the Notes do not benefit from any security. Investors must therefore make an informed assessment of the creditworthiness of the Issuer.

Carrefour Banque's business may be affected by the financial markets and the global economy

The continuing global financial crisis and economic uncertainty could adversely affect the activities and earnings of the Issuer, in particular if an economic downturn led to significant changes in European or French economic policy, in interest rate changes and in reduced consumer spending and borrowing.

Funding risk

The Issuer is subject to liquidity risk and controls that risk by strict management rules which are subject to a monthly evaluation. The financial management of the Issuer aims to give a refinancing certainty of at least 12 months. The outstanding amount of short term indebtedness cannot exceed the back-up liquidity constituted by confirmed letters of credit. In addition, the Issuer endeavours to diversify as much as possible the sources of its funding in order to attract classes of short and medium-term investors.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates and prices will negatively affect the Issuer's income and capital. However, the financial management of the Issuer aims to protect and optimize its financial margin. It is based on an apprehension of its loan portfolio by categories of identical characteristics (e.g. same type of interest rate, same principle of pricing revision, same type of depreciation) in order to obtain the adequate hedging of such interest rate risk. The interest rate risk is measured on a monthly basis for each category of assets, by applying the interest rate limit methodology subject to a stress rate of 2 per cent., in accordance with which the result is framed within an authorised range instead of being a percentage of the result.

Recovery risk

The Issuer is exposed to a risk in the recovery of its customers' debts in the daily management of its cash flows.

The Issuer is subject to operational risks

The business of the Issuer could be disrupted and suffer losses as a result of information technology difficulties especially in relation to credit scoring systems and customer databases, human error, fraud or breakdowns in processes and procedures, whether within Carrefour Banque or with its service providers.

The Issuer engages in insurance broking activities

Carrefour Banque is exposed to underwriting risk, liquidity risk and credit risk through its insurance broking activities. Carrefour Banque is exposed to the risk of financial loss caused by a sudden, unexpected increase in insurance claims. This underwriting risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or disasters. Carrefour Banque is also exposed to liquidity risk relating to its ability to fulfil current or future foreseen or unforeseen cash requirements coming from insurance commitments to policyholders. Carrefour Banque's liquidity situation is assessed based on internal standards, early warning indicators and regulatory ratios. Finally, Carrefour Banque is exposed to credit risk relating to its finance insurance policies. There is a risk of loss arising from the failure of a customer to meet the payment or other terms of the insured contract. Carrefour Banque has procedures in place to evaluate the credit profile of individual customers and specific committees that meet regularly to assess the risk of default by borrowers.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained in this Base Prospectus or any applicable supplement to this Base Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- consult their legal advisers in relation to possible legal, tax, accounting, regulatory and related aspects of any investment in the Notes.

Some Notes are complex financial instruments and such instruments may be purchased 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 such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Independent review and advice.

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

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

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

The secondary market generally.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes. The Issuer and any of its subsidiaries are entitled to buy the Notes, as described in Condition 6(j), and the Issuer may issue further Notes, as described in Condition 13. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

The Notes will 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 will redeem all outstanding Notes in accordance with the Conditions.

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 received 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 Redemption of Residual Outstanding Notes at the Option of the Issuer as described in Condition 6(e) or a Make-Whole Redemption by the Issuer as described in Condition 6(f).

As a consequence, 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. In such a case, part of the capital invested by the Noteholder may be lost, so that the Noteholder would not receive the total amount of the capital invested.

In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

The existence of these early redemption options in a particular Series of Notes could limit the market value of such Notes.

In particular, with respect to the Redemption of Residual Outstanding Notes at the Option of the Issuer (Condition 6(e)), there is no obligation on the Issuer to inform investors if and when 80 per cent. or more of 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 Redemption of Residual Outstanding Notes at the Option of the Issuer the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

A partial redemption at the option of the Issuer or the exercise of a Put Option in respect of certain Notes may affect the liquidity of the Notes in respect of which such option is not exercised

Depending on the number of Notes in respect of which a partial redemption of the Notes at the option of the Issuer provided in Conditions 6(d), 6(e) or 6(f) or at the option of the Noteholders provided in Conditions 6(g) or 6(h) is made, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid. 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.

The Notes are not protected by restrictive covenants and do not prevent the Issuer from incurring additional indebtedness including indebtedness that would come prior to or rank equally with the Notes

The Conditions contain a negative pledge that prohibits the Issuer and its Principal Subsidiaries in certain circumstances from creating security over assets but only to the extent that such is used to secure other notes or similar debt security which are listed or capable of being listed. See “Terms and Conditions of the Notes – Negative Pledge”. The Conditions do not contain any other covenants restricting the operations of the Issuer.

Subject to this negative pledge, the Issuer and its Subsidiaries may incur significant additional debt that could be considered before or rank equally with the Notes. Accordingly, if the Issuer incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with the Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding.

Interest Rate Risks on Fixed Rate Notes

Investment in 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.

Floating Rate Notes

The market value of the Floating Rate Notes may be volatile.

Floating Rate Notes bear interest at a rate 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.

Therefore, the amount of interest payable by the Issuer may vary and Noteholders may receive no interest. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate, that is the reference rate plus or minus the relevant margin, being lower than the relevant margin, provided that the relevant interest amount will never be less than zero.

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

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

Fixed/Floating Rate Notes

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

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

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates

increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**"), the Constant Maturity Swap rate ("**CMS Rate**") and other indices which are deemed to be "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, or have other consequences which cannot be predicted. Any such consequence could have a material 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 applies 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 will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent 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).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "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" (including LIBOR, EURIBOR and CMS Rate): (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 or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to or referencing a "benchmark".

Future discontinuance of LIBOR may adversely affect the value of Notes which reference LIBOR

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 to the administrator 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. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted.

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 Floating Rate Notes of any Series, which may require a Collective Decision of the Noteholders of such Series, or result in other consequences, in respect of any Notes linked to or referencing 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.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the LIBOR benchmark is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR benchmark which, depending on market circumstances, may not be available at

the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

The Issuer's obligations under Subordinated Notes are subordinated.

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority to the claims of unsubordinated creditors. The events of default applicable to Subordinated Notes are limited. In addition, Subordinated Notes do not benefit from a negative pledge (see "Terms and Conditions of the Notes"). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment in the event of voluntary liquidation or judicial liquidation (*liquidation judiciaire*) of the Issuer.

Exchange rate risks and exchange controls.

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. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect exchange rates, as well as the availability of specified currency in which a Note is payable at the time of payment of interest and/or principal in respect of such Note. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legality of Purchase

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

Regulatory Restrictions

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Notes.

Change of law

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

Credit risk

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

Credit or corporate ratings may not reflect all risks

One or more independent rating agencies may assign ratings to the Notes and/or the Issuer. The ratings may not reflect the potential risk related to the structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes or the standing of the Issuer. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those arising from the Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the Notes.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the relevant rating agencies as a result of changes in or unavailability of information or if, in the rating agencies' judgment, circumstances so warrant. Any rating agency other than Standard and Poor's Credit Market Services France, S.A.S. could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Standard and Poor's Credit Market Services France, S.A.S., such unsolicited ratings could have an adverse effect on the value of the Notes.

Modification of the Conditions

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 11. 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**"). 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, Noteholders who voted in a manner contrary to the majority or Noteholders who did not respond to, or rejected, a Written Decision.

Potential Conflicts of Interest

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. 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. Any such short positions could adversely affect future trading prices of 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.

Taxation

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

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission has published a proposal for a directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, in March 2016, Estonia officially indicated that it will no longer be a Participating Member State.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a

financial institution established in a Participating Member State, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

During last Ecofin meeting on 6 December 2016, Finance EU Ministers indicated that the Member States will continue the discussions in relation to the EU FTT in January with a view to reaching an agreement by mid-2017.

However, the FTT proposal remains subject to negotiation between Participating Member States and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or Participating Member States may decide to withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

French Insolvency Law

Under French insolvency law, notwithstanding any clause to the contrary, holders of debt securities (*obligations*) are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a preservation procedure (*procédure de sauvegarde*), an accelerated preservation procedure (*procédure de sauvegarde accélérée*), an accelerated financial preservation procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly will comprise all holders of debt securities (*obligations*) issued by the Issuer (including the Notes), whether or not under the Programme and regardless of their governing law. The Assembly will deliberate on the draft preservation plan (*projet de plan de sauvegarde*), draft accelerated preservation plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial preservation plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) prepared in relation to the Issuer and may further agree to:

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

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders voting at such Assembly). No quorum is required to convoke the Assembly. Holders whose rights are not modified by the proposed plan 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 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.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been filed with the AMF for the purpose of the Prospectus Directive and the relevant implementing measures in France, and shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

- (a) the French language financial report of the Issuer for the financial year ended 31 December 2017 (the "**2017 Annual Financial Report**"), including the audited consolidated financial statements of the Issuer as of, and for the year ended, 31 December 2017 prepared in accordance with IFRS and the audit report thereon and the audited non-consolidated financial statements of the Issuer as of, and for the year ended, 31 December 2017 prepared in accordance with French GAAP and the audit report thereon;
- (b) the French language financial report of the Issuer for the financial year ended 31 December 2016 (the "**2016 Annual Financial Report**"), including the audited consolidated financial statements of the Issuer as of, and for the year ended, 31 December 2016 prepared in accordance with IFRS and the audit report thereon and the audited non-consolidated financial statements of the Issuer as of, and for the year ended, 31 December 2016 prepared in accordance with French GAAP and the audit report thereon;
- (c) the section "Terms and Conditions of the Notes" set out on pages 19 to 45 of the base prospectus dated 30 June 2017 (which received a visa from the AMF under number 17-314 on 30 June 2017) (the "**2017 Conditions**"); and
- (d) the section "Terms and Conditions of the Notes" set out on pages 18 to 44 of the base prospectus dated 12 April 2016 (which received a visa from the AMF under number 16-137 on 12 April 2016) (the "**2016 Conditions**" and, together with the 2017 Conditions, the "**EMTN Previous Conditions**"),

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

For as long as any Notes are outstanding, this Base Prospectus, any supplement to the Base Prospectus and the documents incorporated by reference above may be obtained, free of charge, (i) at the office of the Fiscal Agent and the Principal Paying Agent set out at the end of this Base Prospectus during normal business hours, (ii) at the registered office of the Issuer during normal business hours, (iii) on the website of the Issuer (www.carrefour-banque.fr/societe) and (iv) except in relation to the 2016 Annual Financial Report and the 2017 Annual Financial Report, on the website of the AMF (www.amf-france.org). 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. Written or oral requests for such documents should be directed to the Issuer at its registered office set out at the end of this Base Prospectus.

The Final Terms related to Notes admitted to trading on Euronext Paris will be published on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuer (www.carrefour-banque.fr/societe). 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.

Any information not listed in the cross reference list below but included in the documents incorporated by reference is considered as additional information and is not required by the schedules of Commission Regulation (EC) n° 809/2004 of 29 April 2004, as amended.

The information incorporated by reference above is available as follows:

Cross-reference list in respect of information incorporated by reference		
Annex XI of Regulation (EC) n° 809/2004 of 29 April 2004, as amended		
11. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses		
	2016 Annual Financial Report	2017 Annual Financial Report
11.1 Historical Financial Information	Pages 16-66	Pages 16-70
(a) the balance sheet	Page 34 Pages 16-17	Page 36 Pages 16-17
(b) the income statement	Page 35 Page 18	Page 37 Page 18
(c) cash flow statement	Page 37	Page 39
(d) the accounting policies and explanatory notes	Pages 38-65 Pages 20-31	Pages 40-67 Pages 20-31
11.3 Auditing of historical annual financial information	Page 66 Page 32	Page 68-70 Page 32-34
11.4 Age of latest financial information	-	Page 16-70

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued under the base prospectus of the Issuer dated 30 June 2017 which received visa no. 17-314 on 30 June 2017 from the AMF (the "**2017 Base Prospectus**") and the base prospectus of the Issuer dated 12 April 2016 which received visa no. 16-137 on 12 April 2016 from the AMF (the "**2016 Base Prospectus**" and, together with the 2017 Base Prospectus, the "**Previous Base Prospectuses**").

EMTN Previous Conditions	
2017 Conditions	Pages 19 to 45 of the 2017 Base Prospectus
2016 Conditions	Pages 18 to 44 of the 2016 Base Prospectus

Non-incorporated parts of the Previous Base Prospectuses are not relevant for investors.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive, following the occurrence of a significant new factor, a material mistake or inaccuracy relating to the information included or incorporated by reference in this Base Prospectus (including the "Terms and Conditions of the Notes") which is capable of affecting the assessment of any Notes, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus, which in respect of any subsequent issue of Notes to be admitted to trading on Euronext Paris or on any other Regulated Market, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of *Règlement Général* of the AMF and the Prospectus Directive.

GENERAL DESCRIPTION OF THE PROGRAMME

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

Issuer:	Carrefour Banque
Description:	Euro Medium Term Note Programme
Limit:	Up to €1,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The amount of the Programme may be increased in accordance with the terms of the Dealer Agreement.
Arranger and Dealer:	Société Générale The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "Permanent Dealers" is to Société Générale and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent, Principal Paying Agent and Calculation Agent:	Société Générale
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the " Final Terms ").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	Notes may be issued in either dematerialised form (" Dematerialised Notes ") or in materialised form (" Materialised Notes "). Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (<i>au nominatif pur</i>) or administered registered form (<i>au nominatif administré</i>) 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.

Noteholders:

Noteholders will be grouped automatically for the defence of their respective common interests in a masse (the "**Masse**") governed by the provisions of the French *Code de commerce* as supplemented by the provisions of the terms and conditions of the Notes. The Masse will be a separate legal entity, and will be acting in part through one representative and in part through collective decisions of the Noteholders which may be taken in a General Meeting or by way of a Written Decision.

Clearing Systems:

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.

Initial Delivery of Notes:

No later than one (1) Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depositary.

On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream 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:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity as may be specified in the Final Terms.

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).

Fixed Rate Notes:

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

Floating Rate Notes:

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

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or the FBF Definitions (as published by the *Fédération Bancaire Française*), each as amended and updated as at the Issue Date of the first Tranche of the Notes; or
- (ii) by reference to LIBOR, EURIBOR or CMS Rate as adjusted for any applicable margin.

Interest Periods will be specified in the relevant Final Terms. The Minimum Rate of Interest shall not be less than zero.

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 Rate of Interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a Maximum Rate of Interest, a Minimum Rate of Interest, 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.

Redemption:

The relevant Final Terms will specify the basis for calculating the Redemption Amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) 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 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption:

The Final Terms issued in respect of each 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 Noteholders, and if so the terms applicable to such redemption.

Redemption of Residual Outstanding Notes at the Option of the Issuer:

If "Redemption of Residual Outstanding Notes at the Option of the Issuer" is specified as being applicable in the relevant Final Terms in respect of any Series of Notes, then the Issuer will have the option to redeem at par all but not some only of that Series of Notes at any time, provided that redemptions (except for a Make-Whole Redemption by the Issuer) or repurchases and cancellations of such Series shall have been previously effected in respect of at least 80 per cent. of the original aggregate principal amount of such Series of Notes.

Make-Whole Redemption by the Issuer:

If "Make-Whole Redemption by the Issuer" is specified as 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.

Redemption upon Change of Control:

The holder of each Note will have, if a Change of Control Put Event occurs, the option to require the Issuer to redeem that Note on the Change of Control Put Date at its principal amount.

Redemption by Instalments:

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Early Redemption:

Except as provided in "Optional Redemption", "Redemption of Residual Outstanding Notes at the Option of the Issuer", "Make-Whole Redemption by the Issuer" and "Redemption upon Change of Control" above, the Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons or, if applicable, in instalments. See "Terms and Conditions of the Notes - Redemption, Purchase and Options".

Status of Notes:

The Unsubordinated Notes will constitute unsubordinated and unsecured obligations of the Issuer and the Subordinated Notes will constitute subordinated obligations of the Issuer, all as described in "Terms and Conditions of the Notes – Status".

Negative Pledge:

Unsubordinated Notes will have the benefit of a negative pledge described in "Terms and Conditions of the Notes – Negative Pledge".

Cross Default:

Unsubordinated Notes will have the benefit of a cross-default described in "Terms and Conditions of the Notes – Events of Default".

Ratings:

The Issuer has been designated a long-term credit rating of "BBB+" and a short-term credit rating of "A-2" by S&P.

The Programme has been rated "BBB+" in respect of Unsubordinated Notes (as defined below) with a maturity of one year or more and "BBB-" in respect of Subordinated Notes (as defined below) by S&P.

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Withholding Tax:

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law, subject to certain exceptions, all as described in "Terms and Conditions of the Notes – Taxation".

Governing Law:

French law.

Approval, Listing and Admission to Trading:

Application has been made for the Notes issued under the Programme to be admitted to trading on Euronext Paris. The Notes may also be listed and admitted to trading on such other or further stock exchange(s) as may be agreed between the Issuer, and the relevant Dealer in relation to each Series. The Final Terms relating to each Tranche of Notes will state whether or not and, if so, on which stock exchange(s) the Notes are to be listed and admitted to trading.

Selling Restrictions:

The European Economic Area, the United States, the United Kingdom, France and Japan. See "Subscription and Sale".

The Issuer is Category 2 for the purposes of Regulation S.

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

The TEFRA rules do not apply to any Dematerialised Notes.

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 will have the meanings given to them in the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

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

The Notes are issued with the benefit of an amended and restated agency agreement dated 7 August 2018 between the Issuer, Société Générale, as fiscal agent and the other agents named in it (the "**Agency Agreement**"). The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**".

For the purpose of these Terms and Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in the Directive 2014/65/EU on markets in financial instruments, as amended.

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

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

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

1. 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**").

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 depositary bank for Clearstream Banking S.A. ("**Clearstream**").

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

- (ii) Materialised Notes are issued in bearer form. Materialised 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. of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination(s):** Notes shall be issued in the specified denomination as 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 Base Prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such other currency) at the issue date or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (as defined below). Dematerialised Notes shall be issued in one Specified Denomination only.

The Notes may be "Fixed Rate Notes", "Floating Rates Notes", "Fixed/Floating Rate Notes", "Zero Coupon Notes" or a combination of any of the foregoing depending on the Interest Basis and the redemption method specified in the relevant Final Terms in accordance with the applicable Conditions.

- (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**" 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.

2. Conversion and Exchanges of Notes

(a) Dematerialised Notes

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

(b) Materialised Notes

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

3. Status

- (a) **Status of Unsubordinated Notes:** Unsubordinated Notes (being those Notes the status of which the relevant Final Terms specify as being Unsubordinated Notes) and, where applicable, the Coupons relating to them constitute (subject to Condition 4) unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and, subject to statutorily preferred exceptions, equally and rateably with all other unsecured and unsubordinated obligations of the Issuer for borrowed money.

- (b) **Status of Subordinated Notes:**

- (i) The Subordinated Notes (being those Notes the status of which the relevant Final Terms specify as being Subordinated Notes) and the Coupons relating to them, constitute direct, unconditional and unsecured obligations of the Issuer and rank and will rank:
 - (A) *pari passu* and rateably without any preference among themselves;
 - (B) *pari passu* with all other unsecured subordinated obligations of the Issuer;
 - (C) senior to any present and future *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer;
 - (D) junior to (a) any present and unsubordinated creditors (including depositors) of the Issuer and (b) any present or future subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Subordinated Notes.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following an order of judicial reorganisation (*redressement judiciaire*), the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any other reason, the payment obligations of the Issuer under the Subordinated Notes shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer but shall be paid in priority to any *prêts participatifs* granted to, and any *titres participatifs* issued by, the Issuer.

- (ii) In the event of incomplete payment of unsubordinated creditors on the judicial liquidation (*liquidation judiciaire*) or the sale of the whole business (*cession totale de*

l'entreprise) of the Issuer or its liquidation for any other reason, the obligations of the Issuer in connection with the Subordinated Notes are subordinated.

4. Negative Pledge

So long as any Unsubordinated Note or Coupon relating to them remains outstanding, the Issuer will not, and will procure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any Encumbrance (as defined below) upon the whole or any part of their respective undertakings, revenues (including uncalled capital) or assets, present or future, to secure payment of any present or future Relevant Indebtedness (as defined below) of any person or to secure any guarantee or indemnity given by the Issuer or any such Principal Subsidiary in respect of any Relevant Indebtedness of any person, without at the same time granting to the holders of such Note and Coupon the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by a General Meeting (as defined in Condition 11(a)) of the Noteholders provided that this Condition 4 shall not apply in respect of:

- (i) Encumbrances created after the date of issue of the Unsubordinated Notes over any newly acquired asset of the Issuer or a Principal Subsidiary solely for the purpose of securing Relevant Indebtedness incurred in order to acquire such asset (or any part thereof) provided that the amount to be secured does not exceed the cost of such acquisition; and
- (ii) Encumbrances over assets or revenues of, or held by, FCT MCCP (or any compartment of FCT MCCP) or Encumbrances over assets or revenues of, or held by, any other securitisation vehicle established by the Issuer to secure any Relevant Indebtedness issued by any such securitisation vehicle which is incurred in connection with the purchase or sale of any such assets or revenues where the repayment of principal and any payment of interest in respect of such Relevant Indebtedness is financed solely by such assets or revenues and in respect of which the holder(s) of any such Relevant Indebtedness have no recourse directly or indirectly to the Issuer and/or any other member of the Issuer's group.

As used in these Conditions:

"**Encumbrance**" means any mortgage, charge, lien or other encumbrance;

"**Principal Subsidiary**" means a Subsidiary, the consolidated net turnover of which is at least 15 per cent. of the consolidated net turnover of the Issuer and its consolidated subsidiaries (the "**Consolidated Group**") or which owns at least 15 per cent. of the total consolidated assets of the Consolidated Group, in each case calculated by reference to the latest audited consolidated accounts of the Issuer;

"**Relevant Indebtedness**" means any indebtedness which is in the form of or represented by any bond, note, debenture, loan stock or other similar debt security which is, or is intended to be or is capable of being, listed, quoted or dealt in or traded on any stock exchange or over-the-counter or in any securities market;

"**Subsidiary**" means at any particular time, a company or any other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer, or one or more of its Subsidiaries. For a company or entity to be "**controlled**" by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that company or entity or otherwise controls or has the power to control the affairs and policies of that company or entity and "**control**" shall be construed accordingly; and

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of

Materialised Notes, to the Fiscal Agent 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 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.

5. Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g).
- (b) **Interest on Floating Rate Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination, FBF Determination, Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent

as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

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

(B) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate 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:

- (1) the Floating Rate is as specified in the relevant Final Terms, and
- (2) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first (1st) 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 2013 FBF Master Agreement relating to transactions on forward financial instruments and the technical schedules (*additifs techniques*) published from time to time by the FBF, as may be supplemented or amended as at the Issue Date, unless otherwise specified in the relevant Final Terms.

(C) Screen Rate Determination for Floating Rate Notes

- (1) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
 - (a) the offered quotation; or
 - (b) the arithmetic mean of the offered quotations,

(expressed as a percentage rate *per annum*) 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 as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (2) If the Relevant Screen Page is not available or, if sub-paragraph (1)(a) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (1)(b) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for the Reference Rate at the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (3) If paragraph (2) above applies and, if the Relevant Rate is an inter-bank offered rate, the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates *per annum* (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Relevant Inter-Bank Market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at the Relevant Screen Page Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, the Relevant Inter-Bank Market provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).
- (4) If paragraph (2) above applies and, the Reference Rate is specified in the relevant Final Terms as being the CMS Rate, and if the Calculation Agent determines that fewer than two Reference Banks

are providing quotations for the Reference Rate, the Reference Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercial and reasonable manner.

(D) Linear Interpolation

Where Linear Interpolation is specified in the relevant Final Terms as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates of interest based on the relevant Reference Rate (where Screen Rate Determination is specified in the relevant Final Terms as applicable) or the relevant Floating Rate (where ISDA Determination or FBF Determination is specified in the relevant Final Terms as applicable), provided that the first rate of interest corresponds to a maturity immediately inferior to the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately superior to the same relevant Interest Period..

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

- (g) **Calculations:** The amount of interest payable per Specified Denomination in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Specified Denomination specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Specified Denomination in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Specified Denomination in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (h) **Determination and Publication of Rates of Interest, Interest Amounts, Early Redemption Amounts, Optional Redemption Amounts, Make-Whole Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Early Redemption Amount, Optional Redemption Amount, Make-Whole Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Early Redemption Amount, Optional Redemption Amount, Make-Whole Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules applied to such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the second Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**"); and/or
- (iii) in the case of a currency and/or one or more Business Centres (as specified in the Final Terms), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last)

(whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**");

- (i) if "**Actual/Actual**", "**Actual/Actual - ISDA**" or "**Actual-365 (FBF)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (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 "**Actual/365 (Sterling)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period is divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (viii) if "**30E/360 (FBF)**" is specified in the relevant Final Terms, in respect of each Interest Period, the fraction whose denominator is 360 and whose numerator is the number of calendar days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following exception:

if the last calendar day of the Interest Period is the last calendar day of the month of February, the number of calendar days elapsed during such month shall be the actual number of days,

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

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

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

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

where:

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

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

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

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

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

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

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

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

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

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

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

"**Interest Amount**" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Specified Denomination for that Interest Accrual Period and which, in the case of Fixed Rate Notes, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Specified Denomination for that period.

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

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

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

"Interest Period Date" means each Interest Payment Date.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series. *Investors should consult the Issuer should they require a copy of the 2006 ISDA Definitions.*

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

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

"Relevant Inter-Bank Market" means the inter-bank market specified as such in the relevant Final Terms.

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

"Relevant Screen Page Time" means the screen page time specified as such in the relevant Final Terms.

"Specified Currency" means the currency specified as such in the relevant Final Terms.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Redemption Amount,

as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid and notice of any such change of Calculation Agent shall promptly be given to the Noteholders in accordance with Condition 14 below.

6. Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption:

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its nominal amount (the "**Final Redemption Amount**") or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount which shall be equal to the nominal value of such Note remaining outstanding at such time.

(b) Early Redemption:

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), 6(d), 6(e), 6(g) or 6(h) or upon it becoming due and payable as provided in Condition 10, shall be the "**Amortised Face Amount**" (calculated as provided below) of such Note, unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), 6(d), 6(e), 6(g) or 6(h) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(e).

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

(ii) *Other Notes:*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c), 6(d), 6(e), 6(g) or 6(h) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount, unless otherwise specified in the relevant Final Terms.

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

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal, interest or other amounts due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below the Issuer may, at its option, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time, (if this Note is not a Floating Rate Note), subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14 redeem all, but not some only, of the Notes at their Early Redemption Amount (as described in Condition 6(b) above) together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal, interest or other amounts in respect of the Notes be prevented by French law from making payment to the Noteholders or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer may forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with any interest accrued to the date set for redemption on the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes without withholding or deduction for French taxes.

(d) **Redemption at the Option of the Issuer:** If "Call Option" is specified as being applicable in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount (which may be the Early Redemption Amount (as described in Condition 6(b) above)) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

(e) **Redemption of Residual Outstanding Notes at the Option of the Issuer:** If "Redemption of Residual Outstanding Notes at the Option of the Issuer" is specified as being applicable in the relevant Final Terms, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other period as may be specified in the Final Terms), redeem all but not some only of the Notes 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 aggregate nominal amount of such Series (including, for the avoidance of 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 6(f). Any such redemption shall be at par together with interest accrued to the date fixed for

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

- (f) **Make-Whole Redemption by the Issuer:** If "Make-Whole Redemption by the Issuer" is specified as being applicable in the relevant Final Terms, the Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 14 to the Noteholders, 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 (the "**Make-Whole Redemption Date**") at their relevant Make-Whole Redemption Amount. As used in these Conditions, the "**Make-Whole Redemption Amount**" will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin, plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date. The Make-Whole Redemption Amount will be calculated by the Calculation Agent on the second business day in London preceding the Make-Whole Redemption Date.

The "**Redemption Rate**" is the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth business day preceding the Make-Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

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

If the Reference Security is no longer outstanding, a Similar Security (as specified in the relevant Final Terms) will be chosen by the Calculation Agent at 11.00 a.m. (Central European time (CET)) on the third business day in London preceding the Make-Whole Redemption Date, notified in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 14.

The Redemption Rate will be notified by the Issuer in accordance with Condition 14.

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

- (g) **Redemption at the Option of Noteholders:** If "Put Option" is specified as being applicable in the relevant Final Terms, the Issuer shall, at the option of any Noteholder, upon such Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount (which may be the Early Redemption Amount (as described in Condition 6(b) above)) together with interest accrued to the date fixed for redemption.

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.

- (h) **Redemption at the Option of the Noteholders upon a Change of Control:** The holder of each Note will have, if a Change of Control Put Event occurs, the option (a "**Change of Control Put Option**") (unless, prior to the giving of the relevant Change of Control Put Event Notice (as defined below), the Issuer gives not more than 60 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 14 of its intention to redeem the Notes (which notice

shall be irrevocable)) to require the Issuer to redeem that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control Put Event**" will be deemed to occur if:

- (i) at any time at least 50 per cent. of the share capital and voting rights of the Issuer is not held by either one or more Carrefour Group Entity or one or more BNPP Group Entity (such event being, a "**Change of Control**"); and
- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement that the Change of Control has occurred and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
 - (A) an investment grade credit rating (*Baa3/BBB-*, or their respective equivalents, or better) (an "**Investment Grade Rating**"), from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (*Bal/BB+*, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or reinstated to an investment grade credit rating by such Rating Agency; or
 - (B) a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (for illustration, from *Ba1* to *Ba2* being one rating category, or their respective equivalents, or worse) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or reinstated to its earlier credit rating or better by such Rating Agency; or
 - (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

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

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating which is at least an Investment Grade Rating as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Promptly upon the Issuer becoming aware (i) of any event or circumstance giving rise to a potential Change of Control and/or (ii) that a Change of Control Put Event has occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") thereof to the Noteholders in accordance with Condition 14 specifying the relevant event or circumstance and/or, as the case may be, the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Note must (i) in the case of Dematerialised Notes transfer or cause to be transferred by its Account Holder its Notes to be so redeemed to the account of the Paying Agent specified in the Change of Control Put Notice for the account of the Issuer or (ii) in the case of Materialised Notes, deposit its Notes with any Paying Agent specified in the Change of Control Put Notice for the account of the Issuer, in each case within the period (the "**Change of Control Put Period**") of 60 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of

exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "Change of Control **Put Notice**") and in which the holder may specify a bank account to which payment is to be made under this Condition 6(h). A Change of Control Put Notice, once given, shall be irrevocable.

The Issuer shall redeem the Notes in respect of which the Change of Control Put Option has been exercised as provided above, and subject to the transfer or deposit of such Notes as described above on the date which is the seventh day following the end of the Change of Control Put Period (the "**Change of Control Put Date**"). Payment in respect of any Note so transferred or deposited will be made to each relevant holder in Euro in accordance with Condition 7 on the Change of Control Put Date.

If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 6(h) shall be construed accordingly.

In this Condition 6(h):

"**BNPP Group Entity**" means BNP Personal Finance S.A. and/or BNP Paribas and/or any company or other legal entity directly or indirectly owned or controlled by BNP Personal Finance S.A. or BNP Paribas;

"**Carrefour Group Entity**" means Carrefour and/or any company or other legal entity directly or indirectly owned or controlled by Carrefour;

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control;

"**control**" or "**controlled**" has the meaning given to it in the definition of Subsidiary in Condition 4;

a "**Negative Rating Event**" shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating which is at least an Investment Grade Rating by the end of the Change of Control Period;

"**Rating Agency**" means Moody's Investors Service, Inc. ("**Moody's**"), Fitch Ratings Ltd. ("**Fitch**") or Standard & Poor's Credit Market Services France SAS ("**S&P**") or any of their respective successors or any rating agency (a "**Substitute Rating Agency**") substituted for any of them by the Issuer from time to time; and

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (i) **Provision relating to partial redemption:** In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and requirements of the Regulated Market on which the Notes are listed and/or admitted to trading, as the case may be. In the case of a partial redemption in respect of Dematerialised Notes, the redemption will be effected by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed.
- (j) **Purchases:** The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. All Notes so

purchased by the Issuer may be held and resold in accordance with applicable laws and regulations.

- (k) **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 listed and admitted to trading on Euronext Paris, the Issuer will inform Euronext about such cancellation.

7. 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 relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its Agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents 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 14 below.

(f) **Unmatured Coupons and Receipts 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 unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, 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 9).
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any 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 7(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 unmaturing Coupons attached thereto or surrendered therewith, the amount required by such paragraph (i) to be deducted in respect of such missing unmaturing 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 9).
- (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.

8. Taxation

- (a) **Withholding Tax:** All payments of interest and other revenues by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional Amounts:** If French law should require that payments of principal, interest or other revenues by or on behalf of the Issuer in respect of any Note or Coupon be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders or the Couponholders, after deduction or withholding of such taxes or duties, will receive the full amount then expressed to be due and payable; provided, however, that no such additional amounts shall be payable with respect to any Note or Coupon:
 - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note or Coupon; or
 - (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or the Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on or before the thirtieth (30th) such calendar day of such time period.

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

References in these Conditions to "**interest**" and/or "**other revenues**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it.

- (c) **FATCA Withholding:** The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, as amended, Sections 1471 through 1474, pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with those provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of the Noteholder, beneficial owner or an intermediary (that is not an agent of the Issuer) not being entitled to receive payments free of FATCA withholding. The Issuer shall not be liable for, or otherwise obliged to pay, any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

9. Prescription

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

10. Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the Representative (as defined in Condition 11), upon request of any Noteholder, may give written notice to the Issuer and the Fiscal Agent at its specified office that the Notes of 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:

- (a) **Subordinated Notes:** In the case of Subordinated Notes and in accordance with Condition 3(b), if any judgement shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or the sale of the whole business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 3(b), at their principal amount together with any accrued interest to the date of payment;
- (b) **Unsubordinated Notes:** In the case of Unsubordinated Notes:
- (i) the Issuer fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of 15 days; or
 - (ii) the Issuer does not perform or does not comply with any one or more of its other obligations under the Notes which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
 - (iii) (A) any present or future indebtedness for money borrowed of the Issuer or a Principal Subsidiary shall become due and payable and shall not be paid when due or, as the case may be, after the expiration of any originally applicable grace period therefor, or (B) any guarantee or indemnity given by the Issuer or a Principal Subsidiary for borrowed money of others shall not be honoured when due or called upon or, as the case may be, after the expiration of any originally applicable grace period, provided that the amounts due in respect of (A) and (B) are in aggregate in excess of €50,000,000 or its equivalent

in any other currency or currencies and unless in any such event (x) the Issuer or such Principal Subsidiary, as the case may be, is disputing in good faith that such indebtedness is due and payable or that such guarantee or indemnity is due and callable, in which case such event shall not constitute an Event of Default hereunder so long as the dispute shall not have been irrevocably adjudicated or (y) the amount due is not paid due to circumstances affecting the making or clearing of the payment which are outside the control of the Issuer or such Principal Subsidiary, as the case may be, in which case such event shall not constitute an Event of Default so long as such circumstances continue in existence; or

- (iv) in relation to the Issuer or a Principal Subsidiary, in the event that any judgement is issued for its judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of its business (*cession totale de l'entreprise*) or makes a conveyance or assignment for the benefit of, or enters into a composition with, its creditors or is unable to meet its current liabilities out of its current assets, if such event shall not have been cured within 14 days thereafter or, to the extent permitted by law, any non-French Principal Subsidiaries is subject to any other analogous insolvency or bankruptcy proceedings under any applicable laws; or
- (v) in the event that the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and following a reconstruction, amalgamation, reorganisation, merger or consolidation, where, in connection with such reconstruction, amalgamation, reorganisation, merger or consolidation, the Issuer has delivered to the Fiscal Agent, as soon as practicable prior to the effective date of such reconstruction, amalgamation, reorganisation, merger or consolidation, a certificate issued by any Rating Agency stating that the Notes will have an Investment Grade Rating by such agency immediately following such reconstruction, amalgamation, reorganisation, merger or consolidation; or
- (vi) in the event that the Issuer is in default under any agreement, consent, licence, filing, order, recording, authorisation, exemption or registration necessary to enable the Issuer to perform and comply with its obligations under the Notes, or to ensure that those obligations are legally binding and enforceable or to make the Notes admissible in evidence in the competent courts of Paris if such default (if capable of being remedied) shall not have been cured within 14 days.

11. 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 11.

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 terms and 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 any 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 paragraph 11(j).

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the head office of the Issuer.

(c) **Powers of Representative**

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

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 Meetings**"), 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 paragraph 11(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 Meeting**

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 paragraph 11(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 paragraph 11(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 paragraph 11(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 paragraph 11(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 paragraph 11(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 13 (*Further Issues*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative (including any successor) appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

(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 purpose of this Condition 11

Any notice to be given to Noteholders in accordance with this Condition 11 shall be published on the website of Carrefour Banque (www.carrefour-banque.fr/societe) 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 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 paragraph 11(j). Any Noteholder will then have the right to request redemption of its Notes at par within thirty (30) days 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 11(j). If the Masse does not approve the merger or spin-off proposal, any decision to proceed with the transaction will be notified to Noteholders in accordance with this paragraph 11(j).

In this Condition 11, the expression "outstanding" does not include the Notes subscribed or purchased by the Issuer in accordance with applicable laws and regulations which are held by the Issuer and not cancelled.

12. 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.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest 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.

14. Notices

- (a) Subject to Condition 14(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 (4th) 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 14(a), (b) and (c) above; except that 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 shall also be published in a leading newspaper of general circulation in Europe.
- (e) For the avoidance of doubt, this Condition 14 shall not apply to notices to be given pursuant to Condition 11.

15. Governing Law and Jurisdiction

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

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 depositary for Euroclear and Clearstream (the "**Common Depositary**"), 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 Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream 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):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Subscription and Sale" below), in whole, but not in part, for the Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised 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 13, 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

Unless otherwise specified in the relevant Final Terms, the net proceeds of the issue of Notes will be used for general corporate purposes.

DESCRIPTION OF THE ISSUER

INTRODUCTION

Carrefour Banque ("**Carrefour Banque**" or the "**Issuer**") is a French *société anonyme* registered with the *Registre du Commerce et des Sociétés* of Evry under the number 313 811 515.

The Issuer is a credit institution governed by the French *Code monétaire et financier* and is accordingly subject to banking obligations and continuous monitoring by the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**"), the French regulatory authority.

As at 31 December 2017, the Issuer had a share capital of EUR 101,346,956.72 represented by 6,614,184 fully paid up ordinary shares of the same category, each with a par value of EUR 15.32. The shares are in registered form (*au nominatif*). The Issuer was registered and incorporated under the name of Société des Paiements Pass on 26 January 1983 and its incorporation will expire on 11 June 2077, unless extended or earlier terminated. The Issuer changed its name to Carrefour Banque on 27 December 2010. Its registered office is at 1, Place Copernic, 91051 EVRY, France and its telephone number is +33 (0)1 60 76 48 48. Any historical financial information, including financial statements in respect of the Issuer, whether non-consolidated or consolidated, which are incorporated by reference in this Base Prospectus and the articles of association (*Statuts*) of the Issuer may be inspected and are available at the Issuer's registered office and are also available on the website of the Issuer (www.carrefour-banque.fr/societe). The up-to-date version of the articles of association of the Issuer as at 15 June 2015 has been registered with *Registre du Commerce et des Sociétés* of Evry on 5 October 2015.

The corporate purpose of the Issuer specified in Article 3 of its articles of association (*Statuts*) is to carry out credit operations (*les opérations de crédit*), distribute products to customers and manage payment processes (*la mise à disposition de la clientèle (émetteur de cartes bancaires) ou la gestion de moyens de paiement acquisition monétique*), manage savings in the form of life assurance or UCITS (Undertakings for Collective Investment in Transferable Securities) assets (*gestion d'épargne sous le format Assurance Vie ou encours gérés sous mandat via des organismes de placement collectif en valeurs mobilières*), carry out insurance brokerage, in particular, life assurance (*le courtage en assurances, notamment le courtage d'assurance vie*), investment services (*les services d'investissement*) and more generally to carry out services and any type of related banking and economic, legal, civil, commercial or financial transactions, which can be connected, directly or indirectly, to the abovementioned corporate purpose or are likely to facilitate its development.

BUSINESS STRATEGY

Carrefour Banque's objective is to develop the distribution of financial products (consumer loans, insurance and savings products) to individual clients using various methods of distribution (financial services stands in Carrefour supermarkets, the internet and telephone sales).

Since its incorporation, the values of Carrefour Banque have been aligned to those of Carrefour, with the aim of offering the best financial products and services to the largest number of customers at the most competitive prices. Carrefour Banque has focused on the accessibility of its offers by installing 205 financial services stands, one in each Carrefour supermarket in France and establishing an integrated website and call centre which enables Carrefour Banque to capture customers in the supermarkets as well as externally via the website and mailing. This development has been strengthened by the marketing of the MasterCard (more fully described in the "Credit Activity" section below).

Carrefour Banque has developed a responsible approach to commercialising its banking activities, by seeking to reduce the risks of over-indebtedness by means of appropriate credit scoring of its customers. Carrefour Banque is in favour of the proposed adoption of a national register of loans to individuals in France.

Carrefour Banque's commercial policies are aligned with those of Carrefour and the development of Carrefour Banque's activity is an integral part of the strategy of Carrefour; however, Carrefour Banque has full autonomy in making all lending decisions. Carrefour Banque is a self-standing business which aims to leverage its existing relationship with Carrefour by offering Carrefour clients payment cards and financial solutions, whilst at the same time creating its own business network for the distribution of its products through internet and telephone sales.

Carrefour Banque's growth strategy was put in place in 2009 with the preparation of a significant group re-organisation which took effect on 1 May 2010. The aim of this re-organisation was to extend Carrefour Banque's business geographically and to create a unique banking and insurance distribution network. The project transformed Carrefour Banque's business into a business in its own right within the group of companies comprising

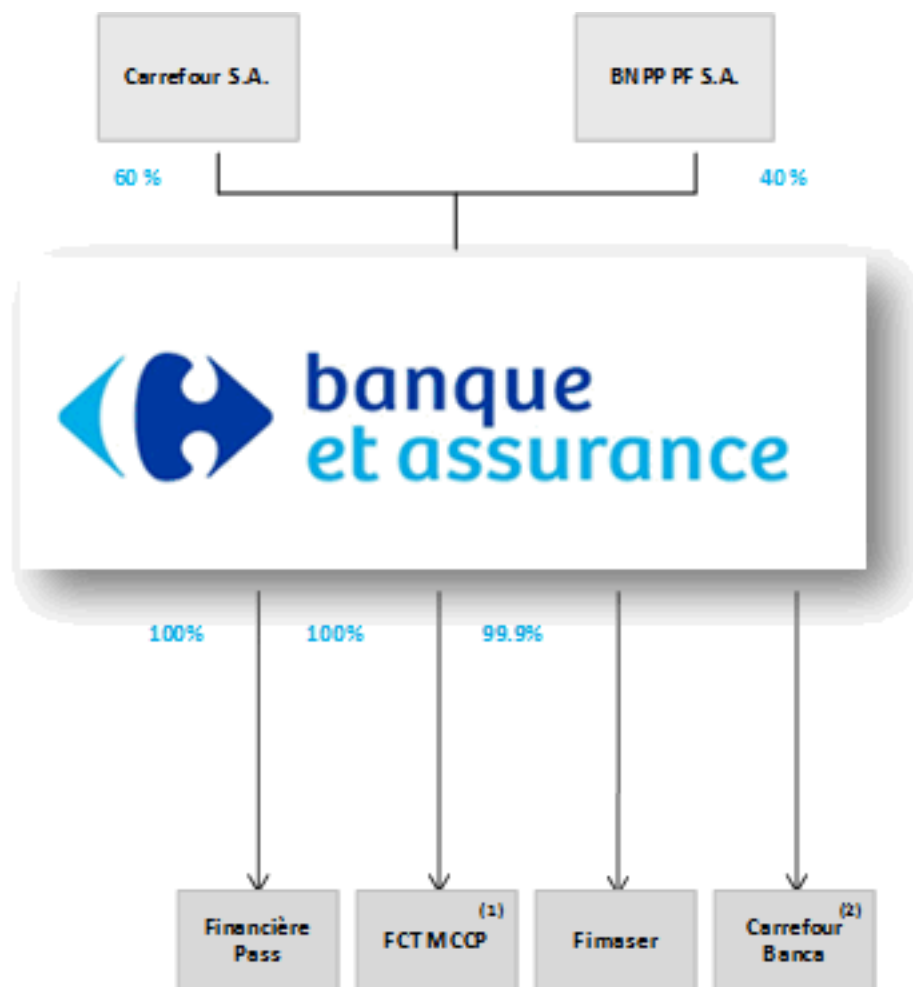
Carrefour and its subsidiaries (the "**Carrefour Group**") and, since 2010, has led to a progressive geographic expansion across Belgium and Spain.

As at 31 December 2016, the Issuer had 1,586 employees and operated 218 bank branches in hypermarkets in France. For the purposes of restructuring and redeploying its commercial network, the Issuer initiated a voluntary redundancy plan (*plan de départs volontaires*) which concerned 246 people and that ended in early 2018. As at 31 December 2017, the Issuer had 1,516 employees and operated 205 bank branches. As at the date of this Base Prospectus, the Issuer does not envisage to initiate any further voluntary redundancy plans.

ORGANISATIONAL STRUCTURE OF THE ISSUER

Organisational Structure as at 31 December 2017

The structure chart below shows the shareholders of Carrefour Banque and its principal subsidiaries.



(1) MCCP is not a legal subsidiary of Carrefour Banque but a securitisation vehicle which is a separate legal entity.

(2) Carrefour Banca is a branch, and not a legal subsidiary, of Carrefour Banque.

The Board of Directors assumes the high responsibility for risk management:

- ▶ it sets the general strategy, the objectives and the projects that the Board will need to implement;
- ▶ it reviews and approves the risk management policies and ensures that they are fully implemented. In particular, it ensures that the risk management, the internal control processes, and the information systems are appropriate and functioning.
- ▶ it has created four specialized committees (Risks Committee, Audit Committee, Appointments Committee, Remuneration Committee).

The Board of Directors has delegated the operational management of the bank to the Executive Board. In its risk management function, the Executive Committee particularly ensures the proper functioning of the following elements:

- operational committees responsible for risk management;
- internal Control functions;
- control environment (responsibilisation of staff, code of conduct, policies, etc.);
- control of delegated activities.

Shareholders

The shareholders of the Issuer as at the date of this Base Prospectus are Carrefour, which directly holds 60% of the shares, and BNP Paribas Personal Finance S.A., which directly holds 40% of the shares.

BUSINESS OVERVIEW

Carrefour Banque was incorporated on 26 January 1983 and has been the banking subsidiary of the Carrefour Group for 35 years. Initially Carrefour Banque managed the promotion, commercialisation, and flow of funds for the PASS payment cards, and then progressively extended its financial services offer to include loans (1987), savings (1991), payment cards (2003), a range of debt consolidation products (2008) and current accounts with C-zam (2017).

In July 2009, Standard and Poor's granted its first rating to Carrefour Banque ("A" long-term rating and "A-1" short-term rating). As at the date of this Base Prospectus, the long-term rating assigned by Standard and Poor's is "BBB+ stable" and the short-term rating is "A-2" which were re-affirmed by Standard and Poor's on 5 July 2018. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by Standard and Poor's.

In 2010, Carrefour Banque participated in the re-organisation of Carrefour's banking services. As part of the re-organisation, Carrefour Banque purchased Carrefour Servizi Finanziari Spa ("**CSF**"), a financial company that engages in credit activities in the form of revolving and redeemable credit. CSF subsequently changed its name to Carrefour Banca and on 1 October 2011 merged into Carrefour Banque.

The implementation of the group re-organisation impacted the integrated financial services and insurance stands in Carrefour Group hypermarkets in France, call centres and the Carrefour Banque website. The aim of this group re-organisation was to increase overall activity, to increase distribution of insurance products and to reduce costs by pooling together teams within the Carrefour Group network.

Since the re-organisation, Carrefour Banque has directly managed its own commercial network. The employees working on the financial stands at the hypermarkets are now direct employees of Carrefour Banque (rather than of Carrefour Group). The stands themselves are now the property of Carrefour Banque.

The Issuer had 1,516 employees in France as at 31 December 2017. Carrefour Banque operates 205 bank branches in hypermarkets.

The Issuer operates mainly within the French, Italian and Belgian markets. As mentioned above, the Issuer has an Italian branch entitled Carrefour Banca, holds 99.98% of Fimaser, its subsidiary registered in Belgium and operates in Spain through Servicios Financieros Carrefour ("**SFC**"), of which it holds 6.797%.

Carrefour Banque launched on 18 April 2017 a current account named C-zam with a linked credit card as a payment method, 100% of the account opening process is carried out online on a dedicated website.

PRINCIPAL ACTIVITIES

Carrefour Banque has developed the following products which it distributes to its customers through various channels, in particular, Carrefour Group hypermarkets (specifically at the financial services stands), telephone sales and via the internet:

1. Credit Activity

One of Carrefour Banque's principal aims is to offer to its customers (i) consumer payment methods and (ii) a range of accessible credit solutions at competitive prices.

(a) Payment Methods

Carrefour Banque is an issuer of MasterCards held by 2 million card Pass holders as at 31 December 2017. The MasterCard which it issues is an international bank card that caters for payments that are made at Carrefour Group stores and websites for their products and services or externally for products and services of other retailers. The MasterCard comes with innovative features and payment facilities, such as payments in three installments without interest, contact free payments for all purchases less than or equal to EUR 30 or EUR 50 (depending if they are made inside or outside Carrefour stores) and the choice of cash payment or credit. This card also benefits from a number of advantages including an extension of the manufacturer's warranty and insurance against theft or breakage, Carrefour's loyalty benefits and the guarantee of assistance and insurance provided by MasterCard. Carrefour Banque earns income from the MasterCard by receiving commissions and annual fees.

Carrefour Banque manages the promotion and commercialisation of the MasterCard as well as the transactions which take place using the card.

(b) Credit Solutions

The credit solutions offered by Carrefour Banque are developed around three principal types of credit:

- (i) Revolving credit is linked to the use of the MasterCard as described in (i) above. A MasterCard holder has a specific amount of credit authorised for MasterCard purchases or the MasterCard holder can request that the amount of credit be credited to a bank account of his choice. When an amount is repaid, the customer can re-use his available credit within the limit previously set by Carrefour Banque. Revolving credit represented 40% of the total credit portfolio as at 31 December 2017 compared with 39% of the total credit portfolio as at 31 December 2016.
- (ii) Personal loans have been provided to customers of Carrefour Banque since 1987 to finance a variety of purchases made by its customers, such as home improvements and car purchases. Interest at an annual fixed rate and payable monthly is charged on this type of credit and the principal is repayable in installments. Personal loans represented 50% of the total credit portfolio as at 31 December 2017 compared with 51% of the total credit portfolio as at 31 December 2016.
- (iii) Specific purchase loans are provided to customers of Carrefour Banque for purchases of specifically earmarked goods at Carrefour Group stores. Interest at an annual fixed rate and payable monthly is charged on this type of credit and the principal is repayable in installments. Specific purchase loans represented 10% of the total credit portfolio as at 31 December 2017 compared with 10% of the total credit portfolio as at 31 December 2016.

At 31 December 2017, the total credit granted and outstanding was EUR 2,215 million and the new credit granted at 31 December 2016 was EUR 1,017 million. The total credit granted and outstanding was EUR 2,452 million as at 31 December 2016, the new credit granted was EUR 1,101 million as at 31 December 2016.

Carrefour Banque's market share for such credit activity as at 31 December 2017 was around 4.3% of the total credit activity of all members of the French *Association Française des Sociétés Financières*. Carrefour Banque's market share is determined by Carrefour Banque on the basis of the figures transmitted by the *Association Française des Sociétés Financières*.

A law relating to reforms of consumer credit dated 1 July 2010 (*loi n° 2010-737 du 1er juillet 2010 portant réforme du crédit à la consommation*) implementing Directive 2008/48/CE was published in France on 2 July 2010. The consequences of this law for Carrefour Banque's credit activity are three-fold: (i) due to the harmonisation of maximum interest rates that can be charged to customers in France, Carrefour Banque must apply a uniform interest rate to personal loans and revolving credit. The application of this uniform interest rate has decreased the interest rates which Carrefour Banque is able to charge on revolving credit and has increased the interest rates on personal loans, (ii) the implementation of shorter repayment periods on revolving credit to a 3 year maximum and (iii) Carrefour Banque has to review the credit arrangements it has entered

into with each of its customers on at least a three yearly basis or in the event that any customer's creditworthiness has weakened.

2. **Savings Activity**

(a) General Savings Products

Carrefour Banque promotes and markets a variety of savings products which it distributes to customers via Carrefour Group supermarkets (specifically at the financial services stands), telephone sales and door-to-door sales. Some of these financial products, in which the savings collected by Carrefour Banque are invested, are managed by third party investment managers selected by Carrefour Banque, such as BNP Paribas Asset Management and Société Générale Gestion. Carrefour Banque sells savings products and assumes the role of promoter, distributor and securities account holder. The French Financial Markets Authority regulates these sales. Carrefour Banque charges a management fee (*commission de gestion*) in respect of the assets under management. In addition, Carrefour Banque's receives subscription fees and redemption fees for each fund. These products include short-term and long-term savings products. Carrefour Banque's investment managers managed a total of EUR 146 million for Carrefour Banque's 214,000 savings customers as at 31 December 2017, in the form of UCITS (Undertakings for Collective Investment in Transferable Securities). Carrefour Banque launched its first free saving product (*l'épargne libre Carrefour*) in 1989. This product is no longer distributed.

(b) Savings Products in the form of life assurance (*assurance vie*)

Carrefour Banque distributes *Carrefour Horizon*, a life assurance product which was launched in 1997. This product was developed in collaboration with AXA Group and offers a minimum yield guarantee. Carrefour Banque had approximately 71,000 life assurance customers as at 31 December 2017 and around 73,000 life assurance customers as at 31 December 2016.

Carrefour Banque is an insurance broker and acts as an intermediary between the insurer and the client. The total life assurance assets for which Carrefour Banque acts as intermediary as at 31 December 2017 increased to EUR 1,698 million compared to EUR 1,649 million as at 31 December 2016.

The life assurance product distributed is a contract pursuant to which the insurer undertakes to pay a stream of fixed payments over a specified period of time or a lump sum to the subscriber, in exchange for a premium paid by the subscriber. The type of payment to be made will depend on the type of contract and duration of the contract (medium or long term). This product benefits from an advantageous tax regime in France which also depends on the length of time the subscriber holds the product.

In the event that the subscriber to the contract is living at the maturity of the contract, payment is made to the subscriber, and in the event that the subscriber dies before the maturity of the contract, payment is made to the designated beneficiaries.

(c) Savings Accounts

In September 2012, Carrefour Banque expanded its savings activity by introducing new savings accounts. As at 31 December 2017, these accounts had received deposits amounting to EUR 542 million, compared to EUR 494 million as at 31 December 2016.

Subsidiaries/Branches

The Issuer has one principal subsidiary: Fimaser; and one principal branch: Carrefour Banca.

- **Fimaser**

Fimaser is a Belgian subsidiary of Carrefour Banque that engages in credit activities in the form of revolving and redeemable credit. It became a subsidiary of Carrefour Banque on 30 September 2013.

- Carrefour Banca

Carrefour Banca is a branch of Carrefour Banque that engages in credit activities in the form of revolving and redeemable credit. It was acquired by the Carrefour Banque Group at the end of 2010 as part of its re-organisation. Carrefour Banca was formerly a subsidiary but was merged into Carrefour Banque on 1 October 2011 to become a branch of Carrefour Banque.

- La Financière PASS SAS

In addition, the Issuer has a subsidiary called La Financière PASS SAS, which holds as an investment on behalf of Carrefour Banque certain real estate investment products benefitting from certain tax advantages conferred by the "*Loi Girardin*".

- FCT Master Credit Cards Pass ("**FCT M CCP**")

Please see further information in the section entitled "Funding and Liquidity" below.

- Servicios Financieros Carrefour (SFC)

The Issuer holds 6.797% in SFC, a Spanish company. Carrefour Spain holds 55.92% of SFC and BNP Paribas Personal Finance S.A., / Cetelem Spain 37.28%. SFC engages in consumer credit activities in the form of personal loans, revolving credits and earmarked credits.

FUNDING AND LIQUIDITY

Carrefour Banque has a policy of diversifying its funding resources by relying on different market segments, such as syndicated loans, ECB-eligible securitisation, Neu CPs and NeuMTNs, saving products, fixed term deposits and bilateral loan facilities, and by seeking to work with new counterparties. Its financial charter sets out the principles governing the management of liquidity.

Carrefour Banque's total funding commitments received as at 31 December 2017 were EUR 6,288 million and the total used was EUR 4,005 million.

As at 31 December 2017, Carrefour Banque had the following funding outstanding:

- Nothing drawn from EUR 500 million in the form of credit lines maturing in December 2018; available from BNP Paribas Personal Finance S.A., which owns 40% of the shares of Carrefour Banque (approximately 8% of the total amount of funding commitments received);
- Nothing drawn from EUR 500 million in the form of credit lines maturing in December 2018 from Carrefour, which owns 60% of the shares of Carrefour Banque (approximately 8% of the total amount of funding commitments received);
- Nothing drawn from EUR 1,025 million available from confirmed banking credit lines (syndicated and bilateral) (*lignes bancaires confirmées (bilatérales et syndiquée)*) (approximately 16% of the total amount of funding commitments received), EUR 100 million of the available credit maturing in 2018, EUR 25 million of the available credit maturing in 2019, EUR 150 million of the available credit maturing in 2020 and EUR 750 million of the available credit maturing in 2021 (syndicated loan agreement from November 2014);
- EUR 415 million drawn from EUR 415 million available from NeuCPs (approximately 7% of the total amount of funding commitments received);
- EUR 600 million drawn from EUR 600 million available from NeuMTNs (approximately 10% of the total amount of funding commitments received);
- EUR 400 million drawn from EUR 400 million available from TLTRO (approximately 6% of the total amount of funding commitments received);

- EUR 77 million is available and undrawn from overnight facilities (*jour le jour*) (approximately 1% of the total amount of funding commitments received). EUR 161 million has been lent by Carrefour Banque to other institutions pursuant to overnight facilities (*jour le jour*);
- EUR 561 million available from savings account deposits (*compte sur livret and current account C-Zam*) (approximately 9% of the total amount of funding commitments received);
- EUR 1,800 million in aggregate drawn and outstanding from Eurobond issues rated "BBB+" by Standard & Poor's, consisting of EUR 500 million maturing in 2018 with a floating rate, EUR 300 million maturing in 2019 with a floating rate, EUR 500 million maturing in 2020 with a floating rate and EUR 500 million maturing in 2021 with a floating rate (approximately 29% of the total amount of funding commitments received); and
- EUR 300 million drawn from EUR 300 million available from the FCT MCCP issuance in May 2017 of AAA rated bonds to be redeemed on 25 June 2029 (approximately 7% of the total amount of funding commitments received).

FCT Master Credit Cards Pass (FCT MCCP) is a French securitisation vehicle that was established in November 2013. The receivables which were transferred to the vehicle were from revolving credit loan receivables originated by Carrefour Banque linked to the use of credit cards.

One series of notes is outstanding as at the date of the Base Prospectus,

- the first series of notes was issued in November 2013, the principal amount initially issued being EUR 560.2 million, of which EUR 400 million was in the form of senior securities. The call option has been exercised by Carrefour Banque resulting in the full redemption of this first series. The transaction occurred on 25 June 2015. Its aim was to benefit from the favourable market conditions and to maintain a good schedule of Carrefour Banque's debt repayment and was followed by the third issue of notes made by the FCT.
- the second series of notes was issued in October 2014, the principal amount initially issued being EUR 182.5 million, of which EUR 110 million was in the form of senior securities. The call option has been exercised by Carrefour Banque resulting in the full redemption of this second series. The transaction occurred on 25 May 2016. Its aim was to benefit from the favourable market conditions and to maintain a good schedule of Carrefour Banque's debt repayment and was followed by the fourth issue of notes made by the FCT.
- the third series of notes was issued in June 2015 the principal amount initially issued being EUR 558.3 million, of which EUR 400 million was in the form of senior securities. The call option has been exercised by Carrefour Banque resulting in the full redemption of this third series.
- the fourth series of notes was issued in May 2016, the principal amount initially issued being EUR 152.9 million, of which EUR 110 million was in the form of senior securities. The call option has been exercised by Carrefour Banque resulting in the full redemption of this third series; and
- the fifth series of notes was issued in May 2017 the principal amount initially issued being EUR 413.8 million, of which EUR 300 million was in the form of senior securities.

MCCP is not a legal subsidiary of Carrefour Banque but a securitisation vehicle which is a separate legal entity.

As at 31 December 2017, Carrefour Banque's schedule of debt repayment (excluding negotiable instruments and savings accounts) is 13.56% to be repaid in 2018, 42.50% to be repaid in 2019, 12.42% to be repaid in 2020, and 31.52% to be repaid in 2021.

Financial Covenants in Carrefour Banque's Syndicated Loan Agreements

The following are extracts from the financial covenants in Carrefour Banque's loan agreements (syndicated and bilateral), including its syndicated loan agreement from November 2014. The defined terms used in these extracts are set out in such loan agreements:

"The Borrower undertakes

- (a) on the end date of its Annual Financial Statements, that:
- (i) on the date on which its Consolidated Annual Financial Statements are drawn-up, that based on the Consolidated Annual Financial Statements, its European solvency ratio is greater than the percentage fixed by regulation of the Banking Regulation Committee (*Comité de la Réglementation Bancaire et Financière*), such percentage being fixed, as at the date of this Agreement, at 8% under Regulation 91-05;
 - (ii) more generally to comply with all regulations relating to liquidity, solvency or prudential ratios or any other financial ratio applicable to the Borrower due to its regulatory status; and
- (b) at any time, that:
- (i) the aggregate amount of outstanding Client Receivables is greater than or equal to one billion and five hundred million euro (€1,500,000,000), such undertaking to be tested by reference to (A) the Consolidated Annual Financial Statements, or (B) the consolidated semi-annual financial statements of the Borrower, and
 - (ii) the aggregate amount of outstanding Client Receivables (other than Client Receivables which have been assigned, pledged or are otherwise subject to any Security) is greater than or equal to the aggregate of accrued Financial Debt (less intercompany deposits and intercompany treasury notes) and any indebtedness in respect of the issue of bonds (*emprunts obligataires* within the meaning of article L.213-5 of the Monetary Code) (excluding the issue of other *titres de créances négociables*), such undertaking to be tested by reference to a. the Consolidated Annual Financial Statements or b. the consolidated semi-annual financial statements of the Borrower [...]."

Capital Adequacy

The European solvency ratio of Carrefour Banque (Basel III) stood at 16.28% as at 31 December 2017. 100% of Carrefour Banque's regulatory capital is Tier 1 capital.

Risk Management

Carrefour Banque has categorised its risk as follows:

- Granting Credit - Before Carrefour Banque grants credit, it conducts searches on a future customer's solvency by way of "credit scoring", a proprietary expert system provided by BNP Paribas Personal Finance S.A. that analyses customer profiles. Carrefour Banque will also conduct searches on a future customer's paychecks and identification. In order to cover the risk of a future customer's inability to repay credit, Carrefour Banque offers its customers life insurance/unemployment insurance at the outset, to which 75% of its customers subscribe.
- Debt Recovery - If a Carrefour Banque customer runs into difficulty repaying his debt, Carrefour Banque will commence its debt recovery procedure. For the first missed repayment, Carrefour Banque will automatically send a letter to its customer notifying the customer of such missed repayment. For the second missed repayment, Carrefour Banque will notify its debt recovery team and request that they contact the customer via telephone to discuss repayment options. If after six months the customer has not resolved the missed payments, a default is triggered on the credit and Carrefour Banque will commence legal proceedings against the customer via its legal team (Neuilly Contentieux, Contentia and Nemo) which is shared with BNP Paribas Personal Finance S.A.
- General Risk Analysis – For each customer to whom it grants credit, Carrefour Banque will constantly monitor the repayments made in order to ascertain if such customer's profile is sound.

Carrefour Banque's risk committee seeks to balance the overall business strategy of Carrefour Banque with the level of risk Carrefour Banque is prepared to take. The risk committee aims to identify and categorise risks and ensure that policies and procedures are implemented to control such risks. The committee analyses possible

economic trends and risks and considers the potential impact on business. This committee is chaired by the Finance Director. There is also a separate risk committee which is partnered with BNP Paribas Personal Finance S.A.

Interest rate risk is reduced according to the following prudential approach, with the main aim being to protect the financial margin against a variation in interest rates:

- Personal loan coverage: Personal loans are in the form of fixed rate loans, the interest rates are calculated at a fixed rate for the duration of the loan and Carrefour Banque has interest rate swaps in place in order to maintain the financial margin during the course of the loan.
- Revolving coverage: each month Carrefour Banque calculates its interest rate costs on the total amount of credit outstanding, its rate expectations for the months ahead and Carrefour Banque's ability to charge back any rate increases to its customers. The minimum percentage of Carrefour Banque's interest rate coverage is contained in Carrefour Banque's financial charter.

There are three main committees that exist to deal with liquidity and interest rate risk: (i) the risk committee held with Carrefour, (ii) a G4 committee which meets 3 times a year and (iii) a monthly treasury committee at Carrefour Banque. The aim of these committees is to discuss the management of liquidity risk, interest rate risk, counterparty risk and cash flow management.

BOARD OF DIRECTORS AND MANAGEMENT OF THE ISSUER

The Issuer is managed by a board of directors (*Conseil d'administration*) and an executive committee (*Comité de direction*).

The board has overall responsibility for the management of the business and acts as the main decision making forum for the Issuer. It sets strategic aims for the business, within a framework of prudent and effective controls, which enables risk to be assessed and managed.

Board of directors as at the date of this Base Prospectus

Individual	Role(s) at Carrefour Banque	External Function(s)
Frédéric MAZURIER	Chairman of the Board of Directors Director Member of the Risk Committee Member of the Remuneration Committee Chairman and Member of the Audit Committee Chairman and Member of the Selection Committee	Chairman of the Board of Directors and Director at Carma S.A. Chairman of the Board of Directors and Director at Carmavie S.A. Chairman of the Board of Directors and Director at Lybnet Assurances S.A. Chairman of the Audit, Risk and Compliance Committee, Chairman of the Remuneration Committee at Groupe Carma <i>Président</i> of Market Pay S.A.S. Chairman of the Board of Directors and Director at FIMASER Director at Servicios Financieros Carrefour, E.F.C., S.A. (Spain)
Thina CADIerno	Director	<i>Président</i> , Rue du commerce S.A.S.
Marie CHEVAL	Director	<i>Président</i> , Carrefour Omnicanal S.A.S. <i>Président</i> , Digital Media Shopper

		<p>S.A.S.</p> <p>Director and member of the Remuneration and Selection Committee at Carmila S.A.</p> <p>Director and member of the Audit and Risk Committees at Market Pay S.A.S.</p> <p>Director at SRP Groupe</p> <p>Director and member of the Remuneration Committee at M6 (Metropole Televisions)</p> <p>Director and member of the Audit Committee at Laurent Perrier</p>
Pascal CLOUZARD	Director	<p><i>Président</i>, Carrefour France S.A.S.</p> <p>Director at Servicios Financieros Carrefour, E.F.C., S.A. (Spain)</p>
Laurent DAVID	Director, member of the Selection Committee	<p>Executive Director at BNP Paribas Personal Finance</p> <p>Director at Alpha Crédit (Belgium)</p> <p>Director, Vice-President and member of the Remuneration Committee at Findomestic Banca (Italy)</p> <p>Director at Banco Cetelem (Spain)</p> <p>Director and Vice-Chairman of the Board of Directors at Banco BNP Paribas Personal Finance (Portugal)</p> <p>Chairman of the Board of Directors, Director, member of the Remuneration and Audit Committees at Opel Bank</p>
Antoine FULPIN	Director, member of the Risk Committee, member of the Audit Committee	<p>Chairman of the Board of Directors, Chairman of the Risk Committee and member of the Audit Committee at Market Pay S.A.S.</p> <p>Managing Director at Carrefour Finance S.A.</p> <p>Managing Director at Caparbel S.A.</p> <p>Chairman of the Management Board of Carrefour Nederland BV</p> <p>Managing Director of South Med Investments S.A.</p>
Nathalie MESNY	Director	<p><i>Président</i>, Rue du commerce</p>

		S.A.S.
Philippe PEDROTTI	Director	Member of the Supervisory Board of United Partnership
Edlira JARAZI-TRUCHAUD	Director	Director at Fimaser (Belgium) Director and member of the Risk Committee at AXA Banque Financement
BNP Paribas Personal Finance S.A. represented by Michel FALVERT	Director	Director at Cetelem Algérie Director at Banque Solféa Board Member at GIE Neuilly Contentieux

The role of the Executive Committee is to ensure the day to day management of the Issuer and to put into effect operationally the strategy approved by the Board of directors.

Executive Committee as at the date of this Base Prospectus

Julien JAILLON	CEO of Carrefour Banque
Aurélien CAILLIAU	Deputy CEO, Head of Administration and Finance
Marie-Claire COMBES	Head of Human Resources
Nadia NIKOLIC	Deputy CEO, Head of Sales and Customer Strategy
Anziz EL HADJ	Head of Information Systems
Sébastien PARRON	Head of Strategic Projects and Operations
Abdou El Mazid SOW	Head of Risk and Internal Control Coordination

The business address of the Board of Directors and Executive Committee is: 1, place Copernic, 91051 Evry Cedex, France. As at the date of this Base Prospectus, the Issuer is not aware of any potential conflicts of interest between the duties of the persons listed above and their private interest or other duties.

STATUTORY AUDITORS

Principal auditors:

Deloitte & Associés

185, Avenue Charles de Gaulle
92524 NEUILLY-SUR-SEINE CEDEX
France

Represented by Jean-Vincent COUSTEL

KPMG AUDIT

A department of KPMG S.A.

Tour EQHO
2 avenue Gambetta
CS 60055
92066 PARIS LA DEFENSE CEDEX
France

Represented by Fabrice ODENT

Substitute auditors:

KPMG AUDIT FS I

Tour EQHO

2 avenue Gambetta
CS 60055
92066 PARIS LA DEFENSE CEDEX
France

BEAS
7-9, Villa Houssay
92524 NEUILLY SUR SEINE CEDEX
France

RECENT DEVELOPMENTS

Bond issuance

On 15 June 2018, Carrefour Banque issued Euro 400,000,000 Unsubordinated Floating Rate Notes due June 2022 under the Programme.

Ratings

On 5 July 2018, S&P confirmed its ratings for Carrefour Banque (BBB+ (*outlook stable*) for its long-term debt and A-2 for its short-term debt) in a press release which is published on the S&P Global Credit Portal website.

FORM OF FINAL TERMS

[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 (5) categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by the European Securities and Markets Authority ("ESMA") on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]¹

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

Final Terms dated [●]

Carrefour Banque

[Logo, if document is printed]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €[●],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 7 August 2018 which received visa no. 18-366 from the *Autorité des marchés financiers* (the "**AMF**") on 7 August 2018 [and the supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [, the supplement to the Base Prospectus] and the Final Terms are available for viewing at and copies may be obtained from [●] and will be available on the websites of (a) the *Autorité des marchés financiers* (www.amf-france.org) and (b) the Issuer (www.carrefour-banque.fr/societe) and copies may be obtained free of charge from the Issuer, 1, place Copernic, 91051 Evry, France.

¹ Legend to be included following completion of the target assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

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

Terms used herein shall be deemed to be defined as such for the purposes of the [2016/2017] Conditions (the "**Conditions**") set forth in the Base Prospectus dated [12 April 2016 / 30 June 2017] which received visa [n°16-137/17-314] from the AMF in France on [12 April 2016 / 30 June 2017]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 7 August 2018 which received visa no. 18-366 from the AMF on 7 August 2018 [and the supplement to the Base Prospectus dated [•] which received visa no.[•] from the AMF on [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the [2016/2017] Conditions. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2016/2017] Conditions and the Base Prospectus dated 7 August 2018 [and the supplement to the Base Prospectus dated [•] and [•]]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available, in accordance with Article 14 of Prospectus Directive, for viewing at the office of the Paying Agents during normal business hours and on the websites of (a) the *Autorité des marchés financiers* (www.amf-france.org) and (b) the Issuer (www.carrefour-banque.fr/societe) and copies may be obtained free of charge from the Issuer, 1, place Copernic, 91051 Evry, France.

1. (i) Series Number: [•]
- (ii) Tranche Number: [•]
- (iii) Date on which the Notes become fungible: [Not Applicable/ The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the existing *[insert issue amount]* Notes due *[insert maturity date]* issued by the Issuer on *[insert issue date]*/the Issue Date]
2. Specified Currency: [•]
3. Aggregate Nominal Amount of Notes admitted to trading: [•]
 - (i) Series: [•]
 - (ii) Tranche: [•]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus an amount corresponding to accrued interest at a rate of [•] per cent. of such Aggregate Nominal Amount for the period from, and including, the Interest Commencement Date to, but excluding, the Issue Date (*if applicable*)]
5. Specified Denomination: [•]
6. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [•]
7. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
8. Interest Basis: [[•] per cent. Fixed Rate]
[[Specify reference rate] +/- [•] per cent. Floating Rate]
[Zero Coupon] / [Fixed/Floating Rate]

9. Change of Interest Basis: Applicable/Not Applicable
[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 12 and 13 below and identify there]
10. Put/Call Options: [Call Option]
 [Redemption of Residual Outstanding Notes at the Option of the Issuer]
 [Make-Whole Redemption by the Issuer]
 [Put Option]
 Change of Control Put Option
 [(further particulars specified below)]
11. [(i)] Status of the Notes: [Unsubordinated/ Subordinated]
 [(ii)] [Date of Board approval for issuance of Notes obtained: [●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions (Condition 5(a))** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[s] of Interest: [●] per cent. *per annum* payable in arrear on each Interest Payment Date.
- (ii) Interest Payment Date[s]: [●] in each year
- (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 (Condition 5(i)): [Actual/Actual]
 [Actual/Actual – ISDA]
 [Actual/365 (FBF)]
 [Actual/365 (Fixed)]
 [Actual- Actual (FBF)]
 [Actual/360]
 [Actual/365 (Sterling)]
 [30/360], [360/360] or [Bond Basis]
 [30E/360] or [Eurobond Basis]
 [30E/360 (FBF)]
 [30E/360 (ISDA)]
 [Actual/Actual-ICMA]
 [Not applicable]

- (vi) Determination Dates (Condition 5(i)): [●] 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)*)[*Not Applicable*]
13. **Floating Rate Note Provisions (Condition 5(b))** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period[s]: [●]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below] / [not subject to any adjustment]
- (iii) First Interest Period Date: [●]
- (iv) Business Day Convention (Condition 5(b)): [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Business Centre[s] (Condition 5(i)): [●] (*Note that this item relates to interest period end dates and not to the date and place of payments to which item 21 relates*)
- (vi) Manner in which the Rate[s] of Interest is/are to be determined: [ISDA Determination/FBF Determination/Screen Rate Determination]
- (vii) Interest Period Dates: [Not applicable/Specify dates]
- (viii) Party responsible for calculating the Rate[s] of Interest and Interest Amount[s] (if not the Calculation Agent): [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (x) FBF Determination:
- Floating Rate: [●]
 - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
 - FBF Definitions (if different from those set out in the Conditions)
- (xi) Screen Rate Determination: [Applicable/Not Applicable]

– Reference Rate:	[●] (specify Benchmark [EURIBOR, LIBOR, CMS Rate] and months, e.g. EURIBOR 3 months)
– Relevant Financial Centre:	[●]
– Interest Determination Date:	[●]
– Relevant Screen Page:	[●]
	(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate)
– Relevant Screen Page Time:	[11.00 a.m. [(London time) (in the case of LIBOR)] [(Brussels time) (in the case of EURIBOR)] [OTHER]
– Relevant Inter-Bank Market:	[London inter-bank market (in the case of LIBOR)], [EURO-zone inter-bank market (in the case of EURIBOR)] [OTHER]
(xii) 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:	[●]
(xiii) Margin[s]:	[+/-][] per cent. <i>per annum</i>
(xv) Minimum Rate of Interest:	[Zero / [●]] per cent. <i>per annum</i>
(xv) Maximum Rate of Interest:	[[●] per cent. <i>per annum</i> /Not Applicable]
(xvi) Day Count Fraction (Condition 5(i)):	[Actual/Actual] [Actual/Actual – ISDA] [Actual-365 (FBF)] [Actual/365 (Fixed)] [Actual/Actual (FBF)] [Actual/360] [Actual/365 (Sterling)] [30/360], [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (FBF)] [30E/360 (ISDA)] [Actual/Actual-ICMA]
14. Zero Coupon Note Provisions (Conditions 5(c) and 6(i))	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Amortisation Yield:	[●] per cent. <i>per annum</i>

- (ii) Day Count Fraction in relation to Early Redemption:
- [Actual/Actual]
 - [Actual/Actual – ISDA]
 - [Actual-365 (FBF)]
 - [Actual/365 (Fixed)]
 - [Actual/Actual (FBF)]
 - [Actual/360]
 - [Actual/365 (Sterling)]
 - [30/360], [360/360] or [Bond Basis]
 - [30E/360] or [Eurobond Basis]
 - [30E/360 (FBF)]
 - [30E/360 (ISDA)]
 - [Actual/Actual-ICMA]

PROVISIONS RELATING TO REDEMPTION

15. **Call Option (Condition 6(d))** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date[s]: [●]/[at any time, no earlier than three (3) months before the Maturity Date]
 - (ii) Optional Redemption Amount[s] of each Note: [[●] per Specified Denomination]/[Condition 6(b) applies]
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Specified Denomination
 - (b) Maximum Redemption Amount: [●] per Specified Denomination
 - (iv) Notice period: [●] [Not Applicable]
16. **Redemption of Residual Outstanding Notes at the Option of the Issuer (Condition 6(e))** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraph of this paragraph)*
- (i) Notice period: [As per Conditions] / [not less than [●] days nor more than [●] days]
17. **Make-Whole Redemption by the Issuer (Condition 6(f))** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Make-Whole Redemption Amount[s] of each Note: [●]

- (ii) Reference Security: [●]
- (iii) Reference Dealers: [●]
- (iv) Similar Security: [●] [Not Applicable]
- (v) Redemption Margin: [●]
18. **Put Option (Condition 6(g))** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date[s]: [●]
- (ii) Optional Redemption Amount[s] of each Note: [[●] per Specified Denomination]/[Condition 6(b) applies]
- (iii) Notice period: [●]
19. **Early Redemption Amount**
- Early Redemption Amount[s] per Specified Denomination payable on redemption for taxation reasons (Condition 6(c)) or on event of default (Condition 10): [As per Condition 6(b)] /[[●] per Notes of [●] Specified Denomination]²

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. 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] *(Only applicable to Materialised Notes)*
21. Identification information of Noteholders (Condition 1(a)) [Applicable/Not Applicable]
22. Financial Centre[s] (Condition 7(h)): [Not Applicable/give details] *(Note that this item refers to the date and place of payment and not interest period end dates to which item 13(v) relates)*
23. Talons for future Coupons to be attached to Definitive Materialised [Yes: date of maturity]/[No]

² If the Notes are Zero Coupon Notes Condition 6(b) shall apply.

Notes (and dates on which such Talons mature):

24. Details relating to Instalment Notes [Not Applicable/*give details*]
(Condition 6(a)):

(i) Instalment Amount[s]: [●]

(ii) Instalment Date[s]: [●]

(iii) Minimum Instalment Amount: [●]

(iv) Maximum Instalment Amount: [●]

25. Representation of holder of Notes/Masse Condition 11 applies.

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]

THIRD PARTY INFORMATION

[[●] 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 inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading³: [Application has been made by the Issuer (or on its behalf) for the Notes issued to be listed and admitted to trading on [Euronext Paris] [other] with effect from [●].]
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings⁴: [Not Applicable]
[The Notes to be issued [are expected to be/have been] rated:
[S & P: [●]]
[[Other]: [●]]

Insert one (or more) of the following options, as applicable:

[[Insert credit rating agency/ies] [is/are] established in the European Union and [has/have each] applied for registration under Regulation (EC) No 1060/2009 as amended by Regulation (EC) No 513/2011 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]⁵

[[Insert credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 as amended by Regulation (EC) No 513/2011 (the "**CRA Regulation**"). As such [●] [is/are] included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]

[[Insert credit rating agency/ies] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009 as amended by Regulation (EC) No 513/2011 (the "**CRA Regulation**").]

(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.)

³ Where documenting a fungible issue need to indicate that original securities are already admitted to trading.

⁴ This 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, this rating.

⁵ It is important to liaise with the Issuer and/or the relevant credit rating agencies to determine (i) the specific legal entity which will issue the credit ratings and (ii) the status of any application which has been made to the relevant competent authority by that entity. It is recommended that these enquiries are made at an early stage to allow sufficient time for the information to be obtained.

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

[Not Applicable]

(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:⁶)

"Save as discussed for any fees payable to the Managers and Dealers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business." *(Amend as appropriate if there are other interests)*

4 [USE OF PROCEEDS]

The net proceeds from each issue of Notes will be applied by the Issuer for [its general corporate purposes/specify any other reasons]

5 [Fixed Rate Notes only – YIELD]

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

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

6 [FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES]

Details of historical [●] rates can be obtained from [●].

[BENCHMARKS]

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

7 OPERATIONAL INFORMATION

- (i) ISIN: [●] [until the Exchange Date, [●] thereafter]
- (ii) Common Code: [●] [until the Exchange Date, [●] thereafter]
- (iii) Legal Entity Identifier (LEI): 969500GVS02SJYG9S632
- (iv) Any clearing system[s] other than Euroclear France, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number[s]: [Not Applicable/give name(s) and number(s) [and address(es)]]
- (v) Delivery: Delivery [against/free of] payment

⁶ 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 Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

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

8 DISTRIBUTION

- (i) Method of distribution [syndicated/non-syndicated]
- (ii) If syndicated, names of Managers and underwriting commitments: [Not Applicable/give names and underwriting commitments]
- (Include names of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (iii) Date of [Subscription] Agreement: [●]
- (iv) Stabilising Manager[s] (if any): [Not Applicable/give name]
- (v) If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- (vi) Applicable TEFRA Category: [TEFRA C applies to the Materialised Notes/TEFRA D applies to the Materialised Notes/TEFRA not applicable to Dematerialised Notes]

TAXATION

The statements herein regarding taxation are based on the laws in force in France as of the date of this Programme and are subject to any changes in law. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the French tax consequences of any investment in or ownership and disposition of the Notes.

French Taxation

The description below does not address specific issues which may be relevant for Noteholders of the Notes who currently hold shares of the Issuer.

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

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State (the "**Non-Deductibility**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis*, 2 of the French General Tax Code, at a rate of (i) 12.8 per cent. for individuals, (ii) 30 per cent. For corporate entities or other legal entities (it being noted that such withholding tax rate should be progressively reduced to 25 per cent. by 2022) or (iii) 75 per cent. if they are paid to an account opened in a financial institution located in a Non-Cooperative State (in each case subject to the more favourable provisions of any applicable treaty).

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax provided by Article 125 A III of the French General Tax Code, the Non-Deductibility, nor the withholding tax set out under Article 119 *bis*, 2 of the same code will apply if the Issuer can prove (i) that the principal purpose and effect of a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**") and (ii) in respect of the Non-Deductibility that the relevant interest or other assimilated revenues relate to genuine *transactions* and are not in an abnormal or exaggerated amount. In addition, pursuant to the French tax administrative guidelines (BOI-INT-DG-20-50-20140211 no. 550 and no. 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and no. 80 and BOI-IR-DOMIC-10-20-20-60-20150320 no. 10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

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

Pursuant to Articles 125 A and 125 D of the French General Tax Code and subject to certain limited exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France

are subject to a 12.8 per cent. mandatory withholding tax, along with social contributions withheld at source at an aggregate of 17.2 per cent. (CSG, CRDS and other related contributions), i.e. an overall withholding tax rate of 30 per cent. (*le prélèvement forfaitaire unique*). Practical steps to be taken for the purpose of levying this withholding tax will depend on the place where the paying agent is located. The 12.8 per cent. withholding tax should correspond to the final tax liability, except if the taxpayer has elected for income tax at progressive rates (from 0 to 45 per cent) on all his/her investment income. If the withholding tax exceeds the personal income tax, the excess will be refunded.

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

United States Foreign Account Tax Compliance Act ("FATCA")

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions, including France, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under “Terms and Conditions—Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 7 August 2018 (the "**Dealer Agreement**") between the Issuer and Société Générale as Arranger and Permanent Dealer, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer.

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

General restrictions

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

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

Prohibition on offers and sales to EEA 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 to any retail investor in the European Economic Area.

For the purposes of this provision, the expression "retail investor" means a person who is one (or both) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; and/or
- (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States

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

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

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

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

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

United Kingdom

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

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA") by the Issuer;
- (ii) 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
- (iii) it has complied with 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 it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Japan

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

GENERAL INFORMATION

- 1 The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the update of the Programme.
- 2 On 27 March 2018, the Board of Directors (*Conseil d'administration*) of the Issuer has authorised, for a duration of one year from 27 March 2018, the issue of Notes up to an aggregate nominal amount of €1,000,000,000.
- 3 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.
- 4 There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2017, and no material adverse change in the prospects of the Issuer since 31 December 2017.
- 5 Neither the Issuer nor any of its Principal 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 financial position or profitability of the Issuer or the Group.
- 6 Application may be made for the Notes to be accepted for clearance through the Euroclear and Clearstream systems which are the entities in charge of keeping the records. 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 is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy L-1855 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 with either with the Issuer or with the registration agent. The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

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

- 7 Deloitte & Associés and KPMG Audit, a department of KPMG S.A. have audited the Issuer's non-consolidated and consolidated accounts for the years ended 31 December 2017 and 31 December 2016, prepared in accordance with French GAAP and IFRS respectively, and they rendered audit reports without qualification with respect thereto. Deloitte & Associés and KPMG Audit, a department of KPMG S.A., 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*.
- 8 For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent and the Paying Agent:
 - (i) the Agency Agreement;
 - (ii) the constitutive documents of the Issuer;
 - (iii) the 2017 Annual Financial Report and the 2016 Annual Financial Report;
 - (iv) the Final Terms for Notes that are listed and admitted to trading on the Regulated Market of Euronext Paris and/or any other stock exchange;
 - (v) a copy of this Base Prospectus together with any supplement to this Base Prospectus and any document incorporated by reference therein; and
 - (vi) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

In addition, the following documents will be available on the website of the AMF (www.amf-france.org) and of the Issuer (www.carrefour-banque.fr/societe):

- (i) the Final Terms for Notes that are listed and/or admitted to trading on Euronext Paris;

- (ii) this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus and any documents incorporated by reference therein.
- 9 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.
- 10 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 applicable 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 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 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.
- 11 Amounts payable under the Floating Rate Notes may be calculated by reference to EURIBOR, LIBOR or CMS Rate, as specified in the applicable Final Terms. EURIBOR, LIBOR and CMS Rate are respectively provided by the European Money Markets Institute ("**EMMI**") with respect to EURIBOR and ICE Benchmark Administration Limited ("**ICE**") with respect to LIBOR and CMS Rate. The ICE has been authorised as a regulated benchmark administrator pursuant to Article 34 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") and appears on the public register of administrators established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmarks Regulation. As at the date of this Base Prospectus, the EMMI does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The relevant Final Terms in respect of an issue of Floating Rate Notes will 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.

- 12 In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**€**", "**Euro**", "**EUR**" or "**euro**" are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, references to "**£**", "**pounds sterling**" 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. Unless otherwise specified or the context so requires, references in this Base Prospectus to "**m**" are to units of millions, and "**bn**" are to units of billions.
- 13 The Legal Entity Identifier (LEI) of the Issuer is: 969500GVS02SJYG9S632.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Carrefour Banque

1, place Copernic
91051 Evry Cedex
France

Duly represented by:

Carole Calani (*Trésorerie Adjointe*)

Dated 7 August 2018



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* ("AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa no. 18-366 on 7 August 2018. This Base Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and that the information contained within it is coherent". It does not imply the approval by the AMF that any transaction completed hereunder is or would be advisable nor that the AMF has verified the accounting and financial data set herein.

In accordance with Article 212-32 of the AMF's General Regulations (*Règlement Général*), any issuance or admission to trading of notes on the basis of this Base Prospectus shall be subject to the publication of final terms setting out the terms of the securities being issued.

Registered Office of the Issuer

Carrefour Banque
1, place Copernic
91051 Evry Cedex
France

Arranger and Dealer
Société Générale

29 boulevard Haussmann
75009 Paris
France

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

Société Générale
Securities Services
Service aux Émetteurs
32, rue du Champ de Tir
CS 30812
44308 Nantes Cedex 3
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Statutory Auditors

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92524 Neuilly-sur-Seine
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KPMG-Audit - Département de KPMG S.A.

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Legal Advisers

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in respect of French law
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