

Base Prospectus dated 15 June 2023



**Valeo**  
**Euro 5,000,000,000**  
**Euro Medium Term Note Programme**  
**Due from one month from the date of original issue**

Under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (the "**Base Prospectus**"), Valeo, *société européenne* (the "**Issuer**" or "**Valeo**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 5,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

This Base Prospectus (together with any supplements thereto, each a "**Supplement**") constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129, as may be amended from time to time (the "**EU Prospectus Regulation**"). This Base Prospectus has been approved by the *Autorité des marchés financiers* (the "**AMF**") in France in its capacity as competent authority under the EU Prospectus Regulation and received the approval no. 23-220 on 15 June 2023. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and of the quality of the Notes which are subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

**For a period of twelve (12) months following the date of this Base Prospectus, application may be made to (i) the regulated market of Euronext in Paris ("Euronext Paris") for Notes to be admitted to trading on Euronext Paris and/or (ii) the listing authority of any other Member State of the European Economic Area ("EEA") for Notes to be admitted to trading on a Regulated Market (as defined below) in such Member State, provided that this Base Prospectus is completed by one or more Supplements, pursuant to Article 23 of the EU Prospectus Regulation, following the occurrence of any significant new factor, material mistake or material inaccuracy relating to the information included (including information incorporated by reference) in this Base Prospectus which may affect investors' assessment of the Notes. After 15 June 2024, this Base Prospectus, as supplemented, will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.**

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

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

In the case of any Notes which are to be admitted to trading on a regulated market within the EEA (a "**Regulated Market**") for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended ("**EU MiFID II**") and/or offered to the public in a Member State of the EEA which requires the publication of a prospectus under the EU Prospectus Regulation, the minimum denomination shall be Euro 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

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

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes. Dematerialised Notes may, at the option of the Issuer, be (i) in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination") including Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**") and the depository bank for Clearstream Banking, S.A. ("**Clearstream**") or (ii) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*nominatif pur*), in which case they will be inscribed either in an account maintained by the Issuer or by a registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the fortieth (40<sup>th</sup>) calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of

Materialised Bearer Notes") upon certification as to non U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche (as defined in "General Description of the Programme") intended to be cleared through Euroclear and/or Clearstream be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The long term debt of the Issuer has been rated "Baa3, negative outlook" by Moody's Investors Service ("**Moody's**"), and "BB+, stable outlook" by S&P Global Ratings ("**S&P**"). Notes issued under the Programme may be rated or unrated. Where Notes are rated, the applicable rating(s) will be specified in the relevant Final Terms. As at the date of this Base Prospectus, Moody's and S&P are credit rating agencies established in the European Union, registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies ("**EU CRA Regulation**") and included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>). None of Moody's or S&P are established in the United Kingdom (the "**UK**"), or are registered in accordance with Regulation (EC) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). The ratings of Moody's and S&P have been endorsed by Moody's Investors Service Ltd. and S&P Global Ratings UK Limited, respectively, in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by each of Moody's and S&P may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to Notes issued under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency without notice.

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

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

This Base Prospectus and the documents incorporated by reference will be published on the websites of the Issuer ([www.valeo.com](http://www.valeo.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).

Arranger

**BNP PARIBAS**

Dealers

**BNP PARIBAS**

**CITIGROUP**

**HELABA**

**MIZUHO**

**NATIXIS**

**CIC MARKET SOLUTIONS**

**CREDIT AGRICOLE CIB**

**J.P. MORGAN**

**MUFG**

**SOCIETE GENERALE  
CORPORATE & INVESTMENT BANKING**

This Base Prospectus (together with any Supplements) constitutes a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation and for the purpose of giving all necessary information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is material to an investor for making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attached to the Notes and the reasons for the issuance(s) of Notes and the impact of such issuances on the Issuer.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see the section "Documents Incorporated by Reference"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

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

The Arranger and the Dealers have not separately verified the information or representations contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or completeness of any of the information or representations contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the 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. The contents of this Base Prospectus are not to be construed as legal, business or tax advice. Each potential purchaser of Notes should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Dealers or the Arranger has reviewed or undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

The distribution of this Base Prospectus, any Final Terms, any offering materials under the Programme 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 SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OF AMERICA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING

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

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

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

**EU MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes will include a legend entitled "**EU MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes taking into account the five categories referred to in item 18 of the Guidelines on EU MiFID II product governance requirements published by ESMA dated 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 the target market assessment; however, a distributor subject to EU 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 product governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MIFID II Product Governance Rules.

**UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market 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 (in accordance with the FCA's policy statement entitled "*Brexit: our approach to EU non-legislative materials*"), 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 the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR 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 UK MiFIR Product Governance Rules.

**EU 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 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 EU MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**EU 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 EU PRIIPs Regulation.

**UK PRIIPs / IMPORTANT – UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### **NOTIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT,**

**CHAPTER 289 OF SINGAPORE** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that all Notes issued under the Programme shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

#### *Notice to Canadian investors*

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of Notes.

#### *Investment Considerations*

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable Supplement to this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the prospective investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) consult their legal advisers in relation to possible legal, tax, accounting, regulatory and related aspects of any investment in the Notes.

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

Prospective investors and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of financial instruments, such as the Notes. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the prospective investor.

#### *Credit ratings*

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

#### *Notes issued as Green Bonds or Sustainability Linked Notes*

None of the Dealers accepts any responsibility for any social, environmental, and sustainability assessment (as applicable) of any Notes issued as Green Bonds or Sustainability Linked Notes or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", social or similar labels (in the case of Green Bonds) or requirements regarding assets with sustainability characteristics (in the case of Sustainability Linked Notes). None of the Dealers is responsible for the use or allocation of proceeds for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds nor do any of the Dealers undertake to ensure that there are at any time sufficient Green Eligible Projects (as defined in "Use of Proceeds") to allow for allocation of a sum equal to the net proceeds of the issue of such Green Bonds in full. None of the Dealers is neither responsible for the monitoring, or reporting on the satisfaction of the SPTs (as defined in "Terms and Conditions of the Notes") of any Sustainability Linked Notes. In addition none of the Dealers have conducted any due diligence on the Issuer's Framework (as defined in the "Use of Proceeds" below), including any assessment of the applicable eligibility criteria in relation to Green Bonds set out therein nor any assessment of the selection of the Issuer's key performance indicators or SPTs (as defined in "Terms and Conditions of the Notes") and their alignment with the sustainability-related standards. ISS ESG has issued a Second Party Opinion (as defined in the section "Use of Proceeds" below), dated 20 July 2021, on the Issuer's Framework. No representation or assurance is given by the Dealers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds or Sustainability Linked Notes. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Dealers, or any other person to

buy, sell or hold any Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Issuer's Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. The Issuer's Framework, the Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Base Prospectus.

The performance of Notes issued as Green Bonds is not linked to the performance of the relevant Green Eligible Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of Notes issued as Green Bonds and the Green Eligible Projects. Consequently, neither payments of principal and/or interest on Notes issued as Green Bonds nor any rights of Noteholders shall depend on the performance of the relevant Green Eligible Projects or the performance of the Issuer in respect of any such environmental or similar targets. Holders of any Notes issued as Green Bonds shall have no preferential rights or priority against the assets of any Green Eligible Projects nor benefit from any arrangements to enhance the performance of the Notes.

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## GENERAL DESCRIPTION OF THE PROGRAMME

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

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

<b>Issuer:</b>	Valeo
<b>Description:</b>	Euro Medium Term Note Programme for the continuous offer of Notes (the " <b>Programme</b> ")
<b>Arranger:</b>	BNP Paribas
<b>Dealers:</b>	BNP Paribas Citigroup Global Markets Europe AG Crédit Agricole Corporate and Investment Bank Crédit Industriel et Commercial S.A J.P. Morgan SE Landesbank Hessen-Thüringen Girozentrale Mizuho Securities Europe GmbH MUFG Securities (Europe) N.V. Natixis Société Générale

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

<b>Programme Limit:</b>	Euro 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The principal amount of Notes outstanding under the Programme may be increased, as provided in an amended and restated dealer agreement dated 15 June 2023 between the Issuer, the Permanent Dealers and the Arranger.
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<b>Fiscal Agent and Principal Paying Agent:</b>	BNP Paribas
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<b>Paying Agent:</b>	BNP Paribas (Affiliated with Euroclear France under number 29106)
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<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " <b>Series</b> ") 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 " <b>Tranche</b> ") on the same or different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms to this Base Prospectus (the " <b>Final Terms</b> ").
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<b>Maturities:</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity from one (1) month from the date of original issue.
<b>Currencies:</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling, Renminbi and in any other currency agreed between the Issuer and the relevant Dealers.
<b>Denomination(s):</b>	<p>Notes will be in such denomination(s) as may be specified in the relevant Final Terms save that, unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one (1) year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).</p> <p>The minimum denomination of each Note admitted to trading on a Regulated Market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the EU Prospectus Regulation will be EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p> <p>Dematerialised Notes will be issued in one denomination only.</p>
<b>Status of the Notes:</b>	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
<b>Negative Pledge:</b>	There will be a negative pledge in respect of the Notes as set out in Condition 4 - see "Terms and Conditions of the Notes - Negative Pledge".
<b>Events of Default (including cross default):</b>	There will be events of default (including a cross-default) in respect of Notes as set out in Condition 9 - see "Terms and Conditions of the Notes - Events of Default".
<b>Redemption Amount:</b>	The relevant Final Terms will specify the Redemption Amounts payable. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one (1) year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum Redemption Amount of £100,000 (or its equivalent in other currencies).
<b>Optional Redemption:</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.

<b>Early Redemption:</b>	Except as provided in "Optional Redemption" above or in "Make-whole Redemption by the Issuer" or in "Residual Maturity Call Option" or in "Clean-Up Call Option" below, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Early Redemption for Taxation Reasons" below and "Terms and Conditions of the Notes - Redemption, Purchase and Options".
<b>Make-whole Redemption by the Issuer:</b>	Unless otherwise specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date, at the Make-whole Redemption Amount.
<b>Residual Maturity Call Option:</b>	If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three months before the Maturity Date.
<b>Clean-Up Call Option:</b>	If a Clean-Up Call Option is specified in the relevant Final Terms and if eighty (80) per cent. of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders redeem on a date to be specified in such notice the remaining Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.
<b>Change of Control Put Option:</b>	If at any time while any Note remains outstanding (i) a Change of Control occurs and (ii) within the Change of Control Period (A) (if at the time that the Change of Control occurs the Notes are rated with the agreement of the Issuer) a Rating Downgrade in respect of that Change of Control occurs and has not been cured prior to the expiry of the Change of Control Period, or (B) (if at such time the Notes are not rated) a Negative Rating Event in respect of that Change of Control occurs (either case, a " <b>Put Event</b> "), the holder of each Note will have the option (the " <b>Change of Control Put Option</b> ") (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 6) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Put) (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Put).
<b>Early redemption for taxation reasons:</b>	If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts, 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), redeem all, but not some only, of the Notes at their Early Redemption Amount provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest

without withholding for French taxes or, if such date is past, as soon as practicable thereafter.

If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts, then the Issuer shall redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date (if this Note is a Floating Rate Note) on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that the due date for redemption shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

**Taxation:**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes issued by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by French law, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exemptions.

**Interest Periods and Rate of Interest:**

The length of the Interest Periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a Maximum Rate of Interest, a Minimum Rate of Interest (which shall never be less than zero), or both. The use of Interest Accrual Periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Fixed Rate Notes:**

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

**Floating Rate Notes:**

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

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc; or
- (ii) by reference to such benchmark as may be specified in the relevant Final Terms, in each case (to the extent applicable) as adjusted for any applicable margin, or by reference to a Successor Rate or an Alternative Rate, as may be determined by the Independent Adviser if a Benchmark Event occurs.

Interest periods, and the determination by linear interpolation as the case may be, will be specified in the relevant Final Terms. In no event shall the Minimum Rate of Interest be less than zero.

<b>Fixed/Floating Rate Notes:</b>	Fixed/Floating Rate Notes may be converted from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the relevant Final Terms either by the election of the Issuer or automatically.
<b>Sustainability Notes</b>	<p><b>Linked</b></p> <p>Fixed Rate Notes, Floating Rate Notes and Fixed/Floating Rate Notes issued by the Issuer may be subject to a Step Up Option if the relevant Final Terms indicates that the Step Up Option is applicable. The Rate of Interest will be the Initial Rate of Interest specified in the relevant Final Terms, provided that for any one or more Interest Period(s) commencing on or after the Interest Payment Date following a Step Up Event, if any, and specified as Step Up Date(s) in the relevant Final Terms, the Rate of Interest (or the applicable Margin, in the event of Floating Rate Notes) shall be increased by the Step Up Margin specified in the applicable Final Terms. For the avoidance of doubt, an increase in the Rate of Interest may occur no more than once in respect of the relevant Note.</p> <p>Fixed Rate Notes, Floating Rate Notes and Fixed/Floating Rate Notes issued by the Issuer may be subject to a Premium Payment if the relevant Final Terms indicate that the Premium Payment is applicable. The Issuer shall pay in respect of each Note of a Series an amount equal to the Premium Payment Amount on the Premium Payment Date if a Premium Trigger Event has occurred.</p>
<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Benchmark Discontinuation:</b>	In the event that a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the relevant Final Terms, then the Issuer shall use its reasonable endeavours to appoint an independent adviser to determine a successor or an alternative benchmark and/or screen rate (with consequent amendment to the terms of such Series of Notes and the application of an adjustment spread). See Condition 5(c)(iii)(B)(d) ( <i>Benchmark discontinuation</i> ) for further information.
<b>Redenomination:</b>	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the EU may be redenominated into Euro, all as more fully provided in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination" below.
<b>Consolidation:</b>	Notes of one Series may be consolidated with Notes of another Series as more fully provided in "Terms and Conditions of the Notes - Further Issues and Consolidation".
<b>Form of Notes:</b>	<p>Notes may be issued in either dematerialised form ("<b>Dematerialised Notes</b>") or in materialised form ("<b>Materialised Notes</b>").</p> <p>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, Title and Redenomination".</p>

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

<b>Governing Law:</b>	French law.
<b>Clearing Systems:</b>	Euroclear France as central depository in relation to Dematerialised Notes and Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.
<b>Initial Delivery of Dematerialised Notes:</b>	Not later than (1) one Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>lettre comptable</i> or the application form relating to such Tranche shall be deposited by the Issuer, with the assistance of the relevant Dealer, with Euroclear France as central depository.
<b>Initial Delivery of Materialised Notes:</b>	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
<b>Listing and admission to trading:</b>	Listing and admission to trading on Euronext Paris or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
<b>Rating:</b>	<p>The long term debt of the Issuer has been rated "Baa3, negative outlook" by Moody's Investors Service ("<b>Moody's</b>"), and "BB+, stable outlook" by S&amp;P Global Ratings ("<b>S&amp;P</b>").</p> <p>Notes issued under the Programme may be rated or unrated. Where Notes are rated, the applicable rating(s) will be specified in the relevant Final Terms. As at the date of this Base Prospectus, Moody's and S&amp;P are credit rating agencies established in the European Union, registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies ("<b>EU CRA Regulation</b>") and included in the list of credit rating agencies published by the European Securities and Markets Authority ("<b>ESMA</b>") on its website in accordance with the EU CRA Regulation (<a href="https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation">https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation</a>). None of Moody's or S&amp;P are established in the United Kingdom (the "<b>UK</b>"), or are registered in accordance with Regulation (EC) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "<b>UK CRA Regulation</b>"). The ratings of Moody's and S&amp;P have been endorsed by Moody's Investors Service Ltd. and S&amp;P Global Ratings UK Limited, respectively, in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by each of Moody's and S&amp;P may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.</p>

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material, including in or into France, Switzerland, the European Economic Area and the United Kingdom in respect of retail investors and Japan, the People's Republic of China, Hong Kong, Singapore, the United States and Canada, see "Subscription and Sale".

**Representation of Noteholders:**

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**").

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**").

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes and may be material for the purpose of assessing the market risks associated with Notes to be issued under the Programme. All of these factors are contingencies which may or may not occur. The risks factors may relate to the Issuer or any of its subsidiaries.*

*Factors which the Issuer believes are specific to the Issuer and the Notes and material for making an informed investment decision with respect to investing in the Notes issued under the Programme are described below.*

*The Issuer believes that the factors described below and in the documents incorporated by reference represent the principal risks inherent in investing in Notes issued under the Programme. In each sub-category below the Issuer sets out first the most material risks, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.*

### RISK FACTORS RELATING TO THE ISSUER

The risk factors relating to the Issuer and its activity considered to have a high level of criticality for the Issuer, as summarized below, are set out in particular in pages 94 to 103 of the *Document d'enregistrement universel* of the Issuer for the year ended 31 December 2022 incorporated by reference into this Base Prospectus, as set out in the section "Documents Incorporated by Reference" of this Base Prospectus and include the following:

- strategy risks, including (i) risks related to the automotive equipment industry and (ii) risks related to attracting and retaining talent;
- operational risks, including (i) risks related to the development and launch of new products, (ii) risks related to quality and safety of products and services sold, (iii) cybersecurity, (iv) supplier and supply chain failure risk; and
- financial risks, including risks related to an increase in operating costs.

Other risk factors relating to the Issuer and its activity set out in particular in pages 94 to 103 of the *Document d'enregistrement universel* of the Issuer for the year ended 31 December 2022 incorporated by reference into this Base Prospectus, as set out in the section "Documents Incorporated by Reference" of this Base Prospectus are considered to have a medium level of criticality.

### RISK FACTORS RELATING TO THE NOTES

#### 1. Risks Relating to all Series of Notes

##### *Credit risk*

An investment in the Notes involves taking credit risk on the Issuer. Since the Notes are unsecured obligations of the Issuer, benefiting from no direct recourse to any assets or guarantees (see Condition 3), the Noteholders can only rely on the ability of the Issuer to pay any amount due under the Notes. The value of the Notes will depend on the creditworthiness of the Issuer (as may be impacted by the risks relating to the Issuer described above). If the creditworthiness of the Issuer deteriorates, the potential impact on the Noteholders could be significant because (i) the Issuer may be unable to fulfill all or part of its payment obligations under the Notes (in particular those in relation to the payment of interest and principal specified in Conditions 5 and 6), (ii) the market value of the Notes may decrease and (iii) investors may lose all or part of their investment.

##### *French Insolvency Law and EU Restructuring Directive*

The Issuer is a *société européenne* incorporated in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the "centre of main interests" (as construed under Regulation (EU) 2015/848, as amended) of the Issuer located in France.



The Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been transposed into French law by the Ordonnance 2021-1193 dated 15 September 2021. Such Ordonnance amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings.

According to this ordonnance, "affected parties" (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of economic and/or financial interest, based on verifiable criteria.

As any other affected parties, holders of notes (including the Noteholders) will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down. Holders of notes (including the Noteholders) will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes. As a consequence, any decisions taken by a class of affected parties could materially and negatively impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

#### *Modification of the Conditions*

Condition 11 (*Representation of Noteholders*) contains provisions for consulting Noteholders on matters affecting their interest generally. The Noteholders will, in respect of all Tranches in any Series, be automatically grouped for the defence of their common interests in a Masse, as defined in Condition 11 (*Representation of Noteholders*). Noteholders can adopt measures either through a general meeting (the "**General Meetings**") or by consent following a written consultation (the "**Written Decisions**", together with the General Meetings, the "**Collective Decisions**").

The Terms and Conditions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend (or were not represented) and vote at the relevant General Meeting or were not represented at the relevant meeting or did not consent to a Written Decision and Noteholders who voted in a manner contrary to the majority.

While it is not possible to assess the likelihood that the Terms and Conditions will need to be amended by way of a Collective Decision during the life of the Notes, if it were necessary it is possible that a majority of Noteholders could adopt a Collective Decision that would modify the Terms and Conditions in a way that could impair or limit the rights of the Noteholders.

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

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be listed and admitted to trading on Euronext Paris, the Final Terms of the Notes will be filed with the AMF in France, such admission to trading may not occur, any particular Tranche of Notes may not be so listed and admitted and accordingly, an active trading market for any particular Tranche of Notes may not develop.

In addition, certain Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities. This may have a negative impact on the liquidity of the Notes and result in low trading volumes. The degree of liquidity of the Notes may negatively impact the price at which an investor can dispose of the Notes where the investor is seeking to achieve a sale within a short timeframe. In such circumstances, the impact of this risk on the Noteholder would be high because Notes would likely have to be resold at a discount to the nominal value of the Notes. Furthermore, if additional and competing products are introduced in the markets, this may have a significant adverse effect on the market value of the Notes.

### *Exchange rates and exchange controls*

The Programme allows for Notes to be issued in a range of currencies (each a "**Specified Currency**"). Pursuant to Condition 5(a) (*Definitions*), the Specified Currency for any Series of Notes will be identified in the relevant Final Terms. The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary or financial authorities may impose (as some have done in the past) exchange controls that could adversely affect exchange rates, as well as the availability of the Specified Currency in which a Note is payable at the time of payment of interest and/or principal in respect of such Note. This risk should not be overplayed, but if it were to materialise, the Noteholders whose financial activities are carried out or dependent principally in a currency or currency unit other than the relevant Specified Currency could be very negatively impacted as they might receive less interest or principal than expected, or, at worst, no interest or principal.

## **2. Risks related to the structure and characteristics of a particular issue of Notes**

The Programme allows for the issuance of a wide range of Notes with varying structures and features. Such structures and features may present particular risks for potential investors. A description of the most common risks associated with such structures and features is set out below:

### **(1) Interest Rate Risks**

#### *Interest rate risk on Fixed Rate Notes*

The Terms and Conditions of the Notes allow the Issuer to issue Notes that pay a fixed rate of interest ("**Fixed Rate Notes**") to Noteholders (see Condition 5(b) (*Interest on Fixed Rate Notes*)). While the nominal interest rate of a Fixed Rate Note is specified in the relevant Final Terms and is determined for the term of such Note or a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the Fixed Rate Note on the secondary market varies in the opposite direction. If the Market Interest Rate increases, the price of the Fixed Rate Note typically decreases, until the yield of such Fixed Rate Note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a Fixed Rate Note typically increases, until the yield of such Fixed Rate Note equals approximately the Market Interest Rate. Noteholders should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes in the secondary market and could cause Noteholders to lose part of the capital invested if they decide to sell Notes during a period in which the market interest rate exceeds the fixed rate of the Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the market value of the Notes and cause Noteholders who sell Notes on the secondary market to lose part of their initial investment.

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

The Terms and Conditions of the Notes allow the Issuer to issue Notes that pay a floating rate of interest (the "**Floating Rate Notes**") to Noteholders (see Condition 5(c) (*Interest on Floating Rate Notes*)). A key difference between Floating Rate Notes and Fixed Rate Notes (issued pursuant to Condition 5(b) (*Interest on Fixed Rate Notes*)) is that interest income on Floating Rate Notes cannot be anticipated. The interest payable in relation to Floating Rate Notes comprises (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Notes may be

volatile if changes, particularly short term changes, to Market Interest Rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. This stated volatility may have a significant adverse effect on the market value of the Notes.

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, as completed by the relevant Final Terms, provide for frequent interest payment dates, Noteholders 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.

*Risks related to Floating Rate Notes for which the Rate of Interest is determined by reference to "benchmarks"*

Where, pursuant to Condition 5(c) (*Interest on Floating Rate Notes*), the applicable Final Terms for a Series of Floating Rate Notes specify that the Rate of Interest for such Notes will be determined by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), the Constant Maturity Swap Rate ("**CMS**"), the London Interbank Bid Rate ("**LIBID**"), the London Interbank Mean Rate ("**LIMEAN**") and other indices which are deemed to be "benchmarks", investors should be aware that such "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.

Regulation (EU) 2016/1011 (the "**EU 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. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK.

The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Floating Rate Notes linked to 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 EU Benchmarks Regulation or the UK 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".

The existing provisions of the EU Benchmarks Regulation were amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 published in the Official Journal of the EU on 12 February 2021 (the "**Amending Regulation**"). The Amending Regulation introduced a harmonised approach to deal with the cessation or wind down of certain benchmarks conferring on the European Commission the power to designate a statutory replacement for (i) benchmarks designated as critical that may affect the stability of financial markets in the European Union, and other relevant benchmarks, if their cessation and wind-down would significantly disrupt the functioning of financial markets in the European Union, (ii) third-country benchmarks if their cessation or wind down would significantly disrupt the functioning of financial markets in the European Union or pose a systemic risk to the financial system in the European Union, and (iii) benchmarks designated as critical in a Member State by national laws, such replacement being restricted to contracts and financial instruments which do not contain fallback provisions or suitable fallback provisions and have not been renegotiated before the date of cessation of the benchmark concerned. The statutory replacement of a benchmark could have a negative impact on the value or liquidity of, and return on, any Floating Rate Notes for which the Rate of Interest is determined by reference to such benchmark.

In addition, the transitional provisions applicable to third-country benchmarks have been extended until the end of 2023. The European Commission is empowered to further extend this period until the end of 2025, if necessary. The Amending Regulation has been in force since 13 February 2021. Such developments may create uncertainty regarding any future legislative or regulatory requirements arising from the implementation of delegated regulations.

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 EURIBOR, CMS, LIBID and LIMEAN): (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 Floating Rate Notes linked to or referencing a "benchmark".

#### *Occurrence of a Benchmark Event*

In the case of Screen Rate Determination for Notes linked to or referencing an inter-bank offered rate "benchmark" pursuant to Condition 5(c)(iii)(B) (*Interest on Floating Rate Notes*), the Terms and Conditions of the Notes at Condition 5(c)(iii)(B)(d) (*Benchmark discontinuation*) provide for certain fallback arrangements for Notes for which the Rate of Interest is calculated in accordance with Condition 5(c)(iii)(B) only (i.e. not for Notes for which the Rate of Interest is calculated by reference to SONIA, SOFR or €STR) in the event that a Benchmark Event occurs, including if an inter-bank offered rate or other relevant reference rate, and/or any page on which such benchmark may be published, becomes unavailable, or if the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Floating Rate Notes by reference to such benchmark under the EU Benchmarks Regulation or the UK Benchmarks Regulation or otherwise, the Issuer will appoint an Independent Adviser as more fully described in Condition 5(c)(iii)(B)(d) (*Benchmark discontinuation*) who will determine a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Notes), with or without the application of an adjustment spread (which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), and may include any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and will apply to the relevant Notes without any requirement that the Issuer obtain consent of any Noteholders.

The Successor Rate or the Alternative Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the replacement rate may perform differently from the discontinued benchmark. There can be no assurance that any adjustment factor applied to any Series of Notes will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the affected Notes. Moreover, any holders of such Notes that enter into hedging instruments based on the applicable Relevant Rate may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the Successor Rate or the Alternative Rate.

If the Independent Adviser is unable to determine an appropriate Successor Rate or Alternative Rate for any discontinued Relevant Rate, then the provisions for the determination of the rate of interest on the affected Notes will not be changed. In such cases, the Terms and Conditions of the Notes provide that, the relevant Rate of Interest on such Notes will be the last Relevant Rate available as determined by the Calculation Agent, effectively converting such Notes into fixed rate Notes. Subject to the right for the Issuer to re-apply, at any time, the provisions regarding the determination of a Successor Rate or Alternative Rate, the effective conversion into fixed rate notes may affect the secondary market and the market value of the Notes as the fixed rate may be lower than the rates usually applicable to such Notes. In the event of the application of a fixed rate of interest, the Noteholders would not be able to benefit from any potentially favourable prevailing market conditions.

In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a significant adverse effect on the market value of and return on any such Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Notes linked to or referencing a "benchmark" or could have a material adverse effect on the market value or liquidity of, and the amount payable under, the Notes linked to or referencing a "benchmark". Investors should note that, the

Independent Adviser will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

*Risks relating to Notes for which the Rate of Interest is determined by reference to SONIA, SOFR and €STR*

Where, pursuant to Condition 5(c)(iii)(C), Condition 5(c)(iii)(D) or Condition 5(c)(iii)(E) (as applicable), the applicable Final Terms for a Series of Floating Rate Notes specify that the Rate of Interest for such Notes will be determined by reference to the Sterling Overnight Index Average ("SONIA") or the Secured Overnight Financing Rate ("SOFR") or the euro short-term rate ("€STR"), investors should be aware that the market continues to develop in relation to SONIA, SOFR and €STR as reference rates in the capital markets and their adoption as an alternative to, respectively, Sterling LIBOR, U.S. Dollars LIBOR and EURIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, SOFR and €STR, including term SONIA, SOFR and €STR reference rates (which seek to measure the market's forward expectation of an average SONIA, SOFR or €STR rate over a designated term). The market or a significant part thereof may adopt an application of SONIA, SOFR or €STR that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Notes that reference a SONIA, SOFR or €STR rate issued under this Base Prospectus. The continued development of SONIA, SOFR and €STR as an interest reference rate for the Eurobond markets, as well as continued development of SONIA, SOFR and €STR based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

Interest on Notes which reference a SONIA, SOFR and €STR rate is only capable of being determined at the end of the relevant Interest Period and shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference a SONIA, SOFR and €STR rate to reliably estimate the amount of interest that will be payable on such Notes.

The market or a significant part thereof may adopt an application of SONIA, SOFR or €STR that differs significantly from that set out in the Conditions as applicable to the Notes. Furthermore, the Issuer may in the future issue Notes referencing SONIA, SOFR or €STR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SONIA, SOFR or €STR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA, SOFR or €STR in other markets, such as the derivative and loan markets.

Investors should carefully consider how any mismatch between the adoption of SONIA, SOFR or €STR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing a SONIA, SOFR or €STR rate.

*The administrator of SONIA, SOFR or €STR may make changes that could change the value of SONIA, SOFR or €STR or discontinue SONIA, SOFR or €STR*

In relation to any Notes for which the Rate of Interest is determined by reference to SONIA, SOFR or €STR, the Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA, SOFR or €STR, respectively, may after the relevant Issue Date make methodological or other changes that could change the value of SONIA, SOFR or €STR, including changes related to the method by which SONIA, SOFR or €STR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR or timing related to the publication of SONIA, SOFR or €STR. In addition, the administrator may after the relevant Issue Date alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR (in which case the fallback methods of determining the interest rate on the Notes specified in Condition 5(c)(iii)(C), Condition 5(c)(iii)(D) or Condition 5(c)(iii)(E) (as applicable) will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA, SOFR or €STR.

### *Fixed/Floating Rate Notes*

The Terms and Conditions allow the Issuer to issue Notes with a fixed rate of interest that is later converted to a floating rate of interest and vice versa (see Condition 5(d) (*Interest on Fixed to 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 or 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. The optional conversion of the interest rate may 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 a fixed rate is converted 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 a floating rate is converted to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the market value of the Notes.

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

The Terms and Conditions allow the Issuer to issue zero coupon Notes (see Condition 5(e) (*Zero Coupon Notes*)). Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of other Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk. Therefore, in similar market conditions the holders of Zero Coupon Notes could be subject to higher losses on their investments than the holders of other instruments such as Fixed Rate or Floating Rate Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the value of the Notes.

### **(2) Risks relating to the Redemption of the Notes**

*An early redemption at the option of the Issuer could cause the yield anticipated by Noteholders to be considerably less than anticipated*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer (see Conditions 6(b)(i) (*Call Option and partial redemption*), 6(b)(ii) (*Make-whole redemption by the Issuer*), 6(b)(iii) (*Residual Maturity Call Option*) and 6(b)(iv) (*Clean-up Call Option*)). In addition, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer may, and in certain circumstances must, redeem all outstanding Notes in accordance with the Terms and Conditions (see Condition 6(e) (*Redemption for Taxation Reasons*)).

As a consequence of any such early redemption, the yield received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a result, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

More generally, in relation to any Tranche of Notes whereby Condition 6(b)(i) (*Call Option and partial redemption*) or Condition 6(b)(ii) (*Make-whole redemption by the Issuer*) have been activated, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes in part or in whole, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances, a Noteholder may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes and may only be able to do so at a lower rate.

### *No obligation to notify of Clean-up Call Option trigger*

With respect to Condition 6(b)(iv) (*Clean-up Call Option*), there is no obligation on the Issuer to inform investors if and when the triggering threshold of 80 per cent. of the initial aggregate nominal amount of Notes of the same Series needed to exercise the clean-up call option has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the clean-up call option, the Notes may have been trading significantly above par, thus potentially resulting in a loss for the Noteholders or lower than expected returns.

### *Partial redemption and exercise of put option*

In the case of a partial redemption of Notes pursuant to Condition 6(b)(i) (*Call Option and partial redemption*) or 6(b)(ii) (*Make-whole redemption by the Issuer*), such partial redemption may be effected, at the option of the Issuer, by reducing the nominal amount of all such Notes in proportion to the aggregate nominal amount redeemed.

In addition, the Final Terms for a particular issue of Notes may provide for early redemption of Notes held by any Noteholder at its option (see Condition 6(c) (*Redemption at the option of Noteholders and exercise of Noteholders' options*)).

Depending on the proportion of the principal amount of all of the Notes so reduced or the number of Notes so redeemed, any trading market in respect of those Notes in respect of which such options is not exercised may become illiquid, which depending on the extent of the illiquidity, may have a direct and significant impact on any remaining Noteholders seeking to dispose of their Notes. In addition, such Noteholders may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

### (3) ***Risks relating to Renminbi-denominated Notes***

*Renminbi is not freely convertible; there are significant restrictions on the remittance of Renminbi into and out of the PRC; there is only limited availability of Renminbi outside the PRC; each of which may affect the liquidity of the RMB Notes and the Issuer's ability to source Renminbi out of the PRC to service RMB Notes.*

The applicable Final Terms in relation to any Series of Notes may specify that the Notes are denominated in Renminbi. Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and other currencies.

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi.

In the event that funds cannot be remitted out of the PRC in Renminbi, the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the RMB Notes may be adversely affected.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

Although the offshore Renminbi market is expected to grow in depth and size, this is subject to constraints imposed by PRC laws and regulations on foreign exchange. There is no assurance that new PRC law and regulations will not be promulgated or the settlement arrangements between the PBoC and certain financial institutions in respect of limited clearing of Renminbi outside of the PRC will not be terminated or amended in the future, each of which may have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of its RMB Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all. Should the

Issuer resort to using another currency, such as US Dollar, to respect its payment obligations under the RMB Notes, the relevant Noteholders may lose part of their investment when converting such currency back into Renminbi, depending on the prevailing exchange rate at that time.

(4) ***Risks relating to "Green Bonds" and "Sustainability Linked Notes"***

*Notes issued with a specific use of proceeds, such as "Green Bonds"*

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to issue "green bonds" and apply an amount equal to the net proceeds of the issue to finance and/or refinance, in whole or in part, new or existing projects from any of the Green Eligible Projects (such Notes being "**Green Bonds**"), as defined in the "Use of Proceeds" section of the relevant Final Terms and as further described in the Issuer's Framework (as defined under "Use of Proceeds" below) which is available on the website of the Issuer (<https://www.valeo.com/en/bond-investors/>).

Such use of proceeds may not satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to the Issuer's Framework. In addition, the Green Eligible Projects may not meet investor expectations or requirements regarding such "green" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**").

In connection with the issue of "Green Bonds" under the Programme, the Issuer may request a provider of second party opinions to issue a second party opinion confirming that the Eligible Green Projects (as defined under "Use of Proceeds" below) have been defined in accordance with the broad categorisation of eligibility for green projects set out by the International Capital Market Association (ICMA) Green Bond Principles (GBP) and/or a second party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability project. The Second Party Opinion provided by ISS ESG (as defined under "Use of Proceeds" below) or any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Eligible Projects to fulfil any environmental, sustainability and/or other criteria may not be suitable for Noteholders' purposes. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in any Note, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Base Prospectus.

In the event that any such Notes are listed or admitted to trading on any dedicated "green" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), such listing or admission may not satisfy any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Any such listing or admission to trading may not be obtained in respect of any such Notes or, if obtained, any such listing or admission to trading may not be maintained during the life of the Notes.

It is the intention of the Issuer to apply the proceeds of the Green Bonds in, or substantially in, the manner described in the relevant Final Terms, the relevant project(s) or use(s) the subject of, or related to, any Green Eligible Projects. However, any such Green Eligible Projects might not be available or capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and, accordingly, such proceeds may not be totally or partially disbursed for such projects, and such projects may not be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes to Green Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the



Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance such projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose and, consequently, Noteholders could be adversely affected.

*Notes issued as "Green Bonds" may not be a suitable investment for all investors seeking exposure to green assets*

In connection with the issue of "Green Bonds" under the Programme, the Issuer may request a provider of second party opinions to issue a second party opinion. A second party opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Notes in the form of "Green Bonds". A second party opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. In addition, although the Issuer may agree at the time of issue of any Green Bonds to certain reporting and use of proceeds (including in the case of certain divestments described under "Use of Proceeds") it would not be an event of default under the Notes if the Issuer were to fail to comply with such obligations. A withdrawal of the second party opinion may affect the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

Moreover, the second party opinion providers and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Noteholders have no recourse against the Issuer, any of the Dealers or the provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Green Bonds. Any withdrawal of any such opinion or certification or any such opinion or certification attesting that the Group is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Green Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Even if a second party opinion is obtained in respect of any series of Green Bonds, however, whilst any issue of Green Bonds will be made in accordance with the ICMA GBP, as there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "green" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", the Green Bonds may not meet any or all investor expectations regarding the Green Bonds or the Group's targets qualifying as "green" or that any adverse other impacts will not occur in connection with the Group striving to achieve such targets.

Investors should make their own assessment as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of Green Bonds. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

A basis for the determination of the definitions of "green", "sustainable" and "sustainability-linked" has been established in the Sustainable Finance Taxonomy Regulation. The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical 45 screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation.

*Sustainability Linked Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics*

In July 2021, the Issuer adopted the Framework, in accordance with the Sustainability-Linked Bonds Principles (the "**SLBP**") administered by the International Capital Markets Association (ICMA) and the Sustainability-Linked Loan Principles (the "**SLLP**") administered by the Loan Market Association (LMA). The Framework was reviewed by ISS ESG which provided a Second Party Opinion (as defined under "Use of Proceeds" below) on the relevance and scope of the selected key performance indicators (KPI(s)) and

the associated sustainability performance targets (SPTs) and also confirmed the alignment with the SLBP and the SLLP. A second party opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of Sustainability Linked Notes issued under the Programme. A second party opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. A withdrawal of the Second Party Opinion may affect the value of such Sustainability Linked Notes and/or may have consequences for certain investors with portfolio mandates to invest in sustainability-linked assets. The Issuer does not assume any obligation or responsibility to release any update or revision to the Framework and/or information to reflect events or circumstances after the date of publication of such Framework and, therefore, an update or a revision of the Second Party Opinion may or may not be requested to ISS ESG or other providers of second party opinions.

Moreover, the second party opinion providers and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Noteholders have no recourse against the Issuer, any of the Dealers or the provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Sustainability Linked Notes. Any withdrawal of any such opinion or certification or any such opinion or certification attesting that the Group is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Sustainability Linked Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Furthermore, although the interest rate is subject to a Step Up Option adjustment, and a premium payment may be payable by the Issuer, in certain circumstances specified in the Conditions, such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. The Notes described above are not being marketed as green bonds since the Issuer expects to use the relevant net proceeds for general corporate purposes and therefore the Issuer does not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or be subject to any other limitations associated with green bonds.

In addition, the interest rate adjustment in respect of the above-mentioned Step Up Option and the premium payment amount in respect of the Notes depend on a definition of carbon reduction or, as the case may be, sustainable procurement, that may be inconsistent with investor requirements or expectations or other relevant definitions. In each case, the Issuer may or may not request a second party opinion.

If such second party opinion is obtained, however, as there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "sustainable" or "sustainability-linked" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "sustainable" or "sustainability-linked" (and, in addition, the requirements of any such label may evolve from time to time), the Sustainability Linked Notes may not meet any or all investor expectations regarding the Sustainability Linked Notes or the Group's targets qualifying as "sustainable" or "sustainability-linked" or that any adverse other impacts will not occur in connection with the Group striving to achieve such targets.

Once the technical screening criteria are established, there is no certainty to what extent the investments planned in the Group's sustainability strategy (also underlying the Sustainability Linked Notes through their link to certain key performance indicators) will be aligned with the EU Sustainable Finance Taxonomy. Investors should make their own assessment as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of Sustainability Linked Notes. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

#### *Risks that may result from the failure to meet the SPTs*

Although if the relevant SPT (as defined in the Terms and Conditions of the Notes) is/are not met it will give rise to an interest step up or the payment of a premium as described in Condition 5(e), it will not be an Event of Default under the Sustainability Linked Notes, nor will the Issuer be required to repurchase or redeem any Sustainability Linked Notes in such circumstances. Certain investors may have portfolio mandates or may wish to dispose of their Sustainability Linked Notes and/or the Sustainability Linked

Notes may be excluded from any Environmental, Social and Governance (ESG)-related securities or other equivalently-labelled index upon the occurrence of an interest step-up or a premium payment upon the failure to achieve a SPT, even if the resulting interest step-up or premium payment has the effect of increasing the yield on the relevant Sustainability Linked Notes which may have material consequences for the future trading prices of the Sustainability Linked Notes and/or the liquidity of the Sustainability Linked Notes.

Furthermore, depending on the Step Up Date(s) specified in the relevant Final Terms, the interest step-up may not be payable in respect of the Interest Period commencing immediately after a Step Up Event nor in respect of every Interest Period following a Step Up Event. Therefore, even if an interest step-up will be payable, the structure of such payment may not meet all investor expectations.

In addition, the failure of the Issuer to achieve any of its SPTs or any such similar sustainability performance targets the Issuer may choose to include in any future financings would not only result in an interest step up or payment of a premium, but could also harm the Issuer's reputation, the consequences of which could, in each case, have a material adverse effect on the Issuer, its business prospects, its financial condition or its results of operations and ultimately its ability to fulfil its payments obligations in respect of the Sustainability Linked Notes.

*In respect of Sustainability-Linked Notes and following a Recalculation Event, the Sustainability Performance Target may be amended*

As specified in Condition 5(e)(v) (*Sustainability Linked Notes*), if a Recalculation Event occurs, the SPTs may be recalculated in good faith by the Issuer to reflect some changes which impact the level of any SPT or any KPI, without any requirement for consent or approval of the Noteholders in accordance with Condition.

The SPT, whether amended or not, is an important factor for ascertaining whether or not a Premium Trigger Event or a Step Up Event shall occur or are occurring in respect of the relevant Sustainability Linked Notes.

The occurrence of any such Recalculation Event and the consequential change of the relevant SPT may impact the payment to the Noteholders of the Premium Payment Amount and/or the application of the Step Up Margin and/or the amount paid. Therefore, such changes may have an adverse effect on the interests of the Noteholders and may adversely affect the market price of the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) the sections identified in the cross-reference table below of the [2022 Document d'enregistrement universel](#) in the French language relating to the Issuer filed with the AMF on 30 March 2023 under no. D.23-0200, including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2022 and the related notes thereto (the "**2022 URD**");
- (ii) the sections identified in the cross-reference table below of the [2021 Document d'enregistrement universel](#) in the French language relating to the Issuer filed with the AMF on 7 April 2022 under no. D.22-0254, including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2021 and the related notes thereto (the "**2021 URD**");
- (iii) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 14 June 2022 which received approval no. 22-211 from the AMF as well as the [Supplement no. 1](#) dated 21 November 2022, which received approval no. 22-456 from the AMF, (the "**2022 EMTN Conditions**");
- (iv) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 14 June 2021 which received approval no. 21-223 from the AMF as well as the [Supplement no. 1](#) dated 23 July 2021, which received approval no. 21-347 from the AMF, (the "**2021 EMTN Conditions**");
- (v) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 5 July 2017 which received visa no. 17-337 from the AMF, (the "**2017 EMTN Conditions**");
- (vi) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 7 May 2015 which received visa no. 15-178 from the AMF as well as the [Supplement no. 1](#) dated 9 March 2016, which received visa no. 16-073 from the AMF, (the "**2015 EMTN Conditions**"); and
- (vii) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 23 April 2013 which received visa no. 13-174 from the AMF, (the "**2013 EMTN Conditions**" and together with the 2015 EMTN Conditions and the 2017 EMTN Conditions, the "**Previous EMTN Conditions**").

Free translations in the English language of the 2022 URD and the 2021 URD are available on the Issuer's website ([www.valeo.com](http://www.valeo.com)). These documents are available for information purposes only and are not incorporated by reference in this Base Prospectus. The only binding versions are the French language versions.

For as long as any Notes are outstanding, this Base Prospectus, any supplement to this Base Prospectus and all documents incorporated by reference into this Base Prospectus may be obtained, free of charge, (i) at the office of the Fiscal Agent and the Paying Agents 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, and (iii) on the website of the Issuer ([www.valeo.com](http://www.valeo.com)). Provision of such documents does not constitute a representation that such documents have not been modified or superseded in whole or in part as specified above. Written or oral requests for such documents should be directed to the principal office of BNP Paribas in its capacity as Fiscal Agent (as defined in the "Terms and Conditions" of the Notes below) or to the Issuer at its registered office set out at the end of this Base Prospectus. This Base Prospectus and any supplement to this Base Prospectus will also be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

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

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus (including, for the avoidance of doubt, any information on

the websites which appear in the documents incorporated by reference) refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

The following table cross-references the pages of the Documents Incorporated by Reference. For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 supplementing the EU Prospectus Regulation, as amended, and not referred to in the cross reference list below is either contained in the relevant sections of this Base Prospectus or is not relevant to the investors. Any information not listed in the cross-reference list but included in the documents incorporated by reference is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980 supplementing the EU Prospectus Regulation, as amended.

<b>Information incorporated by reference</b> <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i>	<b>2022 URD</b>	<b>2021 URD</b>
<b>3. RISK FACTORS</b>		
3.1 A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed "Risk Factors".	pp. 94 to 103	-
<b>4. INFORMATION ABOUT THE ISSUER</b>		
4.1. History and development of the Issuer		
4.1.1. The legal and commercial name of the issuer.	p. 482	-
4.1.2. The place of registration of the issuer, its registration number and legal entity identifier (LEI).	pp. 482 to 483	-
4.1.3. The date of incorporation and the length of life of the issuer, except where the period is indefinite.	p. 482	-
4.1.4. The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	p. 482	-
<b>5. BUSINESS OVERVIEW</b>		
5.1. Principal activities		
5.1.1. A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	pp. 10 to 35 pp. 50 to 83	-
5.1.2. The basis for any statements made by the issuer regarding its competitive position.	pp. 55, 61, 67, 73, 79	-
<b>6. ORGANISATIONAL STRUCTURE</b>		
6.1. If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	p. 52 pp. 484 to 485	-
6.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	pp. 418 to 425 p. 456 pp. 484 to 485	-
<b>7. TREND INFORMATION</b>		
7.1. A description of: (a) any material adverse change in the prospects of the issuer since the date of its last published audited	-	-

financial statements; and (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document. If neither of the above are applicable then the issuer should include (an) appropriate negative statement(s).		
<b>Information incorporated by reference</b> <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i>	<b>2022 URD</b>	<b>2021 URD</b>
<b>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>		
9.1 Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	p. 36 pp. 114 to 165	-
<b>10. MAJOR SHAREHOLDERS</b>		
10.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	pp. 469 to 471	-
10.2. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change of control of the issuer	p. 479 to 480	-
<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>		
11.1 Historical Financial Information		
11.1.1 Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.	<b>Consolidated financial statements</b> pp. 333 to 431  <b>Non consolidated financial statements</b> pp. 434 to 460	<b>Consolidated financial statements</b> pp.326 to 414  <b>Non consolidated financial statements</b> pp. 417 to 441
11.1.3 Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable the financial statements must be prepared according to: (a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/ EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. Otherwise the following information must be included in the registration document: (a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information;	<b>Consolidated financial statements</b> pp. 339 to 341	<b>Consolidated financial statements</b> pp. 332 and 333

(b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the issuer in preparing its annual financial statements.		
<b>Information incorporated by reference</b> <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i>	<b>2022 URD</b>	<b>2021 URD</b>
11.1.4 Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:	-	-
(a) the balance sheet;	p. 435	p. 418
(b) the income statement;	p. 434	p. 417
(c) the accounting policies and explanatory notes.	pp. 438 to 456	pp. 421 to 438
11.1.5 Consolidated financial statements If the issuer prepared both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	pp. 333 to 431	pp. 326 to 414
11.1.6 The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	<b>Consolidated financial statements</b> p. 335  <b>Non consolidated financial statements</b> p.435	-
11.2.1  The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2006/43/EC and Regulation (EU) No 537/2014.  Where Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document:  (a) a prominent statement disclosing which auditing standards have been applied;  (b) an explanation of any significant departures from International Standards on Auditing.	<b>Consolidated financial statements</b> pp. 426 to 431  <b>Non consolidated financial statements</b> pp. 457 to 460	<b>Consolidated financial statements</b> pp. 409 to 414  <b>Non consolidated financial statements</b> pp.438 to 441
11.2.1(a)  Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full	-	-
11.2.2 Indication of other information in the registration document which has been audited by the auditors.	-	-
11.3 Legal and arbitration proceedings		

11.3.1 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	pp. 102 p. 364 p. 387 to 389	pp. 95 to 96 p. 354 p. 376 to 377
11.4 Significant change in the Issuer's financial position		
11.4.1 A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	-	-
<b>Information incorporated by reference</b> <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i>	<b>2022 URD</b>	<b>2021 URD</b>
<b>12. MATERIAL CONTRACTS</b>		
12.1 A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued	p. 485	-

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

<b>PREVIOUS EMTN CONDITIONS</b>	
2022 EMTN Conditions	Pages 27 to 80
2021 EMTN Conditions	Pages 27 to 71
2017 EMTN Conditions	Pages 30 to 61
2015 EMTN Conditions	Pages 31 to 61
2013 EMTN Conditions	Pages 28 to 58



## **SUPPLEMENT TO THE BASE PROSPECTUS**

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

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion by the relevant Final Terms, shall be applicable to the Notes (the "**Terms and Conditions**").

In the case of any Tranche of Notes which are being admitted to trading on a Regulated Market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus.

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

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

The Notes are issued with the benefit of an amended and restated agency agreement dated 15 June 2023 between the Issuer, BNP Paribas, as fiscal agent and the other agents named in it (as amended or supplemented as at the Issue Date, the "**Agency Agreement**"). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent, the calculation agent(s) and the put agent for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**", the "**Calculation Agent(s)**" and the "**Put Agent**".

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 Notes shall constitute *obligations* within the meaning of Article L. 213-5 of the French *Code monétaire et financier* (the "**Code**").

### 1. FORM, DENOMINATION(S), TITLE AND REDENOMINATION

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

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**", acting as central depository) which shall credit the accounts of Account Holders (as defined below), or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif*)

*administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

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

The Issuer may require, at any time, the identification of the Noteholders unless such right is expressly excluded in the relevant Final Terms.

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

*In accordance with Articles L.211-3 et seq. and R.211-7 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.*

- (b) **Denomination(s):** Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**") save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a Base Prospectus under the EU Prospectus Regulation 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 monetary or financial authority or any laws or regulations applicable to the relevant Specified Currency (as defined below)). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Bearer Notes**"), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder (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 Noteholder.
- (iv) In these Conditions, "**Noteholder**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Coupons, or Talon relating to it, and capitalised

terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Coupon or Talon, by giving at least thirty (30) calendar days' notice in accordance with Condition 14 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community , as amended from time to time (the "**Treaty**")), or events have occurred which have substantially the same effect, redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
- (ii) The redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 14. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 13, without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to this Condition or Condition 13 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of the relevant Noteholders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Coupons and Talons and shall be notified to them in accordance with Condition 14 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

## 2. CONVERSION AND EXCHANGES OF NOTES

### (a) Dematerialised Notes:

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

### (b) Materialised Notes:

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

## 3. STATUS

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

## 4. NEGATIVE PLEDGE

So long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge or other security interest upon any of its business, undertakings, assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) incurred or guaranteed by it (whether before or after the issue of the Notes) unless the Issuer's obligations under the Notes and Coupons are equally and rateably secured so as to rank *pari passu* with such Relevant Indebtedness or such guarantee in respect thereof.

For the purposes of this Condition:

"**Relevant Indebtedness**" means any indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other securities (including *titres de créance négociables*) which are for the time being, or are capable of being, quoted, listed or ordinarily traded on any stock exchange, over-the-counter-market or other securities market.

## 5. INTEREST AND OTHER CALCULATIONS

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

"**Benchmark**" means the reference rate (LIBID, LIMEAN, CMS or EURIBOR) as specified in the relevant Final Terms, subject as provided in Condition 5(c)(ii)(B)(d).

**"Business Day"** means, other than in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms:

- (i) in relation to any sum payable in Euro, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system ("**T2**") is operating (a "**TARGET Settlement Day**"), and/or
- (ii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any), and/or
- (iii) in relation to any sum payable in a Specified Currency other than Euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iv) in the case of a Specified Currency and/or one or more additional business centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s).

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first (1<sup>st</sup>) calendar day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**"):

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

the number of calendar days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

in each case where "**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

**"Determination Date"** means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first (1<sup>st</sup>) Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means the amount of interest payable, for a particular period, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

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



**"Interest Determination Date"** means, with respect to a Rate of Interest, an Interest Accrual Period or the interest amount in relation to Renminbi Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the calendar day falling two (2) TARGET Settlement Days prior to the first (1<sup>st</sup>) calendar day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first (1<sup>st</sup>) calendar day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the calendar day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first (1<sup>st</sup>) calendar day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

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

**"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first (1<sup>st</sup>) Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

**"ISDA"** means the International Swap and Derivative Association, Inc (or any successor).

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swap and Derivative Association, Inc, as amended or supplemented as at the Issue Date.

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

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

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

**"Reference Rate"** means EURIBOR, SONIA, SOFR, €STR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms.

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

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

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

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

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

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

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

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

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

- (c) **Interest on Floating Rate Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first (1<sup>st</sup>) Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day

that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date, or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

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

(A) ISDA Determination for Floating Rate Notes

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

- (a) the Floating Rate Option is as specified in the relevant Final Terms
- (b) the Designated Maturity is a period specified in the relevant Final Terms and
- (c) the relevant Reset Date is the first (1<sup>st</sup>) calendar day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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

(B) Screen Rate Determination for Floating Rate Notes – EURIBOR, LIBID, LIMEAN and CMS

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

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

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (b) if the Primary Source for the Relevant Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Relevant Rates) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (d) Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over other fallbacks specified in Condition 5(c)(iii)(B). For the avoidance of doubt, the provisions of this Condition 5(c)(iii)(B)(d) shall not

apply to Condition 5(c)(iii)(C), Condition 5(c)(iii)(D) or Condition 5(c)(iii)(E) in relation to Notes for which the Rate of Interest is calculated by reference to SONIA, SOFR and €STR respectively.

(i) Independent Adviser

The Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(c)(iii)(B)(d)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(c)(iii)(B)(d)(iii)) and any Benchmark Amendments, if any (in accordance with Condition 5(c)(iii)(B)(d)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(c)(iii)(B)(d) shall act in as an expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the Noteholders for any determination made by it pursuant to this Condition 5(c)(iii)(B)(d).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

- (1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(B)(d)(iv)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5(c)(iii)(B)(d)); or
- (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(B)(d)(iv)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5(c)(iii)(B)(d)).

(iii) Adjustment Spread

If the Independent Adviser, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant

Rate(s) of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

For the avoidance of doubt, the determination of any Adjustment Spread by the Independent Adviser (i) shall not affect the application, with respect to a particular Interest Period, of the Margin specified as applicable to such Interest Period in the Final Terms and (ii) shall only be made, in accordance with customary market usage in the international debt capital market, to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders.

(iv) Benchmark Amendments

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

For the avoidance of doubt, the Benchmark Amendments referred to above, determined by the Independent Adviser as appropriate to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, (i) shall only relate to the terms, notions and definitions used in this Condition 5 (*Interest and other Calculations*), to the exclusion of any commercial terms relating to the Issuer and reflected in other Conditions, and (ii) shall only be made, in accordance with customary market usage in the international debt capital market, to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders.

In connection with any such variation in accordance with this Condition 5(c)(iii)(B)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination

Date, no Independent Adviser has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Terms and Conditions of the Notes will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5(c)(iii)(B)(d), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5(c)(iii)(B)(d) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions will continue to apply).

(vi) Fallbacks

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

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5(c)(iii)(B)(d), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5(c)(iii)(B)(d)(a) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the fallbacks specified in Condition 5(c)(iii)(C)(c), will continue to apply).

(vii) Survival of Original Reference Rate

Without prejudice to the Issuer's obligations under the provisions of this Condition 5(c)(iii)(B)(d), the Original Reference Rate and the fallback provisions provided for in Condition 5(c)(iii)(B)(c) will continue to apply unless and until the party responsible for determining the Rate

of Interest has been notified of the Successor Rate or the Alternative Rate (as the case may be), and of any Adjustment Spread and/or Benchmark Amendments.

(viii) Definitions

In this Condition 5(c)(iii)(B)(d):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Successor Rate or the Alternative Rate and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

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

**"Alternative Rate"** means, in the absence of a Successor Rate, an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5(c)(iii)(B)(d) and which, to the extent possible, is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes.



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

- a) the Original Reference Rate ceasing to exist or be published;
- b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the date specified in (b)(i);
- c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the date specified in (d)(i);
- e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months;
- f) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable);
- g) that a decision to withdraw the authorisation or registration pursuant to article 35 of the EU Benchmarks Regulation or the UK Benchmarks Regulation of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted; or
- h) the making of a public statement by the supervisor of the administrator of the Original

Reference Rate that means the methodology for calculating the Original Reference Rate (i) has changed materially or (ii) will change materially.

**"EU Benchmarks Regulation"** means Regulation (EU) 2016/2031 of 8 June 2016, as amended or superseded.

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 5(c)(iii)(B)(d)(i).

**"Original Reference Rate"** means the Relevant Rate originally specified in the relevant Final Terms for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes.

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

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

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

**"UK Benchmarks Regulation"** means Regulation (EU) 2016/2031 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

(e) Linear Interpolation

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

(C) Screen Rate Determination for Floating Rate Notes – SONIA

(a) Where "Screen Rate Determination – SONIA" is specified in the relevant Final Terms as the manner in which a Rate of Interest is to be determined, such Rate of Interest for each Interest Period will be calculated by the Calculation Agent in accordance with Condition 5(c)(iii)(C)(b) or 5(c)(iii)(C)(c) below, subject to the provisions of Condition 5(c)(iii)(C)(f) to 5(c)(iii)(C)(g) as applicable.

(b) Where the Calculation Method is specified in the relevant Final Terms as being "Lag Method", the Rate of Interest for each Interest Period will, subject as provided below, be "Compounded Daily SONIA-Lag" plus or minus (as specified in the applicable Final Terms) the Margin.

(c) Where the Calculation Method is specified in the relevant Final Terms as being "Observation Shift Method", the Rate of Interest for each Interest Period will, subject as provided below, be "Compounded Daily SONIA-Shift" plus or minus (as specified in the applicable Final Terms) the Margin.

(d) For the purposes of Condition 5(c)(iii)(C)(b):

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

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-pLED} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

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

"*d<sub>o</sub>*" means, for any Interest Period, the number of London Banking Days in such Interest Period;

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

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

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

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

**"p"** for any Interest Period, means the number of London Banking Days specified in the relevant Final Terms or if no such period is specified, five (5) London Banking Days;

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

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

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

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

- (e) For the purposes of Condition 5(c)(iii)(C)(c):

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

where:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

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

"*d<sub>0</sub>*" means, for any Observation Period, the number of London Banking Days in such Observation Period;

"*i*" means, for any Observation Period, a series of whole numbers from one to *d<sub>0</sub>*, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Observation Period to, and including, the last London Banking Day in such Observation Period;

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

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

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

"*p*" for any Observation Period, means the number of London Banking Days specified in the relevant Final Terms or if no such period is specified, five (5) London Banking Days;

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

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

"SONIA<sub>t</sub>" means, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA Reference Rate.

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

- (f) If, in respect of any London Banking Day in the relevant Reference Period or Observation Period, as the case may be, the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:
  - (i) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
  - (ii) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest determined rate under (i) above.
- (g) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(c)(iii)(C)(f), the Rate of Interest shall be (x) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (y) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).
- (h) If the Notes become due and payable in accordance with Condition 9 (*Events of default*), the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date on which the Notes became due and

payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be the rate determined on such date.

(D) Screen Rate Determination for Floating Rate Notes – SOFR

(a) Where "Screen Rate Determination – SOFR" is specified in the relevant Final Terms as the manner in which a Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent. In no event will the Rate of Interest for any Interest Period be less than the Minimum Rate of Interest.

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

If the Calculation Agent (in consultation with the Issuer) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 5(c)(iii)(D)(c) below will apply.

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

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

(i) will be conclusive and binding absent manifest error;

(ii) will be made by the Calculation Agent (in consultation with the Issuer); and

- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.
- (e) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 5(c)(iii)(D) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.
- (f) For the purposes of this Condition 5(c)(iii)(D):

**"Benchmark"** means, initially, Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 5(c)(iii)(D); provided that if the Calculation Agent (in consultation with the Issuer) on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

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

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

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

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



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

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

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

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

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

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or

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

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

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

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

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

"**D**" is the number specified in the relevant Final Terms (or, if no such number is specified, 360);

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

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

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

Government Securities Business Day in the relevant Observation Period;

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

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

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

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

"**n<sub>i</sub>**" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

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

"**p**" for any Observation Period, means the number of U.S. Government Securities Business Days specified in the relevant Final Terms or if no such period is specified, five (5) U.S. Government Securities Business Days;

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

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

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

- (i) The Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such

rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

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

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

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

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

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; and

**"U.S. Government Securities Business Day"** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(E) Screen Rate Determination for Floating Rate Notes – €STR

- (a) Where "Screen Rate Determination – €STR" is specified in the relevant Final Terms as the manner in which a Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (b) If, where any Rate of Interest is to be calculated, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (c) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this 5(c)(iii)(E), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin

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

- (d) For the purposes of this Condition 5(c)(iii)(E):

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"*d*" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"*D*" means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

"*d<sub>o</sub>*" means the number of TARGET Settlement Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("€STR") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology,

policies or guidelines, of the European Central Bank or the successor administrator of such rate)

"**€STR<sub>i</sub>**" means the €STR reference rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day "i".

"**i**" is a series of whole numbers from one to "*d<sub>o</sub>*", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

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

"**n<sub>i</sub>**" for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

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

"**p**" for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or, if no such period is specified, five (5) TARGET Settlement Days.

(d) **Interest on Fixed/Floating Rate Notes:** Where a Change of Interest Basis is specified to be applicable in the relevant Final Terms, each Fixed/Floating Rate Note will bear interest on their outstanding nominal amount at a rate:

- (i) that the Issuer may decide to convert at the switch date specified in the relevant Final Terms (the "**Switch Date**") from a Fixed Rate (as calculated in accordance with Condition 5(b) and specified in the relevant Final Terms) to a Floating Rate (as calculated in accordance with Condition 5(c) and specified in the relevant Final Terms) or from a Floating Rate to a Fixed Rate (the "**Change of Interest Basis**"). The Change of Interest Basis by the Issuer will be applicable by giving notice to the Noteholders within the period specified in the relevant Final Terms in accordance with Condition 14; or
- (ii) which shall be automatically converted from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate at the Switch Date specified in the relevant Final Terms (the "**Automatic Change of Interest Basis**").

(e) **Sustainability Linked Notes:**

- (i) This Condition 5(e) applies to Fixed Rate Notes, Floating Rate Notes and Fixed/Floating Rate Notes issued by the Issuer in respect of which the applicable Final Terms indicate that the Step Up Option and/or the Premium Payment, as the case may be, is applicable (the "**Sustainability Linked Notes**").
- (ii) Where a Step Up Option is specified to be applicable in the relevant Final Terms, the Rate of Interest for such Notes will be the Initial Rate of Interest specified in the relevant Final Terms, provided that for any one or more Interest Period(s) commencing on or after the Interest Payment Date following a Step Up Event, if any, and specified as Step Up Date(s) in the relevant Final Terms, the Rate of Interest (or the applicable Margin, in the event of Floating Rate Notes) shall be increased by the Step Up Margin specified in the applicable Final Terms.

For the avoidance of doubt, an increase in the Rate of Interest may occur no more than once in respect of the relevant Note.

- (iii) Where a Premium Payment is specified to be applicable in the relevant Final Terms, the Issuer shall pay in respect of each Note of a Series an amount equal to the Premium Payment Amount on the Premium Payment Date if a Premium Trigger Event has occurred.
- (iv) Following the occurrence of a Target Observation Date, the Issuer shall publish on its website or in a dedicated section of its universal registration document the Compliance Certificate.
- (v) In the event of any change, which occurs between the Issue Date of a Series of Sustainability Linked Notes and the Target Observation Date (i) in the Group's perimeter (due to an acquisition, a merger or a demerger or other restructuring (*scission* or *apport partiel d'actifs*), an amalgamation, a consolidation or other form of reorganisation with similar effect, a spin-off, a disposal or a sale of assets); (ii) in or any amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the Group; or (iii) to the methodology for calculation of any KPI to reflect changes in the market practice or the relevant market standards, which, individually or in aggregate, has a significant impact on the level of any SPT or any KPI baseline (each, a "**Recalculation Event**"), the relevant SPT may be recalculated in good faith by the Issuer to reflect such change, provided that the Independent External Verifier has independently confirmed that the proposed revision is consistent with the initial level of ambition of the relevant SPT taking into account the Recalculation Event.

By subscribing or acquiring the Notes, each Noteholder accepts and agrees not to be consulted in respect of such changes. Any such change and the resulting

recalculation to any SPT will be communicated as soon as reasonably practicable by the Issuer to the Paying Agents and the Calculation Agent and notified to the relevant Noteholders (with a copy to the relevant Representative) in accordance with Condition 14.

Any other changes to the SPT or to any Step Up Margin or to any Premium Payment Amount will be made with the prior approval of the Noteholders in accordance with Condition 11.

In this Condition:

"**CO<sub>2</sub>eq**" means carbon dioxide equivalent.

"**Compliance Certificate**" means the certificate issued by the Issuer's External Auditor in respect of the SPT by the end of May following the Target Observation Date.

"**External Auditor**" means EY & Associés or, in the event that EY & Associés resigns or is otherwise replaced, such other qualified provider of third party assurance or attestation services chosen among the audit or ESG services firms and appointed by the Issuer.

"**Framework**" means the Issuer's green and sustainability-linked financing framework (as may be amended and/or supplemented from time to time) which is available on the website of the Issuer (<https://www.valeo.com/en/bond-investors/>).

"**Independent External Verifier**" means Mazars or any other independent accounting or appraisal firm or other independent expert of internationally recognised standing appointed by the Issuer, in each case with the expertise necessary to perform the functions required to be performed by the Independent External Verifier under these Conditions, as determined by the Issuer.

"**Initial Rate of Interest**" means the initial Rate of Interest specified in the relevant Final Terms;

"**KPI**" means key performance indicator and designates the Carbon Reduction KPI and the Sustainable Procurement KPI.

"**Carbon Reduction KPI**" means the key performance indicator directly based on the Issuer's commitments to carbon neutrality by 2050 and its 2030 decarbonation trajectory measuring the Issuer's carbon footprint across all of its operational activities and emissions related to its supply chain and use of products (scope 1, scope 2 and scope 3) measured on the Issuer's perimeter at the Target Observation Date, to be approved by the SBTi and defined in the Framework and includes:

- direct green house gas emissions ("GHG"): combustion emissions from stationary sources on sites, emissions from fuel combustion by Group vehicles, direct emissions from non-energy processes such as volatile organic compounds incinerators and direct fugitive emissions relating to refrigerant leaks;
- indirect GHG emissions: associated with energy consumption, related to the consumption of electricity, steam, compressed air and other sources;
- indirect GHG emissions linked to the purchase of materials used in industrial processes (steel, aluminum, copper, zinc, plastics, electronic components, chemicals and packaging);
- indirect GHG emissions related to the use of products; and
- other indirect GHG emissions regarded as not material (including emissions related to waste management, emissions from the Issuer's assets used with third parties, emission from energy production, emissions from the installation of the Issuer's products in vehicles by automakers, emission related to the processing of end-of-life products and emission from downstream product transportation.



The methodology is based on a set of two calculations:

- (i) Fulfilling the requirements of SBTi by 2030 of the baseline of scopes in 2019 for the entire portfolio of solutions of Valeo:
  - -75% scope 1+ scope 2;
  - -15% scope 3 upstream;
  - -15% scope 3 downstream, and
- (ii) The net avoided emissions<sup>1</sup> for the vehicles in which Valeo contributes directly through the use of its sold technologies in place in the vehicles: the targeted avoided emissions correspond to -50% by 2030.

The SPTs related to Carbon Reduction KPI for any specific Sustainability Linked Notes will vary based on the maturity of the instrument but will be calibrated off the 2025 and 2030 emissions reduction targets:

- (i) Intermediary reduction target: 37.95 million CO<sub>2</sub>eq tons in 2025  

For information purposes only, Valeo intends to pursue the following objectives, on a best efforts basis, to achieve this intermediary reduction target:

  - reducing CO<sub>2</sub>eq emissions (scope 1 & 2) from 1.1 million tons emitted in 2019 to 0.65 million tons in 2025
  - reducing CO<sub>2</sub>eq emissions (scope 3 upstream) from 9.5 million tons emitted in 2019 to 8.9 million tons in 2025
  - reducing CO<sub>2</sub>eq emissions (scope 3 downstream) from 39 million tons emitted in 2019 to 28.4 million tons in 2025 (including electrification portfolio)
- (ii) 2030 reduction target: 27.88 million CO<sub>2</sub>eq tons in 2030  

For information purposes only, Valeo intends to pursue the following objectives, on a best efforts basis, to achieve this 2030 reduction target:

  - reducing CO<sub>2</sub>eq emissions (scope 1 & 2) from 1.1 million tons emitted in 2019 to 0.28 million tons in 2030
  - reducing CO<sub>2</sub>eq emissions (scope 3 upstream) from 9.5 million tons emitted in 2019 to 8.1 million tons in 2030
  - reducing CO<sub>2</sub>eq emissions (scope 3 downstream) from 39 million tons emitted in 2019 to 19.5 million tons in 2030 (including electrification portfolio)

**"Carbon Reduction KPI Condition"** means the notification in writing by the Issuer to the Principal Paying Agent and the Noteholders in accordance with Condition 14 on the SPT Notification Date that the actual CO<sub>2</sub>eq emissions related to the Carbon Reduction KPI was equal or lower than the applicable SPT, and therefore the relevant SPT was met or exceeded, at the relevant Target Observation Date.

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<sup>1</sup> For further details, please refer to Section 4.3.3, item CO<sub>2</sub> emissions related to the use of Valeo products (Scope 3) of the 2021 URD.

**"Carbon Reduction KPI Event"** means the failure of the Issuer to satisfy the SPT related to the Carbon Reduction KPI and the Carbon Reduction KPI Condition, as stated in the relevant Compliance Certificate.

**"Premium Payment Amount"** means, in respect of each nominal amount of Notes, an amount specified in the applicable Final Terms.

**"Premium Payment Date"** means the date specified as such in the relevant Final Terms.

**"Premium Trigger Event"** means the failure of the Issuer to publish the Compliance Certificate by the end of May following the Target Observation Date or the occurrence of either (i) a Carbon Reduction KPI Event or (ii) a Sustainable Procurement KPI Event, as specified in the relevant Final Terms.

**"Sustainable Procurement KPI"** means the key performance indicator based on the share of production purchases from the Issuer's suppliers which are subject to the evaluation of their sustainable development practices over the year (in proportion of the amount of purchases) and defined in the Framework and is structured following a yearly evaluation of a sample of its production and non-production suppliers (representing suppliers from all regions, commodities and segments, as well as large suppliers and small and medium-sized enterprises and review of the issuers' policies and achievements on governance, health and safety, environmental management, human rights and supplier management.

The SPT related to Sustainable Procurement KPI refers to the Issuer's target to increase the amount of its purchases from which suppliers are subject to the evaluation of their sustainable development practices to 82% by 2025.

**"Sustainable Procurement KPI Condition"** means the notification in writing by the Issuer to the Principal Paying Agent and the Noteholders in accordance with Condition 14 on the SPT Notification Date that the actual share of production purchases related to the Sustainable Procurement KPI was equal or higher than the applicable SPT, and therefore the relevant SPT was met or exceeded, at the relevant Target Observation Date.

**"Sustainable Procurement KPI Event"** means the failure of the Issuer to satisfy the SPT related to the Sustainable Procurement KPI and the Sustainable Procurement KPI Condition, as stated in the relevant Compliance Certificate.

**"SBTi"** means the Science Based Targets initiative.

**"SPT"** means the Sustainability Performance Target related to the Carbon Reduction KPI or the Sustainable Procurement KPI, as defined in the Framework and specified in the relevant Final Terms as being the applicable SPT.

**"SPT Notice"** means the notice delivered by the Issuer on the SPT Notification Date

**"SPT Notification Date"** means a Business Day falling no later than forty-five (45) days prior to the Step Up Date (or the first Step Up Date if more than one), when the Issuer will notify and report the actual performance related to the selected SPT.

**"Step Up Date(s)"** means the date(s) specified as such in the relevant Final Terms .

**"Step Up Event"** means the failure of the Issuer to publish the Compliance Certificate by the end of May following the Target Observation Date or the occurrence of either (i) a Carbon Reduction KPI Event or (ii) a Sustainable Procurement KPI Event, as specified in the relevant Final Terms.

**"Step Up Margin"** means the amount specified in the relevant Final Terms as being the Step Up Margin.

**"Target Observation Date"** means the date associated with a predefined SPT specified in the relevant Final Terms, on which the Issuer's performance of each KPI will be observed and measured against each respective predefined SPT.

- (f) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be, unless otherwise provided in the relevant Final Terms, the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(d)(i)).
- (g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 5(a)(vii)).
- (h) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts, Rate Multipliers and Rounding:**
- (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be, subject always to subparagraph (iv) below.
- (iii) Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (iv) 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.
- (v) The Minimum Rate of Interest shall in no circumstance be less than zero.
- (i) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Make-whole Redemption Amounts:** As soon as practicable after the relevant time on such date as the Calculation Agent or the Make-whole Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination

or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Make-whole Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Make-whole Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4<sup>th</sup>) Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) or the Make-whole Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

- (k) **Calculation Agent and Reference Banks:** The Issuer shall use its best efforts to procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and one or more Calculation Agents and a Make-whole Calculation Agent if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. Without prejudice and subject to the provisions of Condition 5(c)(ii)(B)(d), if the Calculation Agent or the Make-whole Calculation Agent is unable or unwilling to act as such or if the Calculation Agent or Make-whole Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-whole Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal office or any other office actively involved in such market) or the Make-whole Calculation Agent to act as such in its place. The Calculation Agent or the Make-whole Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of that Regulated Market so require, notice of any change of Calculation Agent or Make-whole Calculation Agent shall be given in accordance with Condition 14.
- (l) **CNY Notes:** Notwithstanding the foregoing, each CNY Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date. The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on

each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties. The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth (4th) Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made. Unless otherwise agreed in the relevant Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of calendar days in the relevant Interest Period or, as applicable, other period concerned and dividing it by three hundred and sixty-five (365), and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

## 6. REDEMPTION, PURCHASE AND OPTIONS

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in the Final Terms, is its nominal amount).
- (b) **Redemption at the option of the Issuer**
  - (i) **Call Option and partial redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem in relation to all, or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

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

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

In the case of a partial redemption of or a partial exercise of a Call Option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, by reducing the nominal amount of all such Dematerialised Notes in a

Series in proportion to the aggregate nominal amount redeemed, subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, give notice to the Noteholders in accordance with Condition 14 the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

In the case of a partial redemption of Notes pursuant to Condition 6(b)(ii), the relevant provisions of this Condition 6(b)(i) shall apply *mutatis mutandis*.

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

Unless otherwise specified in the relevant Final Terms, the Issuer may, having given:

- (A) not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Noteholders in accordance with Condition 14; and
- (B) not less than fifteen (15) calendar days before the giving of the notice referred to in paragraph (A) above, notice to the Fiscal Agent, the Calculation Agent, the Make-whole Calculation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**")) redeem the Notes, in whole or in part then outstanding at any time or from time to time prior to their Maturity Date at their relevant Make-whole Redemption Amount.

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

**"Make-whole Calculation Agent"** means the international credit institution or financial services institution appointed by the Issuer in relation to a Series of Notes, as specified as such in the relevant Final Terms.

**"Make-whole Redemption Amount"** means,

- in respect of any Notes (that are not subject to the Step Up Option) to be redeemed pursuant to Condition 6(b)(ii), an amount calculated by the Make-whole Calculation Agent and equal to the greater of (x) 100 per cent. of the principal amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accrued on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Rate plus a Make-whole Redemption Margin, plus in each case, any interest accrued on the Notes to, but excluding, the Make-whole Redemption Date. If the Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, and if the Issuer decides to redeem the Notes pursuant to the Make-whole Redemption by the Issuer before the date specified in the relevant Final Terms as the date from which the Residual Maturity Call Option may be exercised, the Make-whole Redemption Amount will be calculated taking into account the date specified in the relevant Final Terms as the date from which the Residual Maturity Call Option may be exercised and not the Maturity Date.
- in respect of any Notes that are subject to the Step Up Option to be redeemed pursuant to Condition 6(b)(ii), an amount calculated by the Make-whole Calculation Agent and equal to the greater of (x) 100 per cent.

of the principal amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (calculated at the Initial Rate of Interest until the Interest Period immediately following the Step Up Date (or the first Step Up Date if more than one), at which point the Rate of Interest shall be deemed to be the Subsequent Rate of Interest unless the applicable SPT has been satisfied and the Issuer has provided the SPT Notice described in Condition 5(e) within the deadline provided therein confirming the satisfaction of the relevant SPT) discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Rate plus a Make-whole Redemption Margin, plus in each case, any interest accrued on the Notes to, but excluding, the Make-whole Redemption Date. If the Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, and if the Issuer decides to redeem the Notes pursuant to the Make-whole Redemption by the Issuer before the date specified in the relevant Final Terms as the date from which the Residual Maturity Call Option may be exercised, the Make-whole Redemption Amount will be calculated taking into account the date specified in the relevant Final Terms as the date from which the Residual Maturity Call Option may be exercised and not the Maturity Date.

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

**"Make-whole Redemption Rate"** means (i) the average of the four (4) quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security on the fourth (4<sup>th</sup>) Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("CET")) ("**Reference Dealer Quotation**") or (ii) the Reference Screen Rate, as specified in the relevant Final Terms.

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

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

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

If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Issuer (acting in consultation with the Reference Dealers) at 11:00 a.m. (CET) on the third (3<sup>rd</sup>) Business Day preceding the Make-whole Redemption Date, quoted in writing by the Issuer to the Make-whole Calculation Agent and published in accordance with Condition 14.

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

**"Subsequent Rate of Interest"** means the Rate of Interest applicable from and including the first day of the Interest Period following the Step Up Date (or the first Step Up Date if more than one).

The Make-whole Redemption Rate will be published 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 Make-whole Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Notes pursuant to this Condition 6(b)(ii), the relevant provisions of Condition 6(b)(i) shall apply *mutatis mutandis*.

- (iii) **Residual Maturity Call Option:** If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three (3) months before the Maturity Date.
- (iv) **Clean-Up Call Option:** If a Clean-Up Call Option is specified in the relevant Final Terms and if eighty (80) per cent. of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, other than by way of a redemption at the option of the Issuer in accordance with Condition 6(b)(ii), the Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 14 to the Noteholders redeem on a date to be specified in such notice the remaining Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

(c) **Redemption at the option of Noteholders and exercise of Noteholders' options:**

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

To exercise such option the Noteholder must deposit with the Put 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 the Put Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Principal Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

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



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

"**Acting in concert**" has the meaning given in Article L. 233-10 of the French *Code de commerce*.

"**Change of Control Period**" means the period commencing on the date of the first public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* of the relevant Change of Control, and ending on the date which is sixty (60) calendar days after the date of such public announcement.

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

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

"**Rating Agency**" means Moody's Investors Service ("**Moody's**"), Inc. or any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating, and, in each case, their respective successors or affiliates.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (A) the rating previously solicited by the Issuer and assigned to the Notes by any Rating Agency is (x) voluntarily withdrawn or (y) changed from an Investment Grade Rating to a non Investment Grade Rating (Ba1 by Moody's, or its equivalents for the time being, or worse) or (z) (if the solicited rating previously assigned to the Notes by any Rating Agency of the Issuer was below an Investment Grade Rating) lowered by one full rating notch (for example, from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating) and (B) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an Investment Grade Rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency; provided however that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm or having been so requested by the Issuer does not inform the Issuer or the Paying Agent in writing that the reduction or withdrawal was effected because of the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control and (ii) any Rating Downgrade has to be confirmed in a letter sent to the Issuer and publicly disclosed.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer or the Put Agent on its behalf shall give notice (a "**Put Event Notice**") to

the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option.

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

The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Paying Agent for the account of the Issuer as provided above, on the date which is the fourteenth (14<sup>th</sup>) calendar day after the last calendar day of the Put Period (an "**Optional Redemption Date (Put)**"), unless previously redeemed and purchased. Payment in respect of any Note so transferred will be made on the Optional Redemption Date (Put) by transfer to the bank account specified in the Put Option Notice by the Noteholder. A Put Option Notice once given shall be irrevocable.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising there from or otherwise), unless such cost or loss is attributable to a breach by the Issuer and/or the Put Agent of its obligations in connection with any Change of Control Put Option.

(d) **Early Redemption:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(e) or Condition 6(h) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(e) or Condition 6(h) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have

effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

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

(ii) **Other Notes:**

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

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

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) below, the Issuer may, at its option, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), subject to having given not more than sixty (60) nor less than thirty (30) calendar days' 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 provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date is past, as soon as practicable thereafter.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date (if this Note is a Floating Rate Note) on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) at any time (if this Note is not a Floating Rate Note), provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

- (f) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, in accordance with applicable laws and regulations. Notes so purchased by the Issuer may be held and resold in accordance with Article L. 213-0-1 of the Code, for the purpose of enhancing the liquidity of the Notes, or cancelled in accordance with Condition 6(g), provided that the Issuer will not be entitled to hold the Notes for a period exceeding one (1) year from their purchase date, in accordance with Article D.213-0-1 of the Code.
- (g) **Cancellation:** All Notes redeemed or purchased by or on behalf of the Issuer may, at its sole option, be held or cancelled in accordance with applicable laws and regulations. Notes will be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. To the extent that the Notes are listed and admitted to trading on Euronext Paris, the Issuer will inform Euronext about such cancellation.
- (h) **Illegality:** 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, it would become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' 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 together with any interest accrued to the date set for redemption.

## 7. PAYMENTS AND TALONS

- (a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Materialised Bearer Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to T2.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside

the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Put Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent, the Put Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent expert(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent, the Put Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities (including Paris so long as the Notes are admitted to trading on Euronext Paris and in such other city so long as the Notes are admitted to trading on any other Regulated Market), (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent, and (vi) such other agents as may be required by the rules of, or applicable to, any other Regulated Market on which the Notes may be admitted to trading.

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

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 13, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14.

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

- (ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Where any Materialised Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (v) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and (C) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Settlement Day.
- (i) **Alternative Payment in U.S. Dollar:** Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-transferability or Illiquidity (each as defined below) occurs, or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of Renminbi Notes, the Issuer on giving not less than five (5) nor more than thirty (30) calendar days irrevocable notice in accordance with Condition 14 "Notices" to the Noteholders prior to the due date for payment, shall be entitled to satisfy its obligations in respect of any such payment by making any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar account of the relevant Account Holders for the benefit of the Noteholders. For the avoidance of doubt, any

payment made under such circumstances of the U.S. Dollar Equivalent will constitute valid payment, and will not constitute a default in respect of the Notes within the meaning of Condition 9.

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

These provisions may be amended or supplemented in the relevant Final Terms. For the purpose of this Condition 7(i):

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

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

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

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

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

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

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

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

**"Renminbi Spot Rate"** for a Renminbi Rate Calculation Date means the spot U.S. dollar/CNY exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the Renminbi Rate Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such Renminbi Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Renminbi Rate Calculation Agent will determine the Renminbi Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Renminbi Rate Calculation Date as the

most recently available U.S. dollar/CNY official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

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

## 8. TAXATION

- (a) **Tax exemption for Notes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France, any authority therein or thereof having power to tax or any other governmental authority, unless such withholding or deduction is required by law.
- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes duties, assessments or governmental charges whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:
- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with France other than the mere holding of the Note or Coupon; or
  - (ii) **Presentation more than thirty (30) calendar days after the Relevant Date:** in the case of Materialised Notes, more than thirty (30) calendar days after the Relevant Date except to the extent that the Noteholder or the Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on or before the thirtieth (30<sup>th</sup>) such calendar day of such time period; or
  - (iii) **Payment by another paying agent:** in the case of Materialised Notes, presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another paying agent in a Member State of the European Union; or
  - (iv) **Excess interest paid to a shareholder of the Issuer:** to, or to a third party on behalf of, a Noteholder or, if applicable or a Couponholder, as the case may be, who is liable to such taxes in respect of such Notes or Coupon solely by reason of (x) his being a shareholder of the Issuer and (y) the payment of interest being made to him at a rate in excess of the limit set forth in the French *Code Général des Impôts* (Article 39, 1, 3<sup>o</sup>) for the deduction of interest paid to shareholders of a borrowing company; or
  - (v) **Non-cooperative State or territory:** when such withholding or deduction is required to be made by reason of that interest or Coupon being (x) paid to an account held in, or (y) paid or accrued to a person established or domiciled in, a non-cooperative State or territory (*Etat ou territoire non coopératif*) as defined in Article 238-0 A of the French *Code Général des Impôts* (other than those mentioned in Article 238-0 A 2 bis 2<sup>o</sup> of the same code) for the purposes of



Articles 125 A III, and 119 bis 2 of the same code, and as defined in Article 238-0 A of the French *Code Général des Impôts* for the purposes of article 238 A of the same code.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven (7) calendar days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or addition to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or addition to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

- (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. EVENTS OF DEFAULT

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

- (a) the Issuer is in default for a period of more than fifteen (15) calendar days for the payment of principal or interest on any Note (including the payment of any additional amounts in accordance with Condition 8), when the same shall become due and payable; or
- (b) the Issuer is in default in the performance of, or compliance with, any of its other obligations under the Notes and such default has not been cured within thirty (30) calendar days after the receipt by the Fiscal Agent of the written notice of such default by the Representative; or
- (c) any other present or future indebtedness of the Issuer for money borrowed or raised in excess of Euro 200,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period therefor or any steps are taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity in excess of such aforesaid amount given by the Issuer for, or in respect of, any such indebtedness of others are not honoured when due and called upon (subject to any originally applicable grace period) unless the Issuer challenges in good faith the default under such

indebtedness or the validity of the enforcement of any such guarantee or indemnity before a court of competent jurisdiction, in which case none of the foregoing events will constitute an Event of Default until a final judgement has been rendered by such relevant court; or

- (d) the Issuer sells or otherwise disposes of all or substantially all of its assets or ceases to carry on the whole or substantially the whole of its business or an order is made or an effective resolution passed for its winding-up, dissolution or liquidation, unless such disposal, winding up, dissolution, liquidation or cessation is made or takes place in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination with or to any other corporation and the liabilities under the Notes are transferred to and assumed by such other corporation and provided that the long-term credit rating assigned by any Rating Agency to such other corporation immediately following such merger, consolidation, reconstruction, amalgamation or other form of combination is not less than the long-term credit rating assigned by such agency to the Issuer immediately prior to such merger, consolidation, reconstruction, amalgamation or other form of combination; or
- (e) (A) the Issuer (i) makes any proposal for a general moratorium in relation to its debts or (ii) a corporate protection procedure (*procédure de sauvegarde ou procédure de sauvegarde accélérée*) or (B) a judgment is issued for (i) the judicial reorganization (*redressement judiciaire*) of the Issuer or (ii) the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer in the context of insolvency or bankruptcy proceedings or the Issuer is subject to any other insolvency or bankruptcy proceedings.

#### 10. **PRESCRIPTION**

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

#### 11. **REPRESENTATION OF NOTEHOLDERS**

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, as an entity and to the exclusion of each individual Noteholder, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes. This shall not prejudice the rights that Noteholders may exercise individually in accordance with, and subject to any other provisions of the Terms and Conditions.

##### (a) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through 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 decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

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

(d) **Collective Decisions**

Collective Decisions are adopted either (i) in a general meeting (the "**General 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 70 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 70 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, shall, for the defence of their respective common interests, be grouped in a single Masse.

(i) **Sole Noteholder**

If and for so long as the Notes of any Series are held by a sole Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all powers and rights and perform all the 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 Valeo ([www.valeo.com](http://www.valeo.com)) and,

- (i) in the case of the holders of Notes in registered form (*au nominatif*), mailed to them at their respective addresses, in which case they shall be deemed to have been given on the fourth (4<sup>th</sup>) 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 modification of the purpose or of the form of the Issuer or with an issuance of secured bonds (*obligations assorties d'une sûreté réelle*), 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 three (3) months of the date of notification, in which case the Issuer shall redeem such Noteholder within thirty (30) days of the Noteholder's request for redemption.

If a merger or a spin-off is contemplated by the Issuer, the Issuer will have the option to submit the proposal for approval by a Collective Decision of the Masse or to offer redemption at par to Noteholders pursuant to Article L. 228-73 of the French *Code de commerce*. Such redemption offer shall be notified to Noteholders in accordance with this paragraph 11(j). If the Masse does not approve the merger or spin-off proposal, any decision to proceed with the merger or spin-off will be notified to Noteholders in accordance with this paragraph 11(j).

In this Condition 11, the expression "outstanding" does not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-0-1 of the French *Code monétaire et financier* which are held by the Issuer and not cancelled.

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

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations on which the Notes are listed, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may

provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Coupons or Talons must be surrendered before replacements will be issued.

### 13. FURTHER ISSUES AND CONSOLIDATION

- (a) **Further Issues:** The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest 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.
- (b) **Consolidation:** The Issuer may, with the prior approval of the Redenomination and Consolidation Agents, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

### 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 (4<sup>th</sup>) weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, notices shall be valid if published in a daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are admitted to trading is located which, in the case of Euronext Paris, is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are admitted to trading is located which, in the case of Euronext Paris is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe, provided that so long as such Notes are admitted to trading on any Regulated Market, notice shall be published as otherwise required by the applicable rules of that Regulated Market, as the case may be. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.

- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au nominatif ou au porteur*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream 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.
- (e) For the avoidance of doubt, this Condition 14 shall not apply to notices being 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 exclusive jurisdiction of the competent courts in Paris.

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

### **Temporary Global Certificates**

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

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

### **Exchange**

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

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

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

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

### **Exchange Date**

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



## USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer to:

- finance its general corporate activities (including for the financing or the refinancing of its current indebtedness);
- finance or refinance any Green Eligible Projects, as defined in the Green Financing Framework within the Issuer's green and sustainability-linked financing framework (as may be amended and/or supplemented from time to time, the "**Framework**"), which is available on the Issuer's website (<https://www.valeo.com/en/bond-investors/>); or
- finance any other particular identified use of proceeds, as specified in the relevant Final Terms.

The Framework further describes the above-mentioned Green Eligible Projects. The Issuer will apply processes for project evaluation and selection, management of proceeds and reporting consistent with guidelines set out in the Green Bond Principles and the Sustainability-Linked Bond Principles published by the International Capital Markets Association (ICMA), as they may be further updated.

With respect to Green Eligible Projects, the Issuer will provide an investor report on an annual basis until proceeds are fully allocated. In accordance with the Framework, such report will include:

- The aggregate amount of allocation of the net proceeds to the Eligible Green Projects at the category level;
- The proportion of net proceeds used for financing vs. refinancing; and
- The balance of any unallocated proceeds invested as per the Issuer's liquidity management policy, including in cash or cash equivalents, or in other liquid marketable instruments.
- The environmental impact report to support the allocation report described above and information on the methodology and assumptions used to evaluate the eligible projects impacts.

Verification of the reporting will be conducted by the Issuer's external auditor and made publicly available on the Issuer's website (<https://www.valeo.com/en/bond-investors/>). The external auditor will verify that the proceeds of the Green Bonds are allocated to Green Eligible Projects.

With respect to Sustainability Linked Notes, the Issuer will disclose the performance of the selected KPI(s) on an annual basis within the sustainability report included in the Issuer's universal registration document, which will be made available by the end of April of each calendar year and will include information on potential drivers of the KPI outcomes. Further, the Issuer will report on the performance of each KPI as it relates to its associated predefined SPT at the Target Observation Date. Verification of the annual performance on the KPIs will be conducted to a reasonable assurance by the Issuer's external auditor and will be made publicly available. The external auditor will provide a reasonable assurance on Valeo's performance to the designated KPIs annually. This verification will be posted on the on the Issuer's website (<https://www.valeo.com/en/bond-investors/>) by the end of April of each calendar year.

The Framework describes, in addition to the eligibility criteria, the management of proceeds, the reporting and the external reviews (second party opinion and verification) applicable for the relevant Notes. It is also specified that the providers of such second party opinion and verification are and will be independent experts. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. As a result, neither the Issuer nor the Dealers will be, or shall be deemed, liable for any issue in connection with its content.

The Issuer has appointed ISS ESG to provide a second party opinion (the "**Second Party Opinion**") on the Framework, assessing the sustainability quality of the Issuer and green and sustainability-linked financing framework. This Second Party Opinion is available on the Issuer's website (<https://www.valeo.com/en/bond-investors/>).

Any amendment to such Second Party Opinion, or any new second party opinion, to be provided following an amendment to the Framework, the publication of a new Framework or in application of any new legislation or regulation, will be made available on the Issuer's website.

Prior to any investment in Notes in which the net proceeds are to be used to finance investments in any Green Eligible Projects, as further specified in the applicable Final Terms, investors are advised to consult the Framework for further information.

## **DESCRIPTION OF VALEO**

The description of the Issuer is set out in the "*Documents Incorporated by Reference*" section set forth above in this Base Prospectus and in the section below.

## RECENT DEVELOPMENTS

On 25 April 2023, the Issuer has published the following press release:

### ***Solid start to 2023***

### ***15% growth in sales in first quarter, to 5.5 billion euros***

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- Sales up 15% as reported to 5,482 million euros
  - Original equipment sales up 13% like for like on an adjusted basis<sup>(2)</sup>
  - Acceleration in the high-voltage electric powertrain business,
    - original equipment sales up 69% like for like
    - new orders for around 4 billion euros, including for Valeo 800V SiC inverter technology
  - Acceleration in the ADAS business, with original equipment sales up 21% like for like
  - Aftermarket sales up 6% like for like on an adjusted basis<sup>(1)</sup>
  - 2023 guidance confirmed
- 

**"Our first-quarter sales, up 15% to 5.5 billion euros, reflect a solid start to 2023 for Valeo.**

**This performance was supported by the acceleration in our high-voltage electric powertrain and ADAS businesses, which posted like-for-like growth of 69% and 21%, respectively, over the period.**

**Business activity in these two areas is very strong, lifted by market momentum and by the positioning of our technology portfolio. In particular, since the beginning of the year, the high-voltage electric powertrain business has recorded significant order intake of around 4 billion euros, covering all regions and technologies, notably the 800V SiC inverter.**

**In a year marked by a rise in energy prices and wages, optimizing our costs and negotiating compensation with our customers are our main priorities on the road to our 2023 objectives."**

**Christophe Périllat, Valeo's Chief Executive Officer**

**First-quarter 2023 sales: up 15 % to 5,482 million euros, lifted by the acceleration in ADAS and high-voltage electric powertrain systems**

In the first quarter, automotive production was up 6%<sup>(3)</sup> compared with the same period in 2022.

This increase was attributable to a low level of new vehicle inventories and growth in production volumes in Europe and North America of 17% and 10%, respectively. In China, automotive production was down

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<sup>(2)</sup> See financial glossary, page 7

<sup>(3)</sup> Based on S&P Global Mobility automotive production estimates released on April 18, 2023

by 8%, over the period as a result of a low level of activity in January (health crisis) and February (Chinese New Year), which was partly offset by a recovery in production volumes in March.

Q1 sales (in millions of euros)	As a % of sales	Q1 2023 sales	vs. 2022					
			Q1 2022	Reported change	Scope	FX	LFL*	Adjusted basis
Original equipment	85 %	4,637	3,932	+18 %	+9 %	— %	+10 %	+13 %
Aftermarket	11 %	615	579	+6 %	+1 %	-2 %	+6 %	+6 %
Miscellaneous	4 %	230	242	-5 %	+7 %	— %	-12 %	-6 %
<b>Total</b>	<b>100 %</b>	<b>5,482</b>	<b>4,753</b>	<b>+15 %</b>	<b>+7 %</b>	<b>— %</b>	<b>+8 %</b>	<b>+11 %</b>

\* Like for like<sup>(4)</sup>

\*\*Adjusted basis change<sup>(3)</sup>

In this environment, **total sales** came in at 5,482 million euros, up 11% on an adjusted basis compared with first-quarter 2022 (up 8% like for like).

Changes in exchange rates had a negligible impact.

Changes in Group structure had a positive 7% impact for the period. They result mainly from the integration of the **high-voltage electric powertrain business**. Sales for this business came in at 362 million euros in the first quarter.

**Original equipment sales** climbed 13% like for like on an adjusted basis<sup>(3)</sup> (up 10% over the period like for like), lifted by the recovery in global automotive production, mainly in Europe and North America, and an increase in content per vehicle, particularly in **ADAS** (original equipment sales up 21% like for like) and in high-voltage electric powertrain (original equipment sales up 69% like for like).

**Aftermarket sales** posted solid growth of 6 % like for like on an adjusted basis<sup>(3)</sup>, despite an unfavorable basis of comparison linked to strong growth for this activity during the same period in 2022. This performance was fueled by the increased number and age of vehicles on the road, a more attractive offering from Valeo thanks to a shift towards more value-added products, and the impact of price increases.

**"Miscellaneous" sales** (tooling and customer contributions to R&D) contracted by 12 % like for like.

<sup>(4)</sup> See financial glossary, page 7

In first-quarter 2023, outperformance of 7 percentage points worldwide on an adjusted basis<sup>(5)</sup>

Original equipment sales*** (in millions of euros)	As a % of sales	Q1 2023	vs. 2022				
			Q1 2022	LFL* change	Perf. **	Adjusted basis <sup>(4)</sup>	
Europe & Africa	50 %	2,293	1,767	+15 %	-2 pts	+5 pts	
Asia, Middle East & Oceania	30 %	1,409	1,301	+6 %	+6 pts	+6 pts	
<i>o/w China</i>	<i>14 %</i>	<i>632</i>	<i>638</i>	<i>-9 %</i>	<i>-2 pts</i>	<i>-2 pts</i>	
North America	18 %	847	790	+3 %	-7 pts	-7 pts	
South America	2 %	88	74	+13 %	-2 pts	-2 pts	
<b>Total</b>	<b>100 %</b>	<b>4,637</b>	<b>3,932</b>	<b>+10 %</b>	<b>+4 pts</b>	<b>+7 pts</b>	

\* Like for like<sup>(4)</sup>

\*\* Based on S&P Global Mobility production estimates released on April 18, 2023.

\*\*\* By destination region.

In the first quarter of 2023, Valeo posted an outperformance of 7 percentage points including the scope effect related to the integration of the high-voltage electric powertrain business (adjusted basis<sup>(4)</sup>):

- **in Europe and Africa**, the Group recorded an outperformance of 5 percentage points on an adjusted basis, driven by growth in the **Comfort & Driving Assistance Systems Business Group** (acceleration in ADAS), the **Powertrain Systems Business Group** on an adjusted basis<sup>(4)</sup> (acceleration in the high-voltage electric powertrain business) and the **Thermal Systems Business Group**, particularly **in the field of high-voltage electrified vehicles** (battery cooling systems, dedicated air conditioning systems for electric vehicles, heat pumps, etc.);
- **in Asia**, the Group recorded a 6 percentage points outperformance, supported by the momentum of all its Business Groups; **in China**, the Group recorded a slight 2 percentage points underperformance, penalized by an unfavorable vehicle mix in the **Visibility Systems Business Group**, as well as the expiry of a contract with a Japanese automaker for front-end modules affecting the **Thermal Systems Business Group**; meanwhile, the **Comfort & Driving Assistance Systems Business Group** posted strong growth in its camera business;
- **in North America**, original equipment sales underperformed automotive production by 7 percentage points on a like-for-like basis, reflecting (i) the ramp-up of several projects in the **Comfort & Driving Assistance Systems Business Group** (acceleration in ADAS), and, conversely, (ii) a temporarily unfavorable vehicle mix in the **Visibility Systems Business Group** due to production delays (shortage of components) on certain key platforms for North American customers, and (iii) the expiry of a contract with a Japanese automaker for front-end modules affecting the **Thermal Systems Business Group**;
- **in South America**, which represents 2% of original equipment sales, the Group underperformed automotive production by 2 percentage points.

<sup>(5)</sup> See financial glossary, page 7

## Acceleration in the ADAS (CDA) and high-voltage electric powertrain (PTS) businesses

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

Sales by Business Group (in millions of euros)	Q1 2023	vs. 2022					
		Q1 2022	Change in	Change in	Perf. **	Adjusted	
Comfort & Driving Assistance Systems***	1,159	975	+19	% +17	%	+11 pts	+11 pts
Powertrain Systems	1,741	1,311	+33	% +10	%	+4 pts	+14 pts
Thermal Systems	1,145	1,079	+6	% +8	%	+2 pts	+2 pts
Visibility Systems	1,376	1,356	+1	% +5.3	%	0 pt	0 pt

\* Like for like <sup>(6)</sup>

\*\* Based on S&P Global Mobility production estimates released on April 18, 2023 (global automotive production: 6%).

\*\*\* Excluding the TCM (Top Column Module) business.

### Original equipment sales

The **Comfort & Driving Assistance Systems Business Group** outperformed global automotive production by 11 percentage points, thanks to the start-up of numerous **ADAS** projects (particularly for cameras) in the main production regions (Europe, North America and China), thereby strengthening its position as a world leader. Like-for-like original equipment sales were up by 21% for **ADAS** and 9% for **Reinvention of the interior experience**.

The **Powertrain Systems Business Group** recorded an outperformance of 14 percentage points on an adjusted basis (4 percentage points as reported), after taking into account the high-voltage electric powertrain business, whose original equipment sales rose by 69% during the period.

The **Business Group** has recorded order intake of around 4 billion euros for high-voltage electric systems since the beginning of the year, covering all of Valeo's technologies for electrified vehicles, particularly onboard battery chargers and 800V SiC inverters, in all world regions.

The **Thermal Systems Business Group** delivered an outperformance of 2 percentage points. In China and North America, the Business Group was impacted by the expiry of a front-end modules contract with a Japanese automaker. In Europe, the Business Group's performance was powered by strong sales of its systems for **high-voltage electrified vehicles** (battery cooling systems, dedicated air conditioning systems for electric vehicles, heat pumps, etc.).

The **Visibility Systems Business Group** performed in line with the market, due to an unfavorable vehicle mix in China and by production delays (shortage of components) on certain key platforms of North American customers in North America. The Business Group's performance is expected to improve in the second half, propelled by the start of production on a very large number of projects and an improved product mix as component supplies return to normal.

### 2023 guidance confirmed

<sup>(6)</sup>See financial glossary, page 7

We are confirming our objectives for 2023 (see below), taking into account the uncertainty regarding automotive production in our main business regions, net inflation and cost reduction measures.

These objectives lead to:

- a 0.8 to 1.6 percentage point improvement compared with 2022 adjusted profitability (i.e., operating margin including the high-voltage electric powertrain business within the Powertrain Systems Business Group as of January 1, 2022);

- a significant improvement in free cash flow generation (compared with 2022 adjusted free cash flow);

with a significant improvement of our financial performance in second-half 2023 compared to the first half of the year

	<b>2022</b>	<b>2022 adjusted**</b>	<b>2023 guidance***</b>
<b>Sales (in billions of euros)</b>	<b>20.0</b>	<b>20.4</b>	<b>22.0 - 23.0</b>
<b>Operating margin*</b> (as a % of sales)	<b>3.2%</b>	<b>2.4%</b>	<b>3.2% - 4.0%</b>
<b>EBITDA*</b> (as a % of sales)	<b>12.0%</b>	<b>11.4%</b>	<b>11.5% - 12.3%</b>
<b>Free cash flow*</b> (in millions of euros)	<b>388</b>	<b>205</b>	<b>&gt; 320</b>

\*See financial glossary, page 7

\*\* 2022 data has been adjusted to include the integration of the high-voltage business (formerly Valeo Siemens eAutomotive) within the Powertrain Systems Business Group as of January 1, 2022.

\*\*\* Based on the following assumptions:

- growth in global automotive production of between 0% and 3.3% in 2023 (3.3% = S&P Global Mobility estimates released on February 16, 2023);
- an acceleration in automotive production in the second half of the year (in line with the S&P Global Mobility scenario released on February 16, 2023);
- price increases (in relation to cost inflation) and internal cost reduction measures.

## Upcoming events

2023 Shareholders' Meeting: May 24, 2023

First-half 2023 results: July 27, 2023

## Highlights

### ESG

**On March 28, 2023**, Valeo announced to its shareholders the date and location of its Ordinary and Extraordinary Shareholders' Meeting.

**On March 31, 2023**, Valeo announced that it had published its 2022 Universal Registration Document.

## Industrial partnership



**On January 4, 2023**, NTT Data, Valeo and Embotech announced that they had formed a consortium to provide automated parking solutions.

**On February 14, 2023**, BMW and Valeo announced that they had engaged in a strategic cooperation to co-develop the next-generation Level 4 automated parking experience.

### **Products/technologies and patents**

**On January 3, 2023**, Valeo announced that it would be taking part in the 2023 Consumer Electronics Show (CES) in Las Vegas between January 3 and January 8, 2023.

**On January 12, 2023**, Valeo announced that it would be taking part in the 16th Auto Expo 2023 Components at Pragati Maidan in New Delhi, India from January 12 to January 15, 2023.

**On March 7, 2023**, Valeo celebrated 100 years of innovating and constantly striving to make mobility simpler, safer and more sustainable.

**On March 20, 2023**, Valeo announced that it would be taking part in the 2023 Taipei Cycle Show in Taiwan between March 22 and March 25, 2023.

**On March 23, 2023**, Valeo received an Innovation award in the "Infrastructure and Vehicle Improvement" category from Sécurité routière – the French national road safety authority – for its new Everguard™ silicone wiper blades.

**On March 27, 2023**, Valeo announced that it had been named Supplier of the Year in the Advanced Driver Assistance Systems (ADAS) category by General Motors at a ceremony held on March 23, 2023.

**On March 28, 2023**, Valeo announced that it was the number one French patent filer with the European Patent Office (EPO), with 588 patent applications filed in 2022.

**On March 30, 2023**, Valeo announced it had signed two new major contracts for its third-generation LiDAR.

**On April 11, 2023**, Valeo announced it would be participating for the first time, from April 12 to April 14, 2023, in the Laval Virtual trade show, during which it presented its innovations in the field, both for accelerating the design of solutions and for in-vehicle applications.

**On April 14, 2023**, Valeo announced it would be participating in Auto Shanghai 2023, where it will present its latest technologies for smarter, safer and greener mobility.

**On April 21, 2023**, Valeo announced it would be presenting its composite solutions at JEC World 2023, from April 25 to 27, for the third consecutive year. **Financial glossary**

**Like for like (or LFL):** the currency impact is calculated by multiplying sales for the current period by the exchange rate for the previous period. The Group structure impact is calculated by (i) eliminating, for the current and/or for the comparable period, sales of companies acquired during the period or the comparable period, and (ii) eliminating, for the current period and/or for the comparable period, sales of companies sold during the current or comparable period.

**Adjusted data:** to calculate year-on-year changes in sales on an adjusted basis, 2022 figures have been adjusted as though the high-voltage electric powertrain business had been consolidated in the Group's financial statements as of January 1, 2022.

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

**EBITDA** corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends from equity-accounted companies.

**Free cash flow** corresponds to net cash from operating activities (excluding changes in non-recurring sales of receivables and net payments for the principal portion of lease liabilities) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

## Appendices

### Customer portfolio

<b>Customers</b>	<b>Q1 2023</b>	<b>Q1 2022</b>
German	33 %	29 %
Asian	30 %	32 %
American	17 %	20 %
French	14 %	14 %
Other	6 %	5 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

### Geographic portfolio

<b>Production regions</b>	<b>Q1 2023</b>	<b>Q1 2022</b>
Western Europe	31 %	30 %
Eastern Europe & Africa	18 %	15 %
China	15 %	18 %
Asia excluding China	16 %	15 %
United States & Canada	7 %	8 %
Mexico	11 %	12 %
South America	2 %	2 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>
<b>Asia &amp; emerging countries</b>	<b>62 %</b>	<b>62 %</b>

On 23 May 2023, the Issuer has published the following press release:

***Renault Group and Valeo sign a partnership in Software Defined Vehicle development***

- **Renault Group and Valeo are extending their collaboration on the Software Defined Vehicle (SDV).**
- **Valeo will supply some of the key electrical and electronic components, such as the High-Performance Computer, and contribute to software development.**
- **With Google on software, Qualcomm on hardware, and now Valeo, Renault Group continues to develop its tech ecosystem and its mastery of the SDV value chain.**

Renault Group and Valeo today announced a partnership to develop the electrical and electronic architecture of the Group's next generation vehicles. The Software Defined Vehicle (SDV) architecture will enable vehicles to remain always up to date throughout their life cycle and capable of integrating new functionalities without hardware modifications.

As part of the partnership, Valeo will supply key electrical and electronic components\* for the SDV, including the High-Performance Computer (HPC). Valeo engineers will work close to the Renault Group sites in Guyancourt, Toulouse and Sophia-Antipolis and will also work with the Renault Software Factory teams on software development. Valeo will also provide on-board application software, such as parking assistance.

This new partnership will help to reduce development times and costs for the electrical and electronic architecture while focusing on high performance, compatibility, and safety.

In addition to the agreements signed with Google for the OS, the Cloud and the Digital Twin and with Qualcomm for the Digital Chassis and the System-on-Chip, this collaboration with Valeo will enable Renault Group to strengthen its control of the Software Defined Vehicle value chain.

**Marc Vrecko, President, Comfort and Driving Assistance Systems Business Group of Valeo:** *“This joint development reinforces the long-standing partnership between Valeo and Renault Group. With this very important contract, Valeo is proud to collaborate with Renault Group to prepare the future of the Software Defined Vehicle. This strategic partnership demonstrates a strong commitment to work together to push the boundaries of automotive technology to improve the driving experience and safety of users”.*

**François Provost, Renault Group Chief Purchasing, Partnerships, and Public Affairs Officer:** *“The arrival of Valeo in our tech ecosystem is an important step towards the co-construction of our Software Defined Vehicle (SDV). This new partnership brings together the skills, expertise, and innovation of our two French companies to offer vehicles that are technologically advanced and competitive in terms of cost and development time. Renault Group, and its future entity Ampere dedicated to electric vehicles and software, continues to strengthen its position in the value chain of tomorrow, to become the next generation automotive company.”*

**\* Valeo will supply: HPC (High-Performance Computer), the core control of vehicle driving strategies and driver assistance systems (ADAS); zone controllers, which provide more efficient power management and substantial reduction in wiring harness; electrical distribution modules; ADAS components: ultrasonic sensors, driving and parking cameras.**

On 24 May 2023, the Issuer has published the following press release:

***Valeo General Shareholders' Meeting 2023***

Valeo's Annual Shareholders' Meeting was held today under the chairmanship of Gilles Michel, Chairman of the Board of Directors. All the resolutions were adopted.

The shareholders approved the 2022 financial statements as well as a dividend distribution of 0.38 euro per share. The ex-dividend date is set at May 29, 2023, and the record date at May 30, 2023. The dividend will be paid on May 31, 2023.

The shareholders renewed the term of office of Stéphanie Frachet and Patrick Sayer as Directors for a period of four years.

They also ratified the co-optation of Alexandre Dayon as Director, replacing C. Maury Devine for the remainder of her term of office, i.e., until the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2024.

The General Shareholders' Meeting also approved the compensation paid or awarded to Directors and Executive Officers for the 2022 financial year (ex post votes) and the compensation policies applicable to Directors and Executive Officers for the 2023 financial year (ex ante votes).

In addition, the shareholders renewed the authorizations and financial delegations granted to the Board of Directors to carry out share buybacks and to issue shares and securities, and granted a new authorization to allot free shares to employees and corporate officers. This authorization replaces the one given at the General Shareholders' Meeting of May 26, 2021.

Finally, the articles of association have been amended notably to organize the representation of employee shareholders at Board level.

On 29 May 2023, the Issuer has published the following press release:

***Valeo and DiDi Autonomous Driving have reached a strategic cooperation and investment agreement to jointly develop safety solutions for robotaxis***

**On May 29th, Valeo and DiDi Autonomous Driving announced a new strategic cooperation and investment agreement. Valeo intends to invest in DiDi Autonomous Driving and the two partners will develop intelligent safety solutions for L4 robotaxis together.**

Valeo and DiDi Autonomous Driving will bring together their expertise to provide passengers with safe, reliable, comfortable and cost-effective autonomous driving services. By investing in DiDi Autonomous Driving, Valeo intends to take this strategic partnership one step further and to support the long-term development of a key player in the future of autonomous driving.

In particular, they will set up a joint research and development team to work on safety systems for L4 robotaxis. To offer extra safety to users, Valeo and DiDi Autonomous Driving will complement the main system of L4 standard technology that allows the robotaxi to navigate autonomously and safely, with another set of hardware and software. This Automated Safety Pilot will provide redundancy to the main system in case of a sudden failure, as well as customized safety features designed for specific operation scenarios. This customized intelligent safety solution will be able to take over and control the robotaxi to execute actions to ensure the safety of both passengers and other road users. This intelligent safety solution will be initially deployed in DiDi Autonomous Driving's L4 Robotaxis.

Geoffrey BOUQUOT, Valeo Executive Vice President Strategy and CTO said, "*Valeo has been developing leading technologies to reach and support L4 autonomous driving for many years. DiDi Autonomous Driving, with its strong focus on shared mobility, holds a leading edge in technology R&D and operational capabilities. Today, we are proud to sign this agreement to invest in DiDi Autonomous Driving and join our R&D efforts to develop safety solutions. This strategic partnership will contribute to Valeo's commitment to offer solutions for smart, safe and affordable mobility.*"

According to Meng Xing, COO of DiDi Autonomous Driving, "*We are fully committed to promoting the mass production and commercialization plan, in which safety has always been the first priority. Valeo has continued to innovate for a century, and has accumulated rich experience in mass production of Advanced Driver Assistance Systems (ADAS) and Autonomous Driving Systems (ADS). The strategic partnership with*

*Valeo enables us to achieve major breakthroughs in the standardizing and scaling of key modules of autonomous driving systems, to further improve the overall system safety of L4 Robotaxis, and to provide passengers with high-quality driverless mobility services. Together, we aim to accelerate the commercialization of autonomous driving technology.”*

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 15 June 2023 (the "**Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer(s) a commission (if any) as agreed between them in respect of Notes subscribed by that Dealer. The Issuer has also agreed to reimburse the Arranger and the Dealers for certain of their expenses and activities in connection with the Programme.

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

### Selling Restrictions

#### *Prohibition of Sales to EEA Retail Investors for the purposes of the EU Prospectus Regulation and EU PRIIPs Regulation*

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

For the purposes of this provision:

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

#### *Prohibition of sales to UK Retail Investors*

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

For the purposes of this provision:

- 1) the expression "**retail investor**" means a person who is one (or more) of the following:
  - a. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

- b. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - c. not a qualified investor as defined the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- 2) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

*France*

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

- (a) it has only offered or sold, and will only offer or sell, directly or indirectly, Notes in France and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes to qualified investors (*investisseurs qualifiés*) as referred to in Article L.411-2 of the French *Code monétaire et financier* and defined in Article 2(e) of the EU Prospectus Regulation; and
- (b) Materialised Notes may only be issued outside of France.

*United Kingdom*

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

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

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer;

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

*United States*

The Notes have not been and will not be registered under the Securities Act or the securities laws of any U.S. state and may not be offered or sold, directly or indirectly, within the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in certain

transactions not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in offshore transactions in reliance on an exemption from registration under the Securities Act pursuant to Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Materialised Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor regulation issued under the U.S. Internal Revenue Code of 1986, as amended (the "**I.R. Code**"), section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Bearer Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor regulation issued under Code section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**C Rules**") or (ii) such Materialised Bearer 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. TEFRA will not apply to Dematerialised Notes.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, except as permitted by the Dealer Agreement, it has not offered or sold and it will not offer, sell or, in the case of Materialised Bearer Notes, deliver, Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the completion of the distribution of any identifiable Tranche of which such Notes are a part (the "**Distribution**

**Compliance Period**"), within the United States of America or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States of America or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S, except that in reference to the term Materialised Bearer Notes, the term "U.S. person" also shall have the meaning given to it by the I.R. Code and the regulations thereunder.

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

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

#### *Japan*

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**") and agrees or will agree, as the case may be, that it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.



### *Hong Kong*

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

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

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

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, it has not offered or sold and will not offer or sell the Notes, directly or indirectly, in the People's Republic of China (the "PRC") or to PRC persons, for such purpose, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, except as permitted by applicable PRC laws and regulations.

### *Singapore*

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

#### *Switzerland*

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") as long as such offering is made to professional clients within the meaning of the FinSA only or as long as the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Base Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

#### *Canada*

The Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof. 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, distributed, or delivered, and that it will not offer, sell, distribute, or deliver any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of Canada or any province or territory thereof.

Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, not to distribute or deliver this Base Prospectus, or any other offering material relating to the Notes, in Canada in contravention of the securities laws of Canada or any province or territory thereof.

In relation to each issue of Notes, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may be sold only to Canadian purchasers purchasing, or deemed to be purchasing, as principal that are "accredited investors", as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and are "permitted clients", as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of such Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

#### *General*

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

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

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

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

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

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

**[EU MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes taking into account the five categories referred to in item 18 of the Guidelines on EU MiFID II product governance requirements published by ESMA dated 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**EU 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 EU 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.]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") 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.]

**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 ("**EU MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**EU 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 EU PRIIPs Regulation.

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**Final Terms dated [●]**

**Valeo**

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes] under the Euro 5,000,000,000  
Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 15 June 2023 which received approval no. 23-220 from the *Autorité des marchés financiers* (the "AMF") on 15 June 2023 [and the supplement to the Base Prospectus dated [●] which received approval no. [●] from the AMF on [●]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time, the "**EU Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the supplement to the Base Prospectus] [and the Final Terms] [is] [are] available for viewing at the office of the Paying Agents during normal business hours and on the websites of (a) the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.valeo.com](http://www.valeo.com)) and copies may be obtained free of charge from Valeo, 100 rue de Courcelles, 75017 Paris, France. [In addition<sup>1</sup>, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at/on] [●].

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") which are the [2013/2015/2016/2017/2021/2022] EMTN Conditions. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time, the "**EU Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated 15 June 2023 which received approval no. 23-220 from the *Autorité des marchés financiers* (the "AMF") on 15 June 2023 [and the supplement to the Base Prospectus dated [●] which received approval no.[●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation, save in respect of the Conditions which are the [2013/2015/2017/2021/2022] EMTN Conditions. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2013/2015/2017/2021/2022] EMTN Conditions and the Base Prospectus dated 15 June 2023 [and the supplement to the Base Prospectus dated [●] and [●]. [The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing at the office of the Paying Agents during normal business hours and on the websites of (a) the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.valeo.com](http://www.valeo.com)) and copies may be obtained free of charge from Valeo, 100 rue de Courcelles, 75017 Paris, France. [In addition<sup>7</sup>, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at/on] [●].]

- |    |   |  |
|----|---|--|
| 1. | Issuer:   | Valeo  |
| 2. | [(i)] Series Number:                            | [●]  |
|    | [(ii)] Tranche Number:                          | [●]  |
|    | [(iii)] Date on which the Notes become fungible | [Not Applicable/ The Notes will be assimilated ( <i>assimilées</i> ) and form a single series with the existing [ <i>insert description of the Series</i> ] issued by the Issuer on [ <i>insert date</i> ] (the " <b>Existing Notes</b> ") as from the date of assimilation which is expected to be on or about forty (40) calendar days after the Issue Date (the " <b>Assimilation Date</b> ").] |
| 3. | Specified Currency:                             | [●]  |

<sup>7</sup> If the Notes are admitted to trading on a regulated market other than Euronext Paris.

4. Aggregate Principal Amount of Notes : [●]
- [(i)] Series: [●]
- [(ii)] Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] ( if applicable)]
6. Specified Denomination: [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [[●] per cent. Fixed Rate [, subject to the Step Up Option]]  
[[specify reference rate] +/- [●] per cent. Floating Rate [, subject to the Step Up Option]]  
[Zero Coupon]
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11. Put/Call Options: [Put Option]  
[Call Option]  
[Make-whole Redemption by the Issuer]  
[Residual Maturity Call Option]  
[Clean-Up Call Option]  
[(further particulars specified below)]
12. Change of Control: [Change of Control Put Option/Condition 6(c)(ii) will not apply]
13. (i) Status of the Notes: Unsubordinated Notes
- [(ii)] [Date of corporate authorisations for issuance of Notes: [Resolution of the General Meeting of the shareholders of the Issuer dated [●]] [Resolution of the Board of Directors of the Issuer dated [●] [and the *décision d'émission* dated [●] (in the case of syndicated issue only)] [(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)]

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

14. Fixed Rate Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: *(If the Notes are subject to the Step Up Option)*  
[The Notes are subject to the Step Up Option  
The Initial Rate of Interest is [●] per cent. per annum [payable in arrear on each Interest Payment Date]  
(further particulars specified in item 18 of these Final Terms)]
- (If the Notes are not subject to the Step Up Option)*  
[●] per cent. per annum [payable in arrear on each Interest Payment Date]

- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable additional Business Centre(s) for the definition of "Business Day"]*<sup>8</sup> / unadjusted]
- (iii) Fixed Coupon Amount[(s)]<sup>9</sup>: [●] per Note of [●] Specified Denomination
- (iv) Broken Amount(s): [Not Applicable / [●] payable on the Interest Payment Date falling [in/on] [●]]
- (v) Day Count Fraction: [[Actual/Actual (ISDA) / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]]
- (vi) Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA) or for Renminbi Notes*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- (viii) Party responsible for calculating Interest Amounts (if not the Calculation Agent)<sup>10</sup> [●]/[Not Applicable]
15. Floating Rate Note Provisions [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- [The Notes are subject to the Step Up Option (further particulars specified in paragraph 18 below)]/[The Notes are not subject to the Step Up Option]
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [Interest Payment Date/[●]]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and / or Interest Amount(s) (if not the [Fiscal Agent]): [●]

<sup>8</sup> This option should be selected for Renminbi Notes.

<sup>9</sup> Not applicable for Renminbi Notes.

<sup>10</sup> Renminbi Notes only.

- [(ix) ISDA Determination [Applicable/Not Applicable]
- (if not applicable, delete the *remaining subparagraphs of this paragraph*)
- ISDA Definition: [2006 ISDA Definitions]
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (x) Screen Rate [Applicable/Not Applicable]  
Determination - IBOR:
- Benchmark: [LIBID, LIMEAN, CMS, EURIBOR or other benchmark]
  - Relevant Rate: [●]
- (If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 5(c)(iii)(B)(e)), insert the relevant interest period(s) and the relevant two rates used for such determination)
- Interest Determination Date(s): [[●] [TARGET] Settlement Days in [specify city] for [specify currency] prior to [the first day in each Interest Period/each Interest Payment Date]]
- (Where the Benchmark is SONIA include the wording below)
- Effective Date: [●]
  - Relevant Time: [●]
  - Primary Source: [Specify relevant Page or "Reference Banks"]
  - Reference Banks Primary Source (if is "Reference Banks"): [Specify four]
  - Relevant Financial Centre: [The financial centre most closely connected to the Benchmark - specify if not Paris]
  - Representative Amount: [Specify the notional amount if Page or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
  - [Specified Duration: [●]]
- (xi) Screen Rate [Applicable/Not Applicable]  
Determination – SONIA:
- "p": [●] / [Not Applicable]
  - Relevant Screen Page: [●]
  - Calculation Method: [Lag Method/Observation Shift Method/Not Applicable]
  - Observation Method: [Lag/Lock-out]
- (xii) Screen Rate [Applicable/Not Applicable]  
Determination – SOFR:
- D: [360/365/other][Not Applicable]
  - "p": [●]
  - Relevant Time: [●]
  - Relevant Financial Centre: [●]



- (xiii) Screen Rate Determination – €STR: [Applicable/Not Applicable]
- Observation Method [Lag/Observation Shift]
- [- Lag Period: [●]]
- [- Observation Shift Period: [●]]
- (xiii)Margin(s): *(If the Notes are subject to the Step Up Option)* [The initial Margin is] [+/-][●] per cent. per annum  
*(If the Notes are determined by reference to SOFR or €STR)* [The [initial] Margin is [+/-][●] per cent. per annum (*specify any variations to the Margin*)]
- (xiv)Rate Multiplier: [Not applicable]/[●]
- (xv) Minimum Rate of Interest: [Zero (0)/ [●] per cent. per annum]<sup>11</sup>
- (xvi) Maximum Rate of Interest: [[Not Applicable]/[●] per cent. per annum]
- (xvii) Day Count Fraction: [●]
16. Change of Interest Basis: [Applicable/Not Applicable]  
*(If not applicable, delete the sub-paragraphs of this paragraph)*
- (i) Change of Interest Basis by the Issuer: [Applicable/Not Applicable]
- (ii) Automatic Change of Interest Basis: [Applicable/Not Applicable]
- (iii) Rate of Interest applicable to the Interest Periods before the Switch Date (excluded): Determined in accordance with [Condition 5(b), provided that the Notes are Fixed Rate Notes/Condition 5(c), provided that the Notes are Floating Rate Notes], as described in item [15/16] of these Final Terms
- (iv) Rate of Interest applicable to the Interest Periods after the Switch Date (included): Determined in accordance with [Condition 5(b), so long as the Notes will be Fixed Rate Notes/Condition 5(c), so long as the Notes will be Floating Rate Notes], as described in item [15/16] of these Final Terms
- (v) Switch Date: [●]
- (vi) Notice period for the Issuer to inform the Noteholders: [[●] Business Days before the Switch Date (in case of an Automatic Change of Interest)/Not Applicable]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [●]
- (iii) Reference Price: [●]
- (iv) Any other formula/basis of determining amount payable: [●]

<sup>11</sup> The Minimum Rate of Interest shall not be less than zero.

18. Step Up Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Step Up Event: [Carbon Reduction KPI Event]/[Sustainable Procurement KPI Event]  
 [(i) SPT: [●]  
 (ii) Target Observation Date: [●]<sup>12]</sup>
- (ii) Step Up Margin: [●] per cent. per annum  
 (iii) Step Up Date(s): [●]
19. Premium Payment [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Premium Trigger Event: [Carbon Reduction KPI Event]/[Sustainable Procurement KPI Event]  
 [(i) SPT: [●]  
 (ii) Target Observation Date: [●]<sup>13]</sup>
- (ii) Premium Payment Amount: [●] per Note of [●] Specified Denomination  
 (iii) Premium Payment Date [●]

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Call): [●]
- (ii) Optional Redemption Amount(s) (Call) of each Note: [●] per Note of [●] specified denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●]  
 (b) Maximum Redemption Amount: [●]
- (iv) Notice period: [Condition 6(b)(i) will apply] / [●]
21. Make-whole Redemption by the Issuer: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Notice Period<sup>14</sup>: [Condition 6(b)(ii) will apply] / [●]

<sup>12</sup> 31 December 2025 or 31 December 2030

<sup>13</sup> 31 December 2025 or 31 December 2030

<sup>14</sup> If setting notice periods which are different to those provided in the conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent.

- (ii) Parties to be notified (if other than set out in Condition 6(b)(ii)) [[●] /Not Applicable]
- (iii) Make-whole Redemption Margin: [●]
- (iv) Make-whole Calculation Agent: [●]
- (v) Reference Screen Rate: [[●] /Not Applicable]
- (vi) Reference Security: [[●] /Not Applicable]
- (vii) Reference Dealers: [Not applicable/As set out in the Conditions]
22. Residual Maturity Call Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Date from which the Residual Maturity Call Option may be exercised: The Issuer may exercise the Residual Maturity Call Option starting on [●] and at any time thereafter.
23. Clean-Up Call Option: [Applicable/Not Applicable]
24. Put Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount(s) (Put) of each Note: [●] per Note of [●] specified denomination
- (iii) Notice period: [Condition 6(c)(i) will apply] / [●]
25. Change of Control Put Option: Condition 6(c)(ii) will apply
26. Final Redemption Amount of each Note [[●] per Note of [●] specified denomination]
27. Early Redemption Amount (Tax or Illegality)
- Early Redemption Amount(s) (Tax or Illegality) of each Note payable on redemption for taxation reasons, on an event of default or other early redemption: [●]
- GENERAL PROVISIONS APPLICABLE TO THE NOTES**
28. Form of Notes: [Dematerialised Notes/Materialised Notes] *(Materialised Notes are only in bearer form)* [Delete as appropriate]
- (i) Form of Dematerialised Notes: [Applicable/Not Applicable] *(If applicable, specify whether bearer dematerialised form (au porteur) / registered dematerialised form (au nominatif administré) / fully registered dematerialised form (au nominatif pur))*
- (ii) Registration Agent: [Not Applicable/If Applicable, give name and details]

(Note that a Registration Agent may be appointed in relation to Dematerialised Notes in fully registered form (au nominatif pur only)

- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Bearer Materialised Notes on [•] (the "Exchange Date"), being 40 calendar days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] (Only applicable to Materialised Notes)
- (v) [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 1(a)(i): [Applicable] (If the possibility to request identification information of the Noteholders as provided by Condition 1(a)(i) is contemplated, delete this paragraph)]
29. Financial Centre(s): [Not Applicable/give details] [Note that this item relates to the date and place of payment, and not interest period end dates, to which item 16(v) relates]
30. Talons for future Coupons to be attached to Definitive Bearer Materialised Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
31. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
32. Consolidation provisions: [Not Applicable/The provisions [in Condition 13(b)] apply]
33. Masse  
 [Insert below details of Representative and alternate (if any) Representative and remuneration, if any:  
 Name and address of the Representative: [•]  
 [Name and address of the alternate Representative: [•]]]  
 [The Representative will be entitled to a remuneration of [•] per year/The Representative will not be entitled to a Remuneration.]  
 [If the Notes are held by a sole Noteholder, insert the wording below:  
 As long as the Notes are held by a sole Noteholder, it shall exercise all rights and obligations assigned by law to the Representative and the general meeting of the Noteholders. A Representative will be appointed by the Issuer as soon as the Notes are held by several Noteholders.]
- DISTRIBUTION**
34. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilisation Manager(s) (if any): [Not Applicable/give name]
35. If non-syndicated, name of Dealer: [Not Applicable/give name]
36. US Selling Restrictions(Categories of Reg. S Compliance Category 2 applies to the Notes; [TEFRA C applies to the Materialised Notes/TEFRA D applies to the

potential investors to which the Notes are offered): Materialised Notes/ TEFRA not applicable to Dematerialised Notes]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on [*Euronext Paris /other (specify relevant Regulated Market)*] of the Notes described herein pursuant to the Euro 5,000,000,000 Euro Medium Term Note Programme of Valeo (the "**Issuer**").

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Paris/Other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on [Euronext Paris/other (*specify relevant Regulated Market*)] with effect from [●]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/other (*specify relevant Regulated Market*)] with effect from [●].]/[Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings: [The Notes to be issued [have been]/[are expected to be] rated:  
[S & P: [●]]  
[Moody's: [●]]  
[[Other]: [●]]
- (Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [Each of [S & P, Moody's] is established in the European Union, registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with EU CRA Regulation.] /
- [[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered the EU CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the EU CRA Regulation and such registration is not refused.] /
- [[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"), but is endorsed by [*insert credit rating agency*] which is established in the European Union, registered under the EU CRA Regulation

and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with EU CRA Regulation.]

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

[[The rating [Insert legal name of credit rating agency] has given to the Notes is endorsed by a credit agency which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

[[Insert legal name of credit rating agency] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**").]

[[Insert legal name of credit rating agency] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

[The Notes will not be rated.]

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

Need to include a description of any interest, including a conflict of interests, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

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

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the EU Prospectus Regulation.)]*

### 4. **[Fixed Rate Notes only – YIELD]**

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

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

### 5. **[Floating Rate Notes only – HISTORIC INTEREST RATES]**

Historic Interest Rate Details of historic [LIBID/LIMEAN/CMS/EURIBOR/SONIA/SOFR/€STR other] 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 EU Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**EU Benchmarks Regulation**"). [As far as the Issuer is aware the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/

[Amounts payable under the Notes will be calculated by reference to [specify benchmark], which is provided by [administrator legal name]. As at [•], [administrator legal name] [appears][does not appear] on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority pursuant to Article 36 of the EU Benchmarks Regulation (Regulation (EU) 2016/1011) as it forms part of domestic law of the United Kingdom by virtue of the European (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**").]/ [Not Applicable (in the case of Notes for which amounts payable are calculated by reference to SONIA, SOFR or €STR)]

## 6. REASONS FOR THE OFFER AND USE OF PROCEEDS

[Reasons for the offer:

[The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes/specify any other reason.]

[The Notes constitute Sustainability Linked Notes pursuant to the Framework which is available on the website of the Issuer ([•]).]

[The Notes constitute Green Bonds and the net proceeds will be used to finance and/or refinance [in whole or in part] one or more Green Eligible Projects pursuant to the Framework which is available on the website of the Issuer ([•]) and described below.

[Describe specific Green Eligible Projects and/or availability of second party opinion and any relevant third party opinions and/or where the information can be obtained]]

(See "Use of Proceeds" wording in Base Prospectus. If reasons for offer are different from making profit and/or hedging certain risks, will need to include those reasons here)

Estimated net proceeds:

[•]

## 7. OPERATIONAL INFORMATION

(i) ISIN Code: [•]

(ii) Common Code: [•]

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

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

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



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

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

8. **GENERAL**

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

## GENERAL INFORMATION

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

This Base Prospectus received the approval no. 23-220 on 15 June 2023 from the AMF. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and of the quality of the Notes which are subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus shall be valid for admission to trading of Notes on a Regulated Market for twelve (12) months after the approval by the AMF, until 15 June 2024, provided that it is completed by any supplement, pursuant to Article 23 of the EU Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including information incorporated by reference) in this Base Prospectus which may affect the assessment of the Notes. After such date, this Base Prospectus will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

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

(2) *The Legal Entity Identifier (LEI)*

The Legal Entity Identifier (LEI) of the Issuer is 5493006IH2N2WMIBB742.

(3) *Corporate authorisations*

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the Programme, including the resolution of the Board of Directors (*conseil d'administration*) of the Issuer passed on 23 February 2023 authorising the update of the Programme.

The Board of Directors (*conseil d'administration*) of the Issuer authorised on 23 February 2023 its Chief Executive Officer (*Directeur Général*) to issue bonds (*obligations*) under the Programme up to a maximum aggregate amount of €5 billion within the limits set by the Board of Directors (*conseil d'administration*).

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

There has been no material adverse change in the prospects of the Issuer since 31 December 2022.

(5) *No significant change in the financial performance or financial position of the Issuer or the Group*

There has been no significant change in the financial performance or financial position of the Issuer or the Group since 31 March 2023.

(6) *Conflicts of interests*

As the date hereof, there are not potential conflicts of interest between the private interests or other duties of members of the board of directors of the Issuer and the duties they owe to the Issuer.

(7) *Legal and arbitration proceedings*

Save as disclosed in this Base Prospectus (including the Documents Incorporated by Reference), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of 12 months prior to the date of this Base Prospectus which, to the Issuer's knowledge, may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.

(8) *Definitive Bearer Materialised Note*

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

(9) *Clearing systems*

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

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

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

(10) *Documents on display*

The following documents can be inspected on the website of the Issuer ([www.valeo.com](http://www.valeo.com)):

- (i) the up-to-date *statuts* of the Issuer;
- (ii) a copy of this Base Prospectus (including any documents incorporated by reference and any Supplements to this Base Prospectus); and
- (iii) any Final Terms relating to Notes that are admitted to trading on Euronext Paris or any other Regulated Market,

and the Agency Agreement (which includes the form of the *Lettre Comptable*, the form of the Temporary Global Certificate and the forms of the Definitive Materialised Notes and the Coupons, Receipts and Talons in relation thereto) will be available for inspection at the specified offices of the Fiscal Agent or each of the Paying Agents during normal business hours, so long as Notes may be issued pursuant to, or are outstanding under, this Base Prospectus.

This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to Notes admitted to trading on Euronext Paris will also be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

(11) *Statutory auditors*

Ernst & Young et Autres, 1/2, place des Saisons, 92400 Courbevoie – Paris La Défense, France and Mazars, Exaltis - 61, rue Henri Régnauld, 92400 Courbevoie, France have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the two financial years ended 31 December 2022 and 31 December 2021. Ernst & Young et Autres and Mazars are members of the French professional body *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

(12) *Ratings*

The long-term debt of the Issuer has been rated "Baa3, negative outlook" by Moody's Investors Service ("**Moody's**") and "BB+, stable outlook", by S&P Global Ratings ("**S&P**").

Moody's and S&P are credit rating agencies established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies. None of Moody's or S&P are established in the United Kingdom (the "UK"), or are registered in accordance with Regulation (EC) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European

Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). The ratings of Moody's and S&P have been endorsed by Moody's Investors Service Ltd. and S&P Global Ratings UK Limited, respectively, in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by each of Moody's and S&P may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency without notice.

(13) *Stabilisation*

In connection with the issue of any Tranche of Notes, one or more Dealers may act as stabilisation manager(s) (the "**Stabilisation Manager(s)**"). The identity of the Stabilisation Manager(s) (or persons acting on the behalf of any Stabilisation Manager(s)) will be disclosed in the relevant Final Terms. The Stabilisation Manager(s) (or any person acting on the behalf of the Stabilisation Manager(s)) may over-allot Notes, or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, 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 relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the relevant Tranche of Notes and sixty (60) calendar days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

(14) *References in this Base Prospectus*

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**€**", "**Euro**", "**EUR**" or "euro" are to the lawful currency of the participating Member States of the European Union which was introduced on 1 January 1999, references to "**£**", "pounds sterling", "**GBP**" and "Sterling" are to the lawful currency of the United Kingdom, references to "**\$**", "**USD**" and "**U.S. Dollars**" are to the lawful currency of the United States of America, references to "**¥**", "**JPY**", "**Japanese yen**" and "Yen" are to the lawful currency of Japan, references to "**Swiss francs**" or "**CHF**" are to the lawful currency of the Helvetic Confederation and references to "**Renminbi**" or "**CNY**" mean Renminbi Yuan and are to the lawful currency of the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan (the "**PRC**").

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

(15) *Forward-looking statements*

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

(16) *EU Benchmarks Regulation and UK Benchmarks Regulation*

Amounts payable under the Floating Rate Notes may be calculated by reference to one or more "benchmarks" (excluding SONIA, SOFR and €STR, as provided in Article 2 of the EU Benchmarks Regulation and article 2 of the UK Benchmarks Regulation) for the purposes of the EU Benchmarks Regulation or the UK Benchmarks Regulation. In such a case, the relevant Final Terms in respect of such issuance of Floating Rate Notes will specify the relevant benchmark, the relevant administrator of such benchmark and whether such administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority or the register of administrators and benchmarks established and maintained by the Financial Conduct Authority, as applicable.

(17) *Potential Conflicts of Interest*

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

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

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

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes.

## PERSON RESPONSIBLE FOR BASE PROSPECTUS

### Person responsible for this Base Prospectus

Christophe Périllat, Chief Executive Officer.

### Declaration by person responsible for this Base Prospectus

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

Paris, 15 June 2023

### Valeo

100, rue de Courcelles  
75017 Paris Cedex 17 France

Duly represented by Christophe Périllat  
Chief Executive Officer



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

The AMF has approved this Base Prospectus after having verified that the information it contains is complete, coherent and comprehensible.

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

The Base Prospectus has been approved on 15 June 2023 and is valid until 15 June 2024 and shall during this period, in accordance with Article 23 of the EU Prospectus Regulation, be completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies. The Base Prospectus has been given the following approval number: 23-220.

**Registered Office of the Issuer**

**Valeo**  
100, rue de Courcelles  
75017 Paris France

**Arranger**

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**Dealers**

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**Citigroup Global Markets Europe AG**  
Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Crédit Agricole Corporate and Investment  
Bank**  
12, place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

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

**J.P. Morgan SE**  
Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
Germany

**Landesbank Hessen-Thüringen Girozentrale**  
Maintower  
Neue Mainzer Strasse 52 – 58  
60311 Frankfurt am Main Germany

**Mizuho Securities Europe GmbH**  
Taunustor 1  
60310 Frankfurt am Main  
Germany

**MUFG Securities (Europe) N.V.**  
World Trade Center, Tower H, 11th Floor  
Zuidplein 98  
1077 XV Amsterdam  
The Netherlands

**Natixis**  
7 promenade Germaine Sablon  
75013 Paris  
France

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

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

**BNP Paribas**

(Affiliated with Euroclear France under number 29106)

Corporate Trust Services  
Grand Moulins de Pantin  
9 rue du Débarcadère  
93500 Pantin  
France

Attention: Corporate Trust Services

**Auditors to the Issuer**

**Ernst & Young et Autres**

1/2, place des Saisons 92400 Courbevoie  
Paris La Défense 1  
France

**Mazars**

Exaltis  
61, rue Henri Régnault  
92400 Courbevoie  
France

**Legal Advisers**

*as to French law*

**To the Issuer**

**Darrois Villey Maillot Brochier A.A.R.P.I.**

69, avenue Victor Hugo  
75016 Paris  
France

**To the Dealers**

**Clifford Chance Europe LLP**

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