

THIS DOCUMENT IS NOT AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF ANY OFFER TO BUY SECURITIES.

PROHIBITION OF SALES TO EEA AND UNITED KINGDOM RETAIL INVESTORS – *The Bonds referred to (and as defined) herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any Retail Investor in the European Economic Area (“EEA”) or in the United Kingdom. For these purposes, a “Retail Investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Bonds, or otherwise making them available, to Retail Investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any Retail Investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.*

INITIAL OFFERING - PLACEMENT TO QUALIFIED INVESTORS - *The Bonds have been offered only by way of a placement in France and outside France (excluding the United States of America, Canada, Australia and Japan) to qualified investors as defined in Article 2 point (e) of Regulation (EU) No. 2017/1129 pursuant to article L.411-2 of the French Code monétaire et financier, without an offer to the public (other than to qualified investors), in any country (including France).*

MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs TARGET MARKET – *Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes retail investors, the manufacturers have decided that the Bonds will be offered, as part of the initial offering, only to eligible counterparties and professional clients.*

IMPORTANT NOTICE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION TO ANY PERSON LOCATED IN THE UNITED STATES OF AMERICA OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE THESE TERMS AND CONDITIONS

IMPORTANT: You must read the following before continuing.

The following disclaimer applies to the attached terms and conditions (the “**Terms and Conditions**”), whether the Terms and Conditions have been delivered to you by hand or sent to you by mail, email or any other electronic form or accessed from an internet page. You are advised to read this disclaimer carefully before reading, accessing or making any other use of these Terms and Conditions. In accessing the Terms and Conditions, you agree to be bound by the following terms, including any modification to them. Capitalized terms used but not otherwise defined in the following paragraphs have the meaning ascribed to them in the attached Terms and Conditions.

This document does not constitute, and may not be used in connection with, an offer to buy or sell financial securities in the United States of America or in any other jurisdiction where such offer is not permitted by law.

The Bonds and the Shares deliverable upon conversion or exchange of the Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any State or other jurisdiction in the United States. They may not be offered, sold, pledged or otherwise transferred in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. The Bonds and, as applicable, the Shares, will be offered or sold only outside of the United States in “offshore transactions” in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S under the Securities Act (“**Regulation S**”). Terms used in this paragraph have the meanings given to them by Regulation S.

THE TERMS AND CONDITIONS MUST NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, IN WHOLE OR IN PART. IN PARTICULAR, THE TERMS AND CONDITIONS MAY NOT BE FORWARDED TO ANY PERSON LOCATED IN THE UNITED STATES OF AMERICA. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT, THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR THE APPLICABLE LAWS OR REGULATIONS OF OTHER JURISDICTIONS.

The Terms and Conditions have been sent to you at your request, on the basis of the following declarations:

- (i) you have confirmed being the recipient of the Terms and Conditions; and
- (ii) by accepting to receive the Terms and Conditions, you shall be deemed to have represented that:
 - (a) you are a person to whom the Terms and Conditions may be validly transmitted in accordance with the laws of the jurisdiction in which you are located;
 - (b) you are not a person located in the United States of America;
 - (c) you are not a resident of and/or located in France, or, if you are a resident and/or located in France, you are a qualified investor (*investisseur qualifié*), (as defined in article 2 point (e) of Regulation 2017/1129 and in accordance with articles L.411-1 and L.411-2 of the French *Code monétaire et financier*);
 - (d) you consent to the delivery of the Terms and Conditions by electronic transmission; and
 - (e) the electronic mail address to which the Terms and Conditions have been delivered is not located in the United States of America.

The Terms and Conditions have been sent to you, where applicable, in electronic form. You are reminded that documents transmitted in electronic form may be altered or changed during the process of electronic transmission.

NOTICE TO INVESTORS

*These Terms and Conditions do not constitute a prospectus (within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the Council (the “**Prospectus Regulation**”)) and no prospectus has been or will be prepared, approved by the Autorité des marchés financiers or any other relevant authority of another member State of the European Economic Area or in the United Kingdom or filed with the Autorité des marchés financiers, for the purposes of the issuance or the offer of the Bonds.*

The distribution of the Terms and Conditions, the offering or the sale of the Bonds may, in some countries, be subject to specific laws and regulations. Persons into whose possession the Terms and Conditions come should inform themselves about and observe any such restrictions.

The Bonds have not been offered or sold and will not be offered or sold, directly or indirectly, to the public (other than to qualified investors) in any country (including France) and will be, where applicable, offered solely via placement to qualified investors as defined in article 2 point (e) of the Prospectus Regulation and pursuant to article L.411-2 of the French Code monétaire et financier and any related regulations and in compliance with the specific rules of each country where such offer, sale or distribution has been or will be made (including, in particular, the other selling restrictions described below).

Prohibition of Sales to European Economic Area and United Kingdom Retail Investors

The Bonds which are the subject of the offering contemplated by this document have not been offered, sold or otherwise made available and will not be offered, sold or otherwise made available any Bonds to any retail investor in the European Economic Area and in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”);*
- (b) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or*
- (c) not a qualified investor as defined in the Prospectus Regulation.*

Selling Restrictions for France

The Bonds have not and will not be offered or sold, directly or indirectly, to the public in France (other than to qualified investors), and no offering material or any other advertising documentation related to the Bonds has been distributed or caused to be distributed or will be distributed or caused to be distributed to the public in France (other than to qualified investors).

Any offer or sale of Bonds or distribution of offering material has been and will be made in France only to qualified investors (investisseurs qualifiés) as defined in article 2 point (e) of the Prospectus Regulation, and in accordance with article L.411-2 of the French Code monétaire et financier.

Selling restrictions for the United States of America

*The Bonds and the Shares deliverable upon conversion of the Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any State or other jurisdiction in the United States. They may not be offered, sold, pledged or otherwise transferred in the United States except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with applicable State securities laws. The Bonds are being offered and sold*

only outside the United States in “offshore transactions” in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S under the Securities Act (“**Regulation S**”). Terms used in this paragraph have the meanings given to them by Regulation S.

Selling Restrictions for the United Kingdom

*These Terms and Conditions are only being distributed to and are only directed at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order or (iv) other persons to whom it may be lawfully communicated (all such persons in (i), (ii), (iii) and (iv) above together being referred to as “**UK relevant persons**”). The Bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Bonds will be engaged in only with, UK relevant persons. Any person who is not a UK relevant person should not act or rely on these Terms and or any of its contents.*

Selling restrictions for Australia, Canada and Japan

The Bonds have not been and will not be offered or sold in Australia, Canada and Japan.

TERMS AND CONDITIONS

The following text contains the terms and conditions of the Bonds (the “**Terms and Conditions**”, or the “**Conditions**”).

1. Information regarding the Bonds (other than the Conversion/Exchange Right)

1.1 Nature and category of the Bonds

The bonds convertible into new Shares and/or exchangeable for existing Shares of the Company to be issued by Korian, a French *société anonyme*, (the “**Company**”) (the “**Bonds**” or, individually, a “**Bond**”), are securities giving access to the share capital within the meaning of articles L. 228-91 *et seq.* of the French *Code de commerce*.

“**Share**” means an ordinary share of the Company with a par value of (as at the Issue Date, as defined in Condition 1.12 “*Issue Date*”) €5 and carrying (as at the Issue Date) ISIN code FR0010386334.

1.2 Nominal amount of the issuance – Par value of the Bonds – Issue price of the Bonds

The issuance will be of an aggregate principal amount of €400,000,007.82, represented by 6,500,894 Bonds, each with a par value of €61.53 (representing an issuance premium of 55% over the reference share price used at the time of determination of the final terms of the Bonds and corresponding to the volume-weighted average price of the Share quoted on the regulated market of Euronext in Paris (“**Euronext Paris**”) between the launch of the transaction on 3 March 2020 and the time of determination of the final terms of the Bonds on the same day.

The issue price per Bond will be equal to €61.53, representing 100% of the par value.

1.3 Applicable law and jurisdiction

The Bonds are governed by, and shall be construed in accordance with, French law. Any claim in connection with the Bonds shall be brought before the competent courts in Nanterre.

1.4 Form and delivery of the Bonds

The Bonds will be issued on the Issue Date in dematerialised bearer form (*au porteur*). The Bonds will at all times be represented in book entry form (*inscription en compte*) in the books of the Account Holders (as defined below) in compliance with articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be registered in book entry form in the books of Euroclear France (“**Euroclear France**”), which shall credit the accounts of the Account Holders.

For the purpose of these Conditions, “**Account Holder**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream Banking, S.A. and Euroclear Bank SA/NV.

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books, in accordance with articles L.211-15 and L.211-17 of the French *Code monétaire et financier*.

1.5 Currency of the issuance

The Bonds will be issued in euros.

1.6 Ranking of the Bonds

1.6.1 Status of the Bonds

The Bonds constitute direct, general, unconditional, unsubordinated and (subject to the provisions of Condition 1.6.2 “*Negative Pledge*” below) unsecured obligations of the Company, and rank, and will rank, *pari passu*, without any preference amongst 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 Company.

1.6.2 Negative Pledge

So long as any of the Bonds remains outstanding (as defined below), the Company undertakes that it will not, and will ensure that none of its Material Subsidiaries (as defined below) will, grant or permit to subsist any Security Interest (as defined below) upon any of their respective assets, rights or revenues, present or future, to secure any Relevant Debt (as defined below) incurred or guaranteed by the Company or any of its Material Subsidiaries (whether before or after the issuance of the Bonds), unless at the same time or prior thereto, the Company’s obligations under the Bonds (x) are equally and rateably secured therewith or (y) are given the benefit of such Security Interest as shall be approved by the Masse (as defined in Condition 1.10 “*Representation of Bondholders*”) pursuant to Condition 1.10 “*Representation of Bondholders*”.

For the purposes of these Terms and Conditions:

“**Material Subsidiary**” means any Subsidiary of the Company whose turnover (*chiffre d’affaires*) and operating result (*résultat d’exploitation*) exceeds five per cent. (5%) of the consolidated turnover and operating result of the Company.

“**outstanding**” means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys have been duly paid to the Centralising Agent and (c) those which have been purchased and cancelled as provided in Condition 1.9.2 “*Cancellation of Bonds*”.

“**Relevant Debt**” means any present or future indebtedness for borrowed money which is in the form of, or represented by, bonds (*obligations*), notes or other securities (*titres de créance*, excluding for the avoidance of doubt, *titres de créances négociables*) which are at the relevant time, or capable of being, quoted, admitted to trading, listed or ordinary dealt in on any stock exchange, multilateral trading facility, over-the-counter market or other securities market.

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

“**Subsidiary**” means, in relation to any company, another company which is controlled by it within the meaning of article L.233-3 of the French *Code de commerce*.

1.6.3 Further issues

If the Company subsequently issues further bonds with rights identical in all respects to those of the Bonds (with the exception of the issue price and the Issue Date), the Company may, without the consent of the Bondholders and provided that the terms and conditions of such bonds so permit, consolidate the Bonds with the bonds of any

such subsequent issuances, thereby treating such bonds as the same issue for purposes of financial agency services and trading. All bondholders of such bonds would in such case be grouped together into a single *Masse* (as defined in Condition 1.10 “*Representation of Bondholders*”).

1.7 Rights and restrictions attached to the Bonds and terms of exercise of such rights

The Bonds will bear interest payable annually and will be redeemed at par value on maturity or on the relevant early redemption date in accordance with the terms of Condition 1.9 “*Redemption date and terms of repayment of the Bonds*”.

In addition, the Bonds may be converted into new Shares and/or exchanged for existing Shares as described in Condition 2 “*Conversion/Exchange Right – Conversion into new shares and/or exchange of Bonds for existing shares of the Company*”.

The Bonds are not subject to any specific restrictions.

Pursuant to article L. 228-105 of the French *Code de commerce*, the holders of securities giving access to the share capital have a right to consult the corporate documents provided by the Company to its shareholders or made available to them.

1.8 Interest rate

The Bonds will bear interest from the Issue Date (as defined in Condition 1.12 “*Issue Date*”) (inclusive), at an annual nominal rate of 0.875%, payable annually in arrears on 6 March of each year (each such date, an “**Interest Payment Date**”, and the period from (and including) the Issue Date to but (excluding) the first Interest Payment Date, and each period from (and including) an Interest Payment Date to (but excluding) the following Interest Payment Date, an “**Interest Period**”) and for the first time on 6 March 2021. It is specified that if the Interest Payment Date is not a Business Day, the coupon will be paid on the first following Business Day and in any such case the Bondholders will not be entitled to further interest or to any other sum in respect of such postponed payment.

The annual interest amount per Bond will be calculated (and rounded down to the nearest whole multiple of €0.00001) by applying to the par value of each Bond the annual nominal rate of 0.875% (notwithstanding the number of days in a year).

Interest per Bond due in respect of any period which is shorter than an Interest Period will be determined (and rounded down to the nearest whole multiple of €0.00001) on an ICMA (Actual/Actual) basis by applying to the par value of each Bond the product of (a) the above-mentioned annual nominal rate multiplied by (b) the ratio between (x) the actual number of days falling in the Interest Period, and (y) the number of days in such Interest Period.

Subject to the provisions of Condition 2.5 “*Rights of Bondholders to interest on the Bonds and to dividends and distributions with respect to Shares delivered – Listing of the Shares delivered*”, interest will cease to accrue upon maturity or early redemption of the Bonds.

1.9 Redemption date and terms of repayment of the Bonds

1.9.1 Repayment of the Bonds

1.9.1.1 *Redemption at maturity*

Unless the Bonds have been subject to early redemption, exchange, conversion or purchase and cancellation under the conditions set forth below, they will be redeemed in full at par value on 6 March 2027 (the “**Maturity Date**”) (or the following Business Day if such date is not a Business Day).

The term of the Bonds from the Issue Date to the Maturity Date will be 7 years.

1.9.1.2 *Early redemption by repurchase or tender or exchange offers at the Company's option*

The Company or any of its Subsidiaries reserves the right to redeem all or part of the outstanding Bonds at any time from the Issue Date, without limitation as to price or quantity, by repurchasing Bonds either on or off market or by means of repurchase, tender or exchange offers.

Subject to the conditions set forth in paragraph 2. of Condition 1.9.1.3 "*Early redemption at the Company's option*", any such transaction will not affect the normal schedule for the redemption at maturity of any remaining outstanding Bonds.

The Bonds so purchased by the Company will be cancelled.

1.9.1.3 *Early redemption at the Company's option*

1. The Company may, at its option, at any time from and including 28 March 2024 following the Issue Date) to but excluding the Maturity Date, subject to having given not less than 30 (but not more than 60) calendar days' prior notice to the Bondholders in accordance with Condition 2.9 "*Notices*" (which notice shall be irrevocable, and shall specify the early redemption date), redeem all, but not some only, of the outstanding Bonds, at the Early Redemption Price, if the arithmetic mean, calculated in respect of twenty (20) consecutive Trading Days chosen by the Company comprised in the period of forty (40) consecutive Trading Days ending on (and including) the Trading Day immediately preceding the day of the publication of the early redemption notice, of the products, in respect of each of such twenty (20) consecutive Trading Days, of (i) the Volume-Weighted Average Price of the Shares on such Trading Day and (ii) the Conversion/Exchange Ratio applicable on such Trading Day (provided that, for the purpose of this paragraph only, if on any such Trading Day the Share is quoted ex- any event triggering an adjustment to the Conversion/Exchange Ratio pursuant to Condition 2.6.A "*Specific provisions*" or Condition 2.6.B "*Adjustments to the Conversion/Exchange Ratio in the event of financial transactions of the Company*" and such adjustment is not yet in effect on such Trading Day, the Conversion/Exchange Ratio in effect on such Trading Day shall be multiplied by the adjustment factor in respect of such adjustment event), exceeds 130% of the par value per Bond, as verified by the Calculation Agent upon request by the Company.

For the purposes of these Terms and Conditions:

"Early Redemption Price" means the par value of the Bond plus accrued interest from (and including) the Interest Payment Date immediately preceding the early redemption date (or, as the case may be, the Issue Date) to (but excluding) the early redemption date.

A **"Trading Day"** shall mean any day (other than a Saturday or Sunday) on which the Shares are traded on the Relevant Exchange (as defined in Condition 2.6.B "*Adjustments to the Conversion/Exchange Ratio in the event of financial transactions of the Company*") in respect thereof, other than a day on which such trading ceases prior to the usual closing time, whether such cessation is scheduled (as it is often the case regarding trading on Euronext Paris on 24 and 31 December) or unscheduled.

A **"Business Day"** means a day (other than a Saturday or a Sunday) (i) on which foreign exchange markets and commercial banks are open for

business in Paris and (ii) on which Euroclear France or any successor is operating and (iii) on which the trans-European automated real-time gross settlement express transfer system (known as “TARGET 2”), or any succeeding system is operating.

2. The Company may, at any time and at its option, subject to having given not less than 30 (but not more than 60) calendar days’ prior notice to the Bondholders (which notice shall be irrevocable, and shall specify the early redemption date) in accordance with Condition 2.9 “Notices”, redeem all, but not some only, of the Bonds outstanding at the Early Redemption Price, if the total number of Bonds outstanding is less than 10% of the number of Bonds issued, as further increased pursuant to Condition 1.6.3 “Further issues”, as the case may be.
3. Notwithstanding the provisions of paragraphs 1. and 2. above, the Bondholders will retain the ability to exercise their Conversion/Exchange Right pursuant and subject to Condition 2.3 “Exercise Period and Conversion/Exchange Ratio”.

1.9.1.4 Events of Default

If any of the following events (each an “Event of Default”) shall have occurred and be continuing:

- (i) default by the Company in any payment when due of principal or interest on any of the Bonds, if such default shall not have been remedied within 10 calendar days after receipt by the Centralising Agent of written notice of such default given by the Representative of the Masse (as defined in Condition 1.10 “Representation of Bondholders”);
- (ii) default by the Company in the performance of, or compliance with, any other obligation of the Company under the Bonds, if such default shall not have been remedied within 20 calendar days after receipt by the Centralising Agent of written notice of such default given by the Representative of the Masse (as defined in Condition 1.10 “Representation of Bondholders”); or
- (iii) a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l’entreprise*) of the Company or any Material Subsidiary; or, to the extent permitted by applicable law, if the Company or any Material Subsidiary is subject to any other insolvency or bankruptcy proceedings; or if the Company or any Material Subsidiary makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, all or a substantial number of its creditors with a view to a restructuring or rescheduling of its indebtedness; or if the Company or any its Material Subsidiary is wound up or dissolved except with the prior approval of the Masse for the purposes of an amalgamation, reorganisation, consolidation or merger which is implemented; or
- (iv) any other present or future Financial Indebtedness of the Company or any Material Subsidiary becomes due and payable (*exigible*) prior to its stated maturity by reason of the occurrence of a default, event of default or the like (howsoever described) with equivalent effect (together, “default”), provided that the aggregate amount of the relevant Financial Indebtedness equals or exceeds €20,000,000 or its equivalent unless such default is contested in good faith by the

Company or any Material Subsidiary before a competent court or by other appropriate proceedings; or

- (v) all or any substantial part of the property, assets or revenues of the Company or any Material Subsidiary shall be attached or shall become subject at any time to any order of court or the enforcement of any security interests (*sûretés réelles*) and such attachment or order shall remain in effect and not be discharged for, or the steps taken to enforce any such security interests shall not be withdrawn or stayed within 30 calendar days; or
- (vi) the Company or any Material Subsidiary sells or otherwise disposes of all or substantially all of its assets or ceases to carry on the whole or substantially all of its business or an order is made or an effective resolution passed for its winding up, dissolution or liquidation, unless such winding up, dissolution, liquidation or disposal is made in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination with or to, any other corporation and the liabilities under the Bonds are transferred to and assumed by such other corporation, except in connection with all such transaction pursuant to which the surviving entity shall be the transferee of or successor to all or substantially all of the business of the Company or any Material Subsidiary and assumes all of the obligations of the Company with respect to the Bonds and, in the case of the Material Subsidiary, if such surviving entity is controlled (within the meaning of Article L.233-3 of the French Commercial Code (*Code de commerce*)) directly or indirectly by the Company;

then, the Representative of the *Masse* (as defined in Condition 1.10 “*Representation of Bondholders*”) may, upon resolution of the Bondholders’ general meeting acting in accordance with the quorum and majority requirements provided for by law following the request of any Bondholder, by notice in writing to the Company, with a copy to the Centralising Agent, and provided that the Event of Default is continuing, cause the Bonds to become immediately due and payable whereupon they shall become immediately due and payable without further formality at the par value of the Bonds.

For the purposes of these Terms and Conditions:

“**Financial Indebtedness**” means for any period (i) the amount of financial borrowings and financial debt, under bonds (including registered bond and German registered bonds (*Namensschuldverschreibung*)) or borrowed money from banks, financial institutions or financial creditors (including *schuldschein* loans), (ii) vendor loans and earn out arrangements under acquisitions booked as indebtedness pursuant to IFRS rules, (iii) financial leases and (iv) factoring arrangements or sale of receivables (with recourse) booked as indebtedness pursuant to IFRS rules. It is specified that any operating lease contract accounted for in the balance sheet in accordance with former norm IAS 17 will not be considered as Financial Indebtedness. It is specified for the avoidance of doubt that Financial Indebtedness shall not include any intragroup indebtedness or other intra-group arrangements as described in (i) to (iv) above.

“**Group**” means the Company and its Subsidiaries.

“**IFRS**” means international accounting standards within the meaning of the Regulation (EC) No 1606/2002, as amended to the extent applicable to the relevant financial statements.

1.9.1.5

Early redemption at the option of the Bondholders in the event of a Change of Control or a Delisting

If at any time while any Bond remains outstanding, a Change of Control (as defined below) or a Delisting (as defined below) (in either case, a “**Put Event**”) occurs, each Bondholder will have the option (the “**Put Option**”) to require the Company to redeem some or all of its Bonds on the Optional Redemption Date (as defined below) at its par value, together with interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Company becoming aware of the occurrence of a Put Event, the Company shall give notice to the Bondholders in accordance with Condition 2.9 “*Notices*”, specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Put Option (the “**Put Event Notice**”).

Each Bondholder will have the right to exercise the Put Option at any time during the period from (and including) the date falling thirty (30) Business Days following the date of the Put Event Notice to (and including) the date falling ninety (90) Business Days following the date of the Put Event Notice (the “**Put Period**”). To exercise the Put Option, each Bondholder must deliver during the Put Period to the Centralising Agent a duly signed and completed notice of exercise in the then current form obtainable from the Centralising Agent (a “**Put Option Notice**”) and in which such Bondholder shall specify an account denominated in euro to which payment is to be made under this section. No option so exercised may be revoked or withdrawn without the prior consent of the Company.

Following the Put Option Notice, the Company shall redeem such Bonds in respect of a Put Option Notice has been validly delivered as aforesaid on the Optional Redemption Date (as defined below).

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

For the purposes of these Terms and Conditions:

A “**Change of Control**” shall mean the fact, for one or several individuals or legal entity or entities acting alone or in concert, of acquiring the control of the Company, it being specified that “control” means, for the purposes of this definition, the fact of holding (directly or indirectly through companies controlled by the relevant Individual(s) or entity(ies)) (x) the majority of the voting rights attached to the Company’s shares or (y) more than 40% of these voting rights if no other shareholder of the Company, acting alone or in concert, holds (directly or indirectly, through the intermediary of companies controlled by the relevant shareholders) a higher percentage of the voting rights than the percentage held.

“**Optional Redemption Date**” is the seventh (7th) Business Day following the last day of the Put Period.

A “**Delisting**” shall mean the Shares are no longer listed and admitted to trading on a Regulated Market.

1.9.2 Cancellation of Bonds

Bonds redeemed at or prior to maturity, Bonds repurchased by or on behalf of the Company on the market or over-the-counter or by way of public tenders or exchange offers, as well as Bonds converted or exchanged, will be cancelled in accordance with French law.

1.9.3 Prescription

Interest

Any claims filed against the Company for the payment of interest due under the Bonds will be prescribed after a period of five (5) years from the date on which such interest becomes due.

Redemption

Any claims filed against the Company seeking redemption of the Bonds will be prescribed after a period of ten (10) years from the normal or early redemption date.

1.10 Representation of Bondholders

In accordance with article L.228-103 of the French *Code de commerce*, the Bondholders will be grouped together in a collective group with legal personality (the “**Masse**”) to defend their common interests.

The Bondholders’ general meeting is competent to authorise amendments to the Terms and Conditions and to vote on all decisions that require its approval under applicable law. The Bondholders’ general meeting also deliberates on any merger or spin-off proposals of the Company in application of articles L.228-65, I, 3°, L.236-13 and L.236-18 of the French *Code de commerce*, the provisions of which, along with those of article L.228-73 of the French *Code de commerce*, shall apply.

Under current applicable law and regulation, each Bond carries the right to one vote. The Bondholders’ general meeting may not validly deliberate unless the Bondholders present or represented hold at least one-fourth of the Bonds carrying voting rights at the first meeting convocation and at least one-fifth of the Bonds carrying voting rights at the second meeting convocation. Decisions made by the Bondholders’ general meeting are only valid if approved by a majority of two-thirds of the votes of the present or represented Bondholders.

In accordance with article R.228-71 of the French *Code de commerce*, the right of each Bondholder to participate in Bondholders’ general meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00 (Paris time) on the second (2nd) Business Day in Paris preceding the date set for the meeting of the relevant general assembly.

In accordance with articles L.228-59 and R.228-67 of the French *Code de commerce*, notice of date, hour, place and agenda of any Bondholders’ general meeting will be given by way of a notice published by the Company in accordance with Condition 2.9 “*Notices*” not less than fifteen (15) calendar days prior to the date of such general meeting on first convocation, and five (5) calendar days on second convocation.

Each Bondholder has the right to participate in a Bondholders’ general meeting in person, by proxy, by correspondence and, in accordance with article L.228-61 of the French *Code de commerce* by videoconference or by any other means of telecommunication allowing the identification of participating Bondholders, as provided *mutatis mutandis* by article R.223-20-1 of the French *Code de commerce*.

Decisions of Bondholders’ general meetings once approved will be published by way of a press release published by the Company which will also be posted on its website

(www.korian.com). The decisions referred to in articles R.228-61, R.228-79 and R.236-11 of the French *Code de commerce* will be published, to the extent permitted by such articles, by way of a press release published by the Company which will also be posted on its website (www.korian.com).

Appointed representative of the Masse of Bondholders

In accordance with articles L.228-47 and L.228-51 of the French *Code de commerce*, the appointed representative of the *Masse* of Bondholders (the “**Representative of the Masse**”) will be:

DIIS Group
12 rue Vivienne
75002 Paris
rmo@diisgroup.com

The Representative of the *Masse* will have the power, subject to any contrary resolution passed by the Bondholders’ general meeting, to carry out, on behalf of the Bondholders’ *Masse*, all actions of an administrative nature that may be necessary to protect the common interests of the Bondholders.

He will exercise his duties until its dissolution, resignation, or termination of duties by a Bondholders’ general meeting or until a conflict of interest arises. The appointment of the Representative of the *Masse* will automatically cease on the date of final payment or total redemption of the Bonds, whether at or prior to maturity. The term of the Representative of the *Masse* will be automatically extended, where applicable, until the final resolution of any legal proceedings in which the Representative of the *Masse* is involved and the enforcement of any judgments rendered or settlements made pursuant thereto.

General

The Representative of the *Masse* will be entitled to an annual compensation of €500 (excluding VAT), under the terms detailed in a separate letter.

The Company will bear the cost of compensation of the Representative of the *Masse* and the expenses of calling and holding Bondholders’ general meetings, publishing the decisions thereof, any fees related to the appointment of the Representative of the *Masse* under article L.228-50 of the French *Code de commerce* and, more generally, all duly incurred and documented costs arising from the administration and management of the *Masse* of Bondholders.

Bondholders’ general meetings will be held at the registered office of the Company or such other place as will be specified in the notice convening the meeting. Each Bondholder will have the right, during the fifteen (15) calendar days period preceding the Bondholders’ general meeting, to examine or to make copies of the text of the proposed resolutions, as well as any reports to be presented to the Bondholders’ general meeting, at the registered office of the Company or at such other place as may be specified in the notice convening such meeting, or to cause an agent to do the foregoing on its behalf.

In the event that future issuances of bonds give subscribers identical rights to those under the Bonds and if the terms and conditions of such future bonds so permit, the holders of all of such bonds will be grouped together in a single *Masse*.

1.11 Resolutions and decisions under which the Bonds are issued

The general meeting of the Company dated 14 June 2018, under resolution seventeenth, delegated to the board of directors (*conseil d’administration*) of the Company the authority to issue securities giving access to the Company’s share capital and to set the terms and conditions of the issuance. On 27 February 2020, the board of directors (*conseil d’administration*) of the Company decided the principle of the issuance of the Bonds without

preferential subscription rights of the shareholders by way of placement to qualified investors as defined under article 2(e) of the Prospectus Regulation, in accordance with article L.411-2 of the French *Code monétaire et financier*, set the main terms of the issuance and sub-delegated to the chief executive officer (*directrice générale*) of the Company the power to implement the issuance including the power to set the final terms and conditions of the Bonds and to issue the Bonds. Based upon this sub-delegation, on 3 March 2020, the chief executive officer (*directrice générale*) of the Company set the indicative terms of the Bonds and decided to launch the issue of the Bonds and on 3 March 2020, the chief executive officer (*directrice générale*) of the Company set the final terms of the Bonds and decided to issue the Bonds under the conditions specified in these Terms and Conditions.

1.12 Issue Date

The Bonds were issued on 6 March 2020 (the “**Issue Date**”).

The Bonds are expected to be listed on Euronext Access™ of Euronext Paris no later than thirty (30) calendar days after the Issue Date under ISIN code FR0013489739. As of the date hereof, no listing of the Bonds on any other market is contemplated.

1.13 Taxation

This Condition only sets forth certain terms governing the assumption of French withholding taxes and French transfer taxes with respect to the Bonds. This Condition does not purport to be a comprehensive description of all of the tax considerations with respect to the Bonds or that may be relevant to any prospective investor.

This Condition is based on the laws in force in France on the date of these Terms and Conditions and is subject to any change in law and/or interpretation thereof that may occur after such date, potentially with a retroactive effect.

This Condition is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including French tax law, to which they may be subject.

Withholding taxes in respect of the Bonds

All payments by or on behalf of the Company in respect of the Bonds 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 any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

No additional amount will be paid to the Bondholders if a withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax is applicable on payments made in respect of the Bonds.

French financial transaction tax

Pursuant to article 235 *ter* ZD of the French *Code général des impôts* as in force and applicable on the date hereof, a financial transactions tax (the “**FTT**”) applies, subject to certain exceptions, to acquisitions resulting in a transfer of ownership of equity securities (*titres de capital*) within the meaning of article L.212-1 A of the French *Code monétaire et financier* or assimilated equity securities (*titres de capital assimilés*) within the meaning of article L.211-41 of the French *Code monétaire et financier* admitted to trading on a regulated market, which are issued by a company having its head office in France and whose market

capitalization exceeds €1 billion on 1st December of the year preceding the year of imposition.

The list of the companies meeting the above-mentioned criteria for each upcoming year is published each year by the French tax authorities in their guidelines (*Bulletin Officiel des Finances Publiques-Impôts*). The Company is part of this list published for the year 2020 as its market capitalization exceeded €1 billion on 1st December 2019 (BOI-ANX-000467-20191218).

When the FTT is not applicable, the acquisition of existing Shares may be subject to registration duties (*droits d'enregistrement*) set forth in article 726 of the French *Code général des impôts* if the acquisition is evidenced by a deed (*acte*).

The Bondholders are informed that under applicable French tax law in force at the date hereof:

(A) the acquisition and delivery of the Bonds are exempt from the FTT;

(B) provided that the Company meets the aforementioned criteria, the delivery of existing Shares upon the exercise by the Bondholders of their Conversion/Exchange Right would be subject to the FTT (currently at a 0.3% rate) based on the Conversion/Exchange Ratio defined under Condition 2 “*Conversion/Exchange Right – Conversion into new shares and/or exchange of Bonds for existing shares of the Company*” of these Terms and Conditions, payable by the Account Holders through whom the Bondholders would exercise their Conversion/Exchange Right or by their custodians. Subject to their contractual arrangements with their Account Holders and custodians, the Bondholders may have to bear the cost of the FTT if applicable; and

(C) the delivery of new Shares upon the exercise by the Bondholders of their Conversion/Exchange Right should in principle be exempt from FTT, because it should benefit from the exemption on capital increases provided by article 235 *ter* ZD of the French *Code général des impôts*. Although the French tax authorities seem to consider that every delivery of Shares upon the exercise of a conversion or an exchange right should be subject to the FTT (BOI-TCA-FIN-10-20-20141118 n° 290), the *Direction de la Législation Fiscale* confirmed that the conversion of bonds into newly issued Shares can benefit from the exemption on capital increase provided by Article 235 *ter* ZD (letter from the *Direction de la Législation Fiscale* to *Association des Marchés Financiers en Europe* dated 19 February 2013). In case the conversion would be subject to the FTT, such FTT would be payable by the Account Holders through whom the Bondholders have exercised their Conversion/Exchange Right or their custodians. Subject to their contractual arrangements with their Account Holders and custodians, the Bondholders may have to bear the cost of the FTT if it is applicable.

Investors are invited to consult their own tax advisors to assess the potential tax implications of exercising their Conversion/Exchange Right.

The Company will not bear the cost of the FTT, registration duties (*droits d'enregistrement*) or other similar taxes which may be applicable as a result of the exercise by the Bondholders of their Conversion/Exchange Right.

2. Conversion/Exchange Right – Conversion into new Shares and/or exchange for existing Shares of the Company

2.1 Nature of Conversion/Exchange Right

Bondholders will have the right, at any time during the Exercise Period (as defined in Condition 2.3 “*Exercise Period and Conversion/Exchange Ratio*”), to receive new and/or existing Shares (the “**Conversion/Exchange Right**”), which will be delivered by way of set-off against amounts owed under the Bonds, in accordance with the terms and conditions

described below and subject to the provisions of Condition 2.7 “*Treatment of fractional entitlements*”.

The Company may, at its option, deliver new or existing Shares or a combination of the two.

Exercise of the Conversion/Exchange Right results in the cancellation of the Bonds for which it was exercised.

Notwithstanding the foregoing, in the event that the Conversion/Exchange Ratio is adjusted pursuant to the provisions of these Terms and Conditions, other than those provided by applicable laws and regulations, and if the Issuer:

(1) cannot issue, within the applicable legal limits, a sufficient number of new Shares under the available thresholds allowed by the decision authorizing the issuance of equity securities under which the Bonds are being issued or any other later decision approved by the shareholders authorizing the issuance of Shares, and

(2) does not hold a sufficient number of existing treasury Shares for this purpose,

to deliver to Bondholders having exercised their Conversion/Exchange Right all of the new or existing Shares required to be delivered upon the adjustments described above becoming effective (including any Additional Shares), the Issuer must (A) notify thereof the relevant financial intermediary for such Bondholders as soon as practicable after the relevant Request Date (and to the extent possible within the five (5) Business Days following such Request Date) and (B) deliver in respect of each Exercise Date (treating equally (save for rounding) all converting Bondholders to which such Exercise Date applies) all of the new and existing Shares that it is able to deliver and for the remainder (the “**Undelivered Shares**”), pay an amount in cash to the Bondholders. This amount will be determined by the Calculation Agent by multiplying (i) the arithmetic average of the Volume-Weighted Average Price of the Shares on each of the last ten (10) Trading Days preceding the relevant Exercise Date by (ii) the number of Undelivered Shares, provided that if on any such Trading Day the Shares are quoted (i) cum- any event giving rise to an adjustment to the Conversion/Exchange Ratio pursuant to Condition 2.6.A or Condition 2.6.B, and such adjustment is in effect on the Exercise Date or does require the delivery of Additional Shares in respect of the relevant exercise of the Conversion/Exchange Right (or would have required such delivery to be made, had the Issuer been able to deliver such Additional Shares), the Volume-Weighted Average Price of the Shares on such Trading Day shall be divided by the adjustment factor in respect of such adjustment or (ii) ex- any event giving rise to an adjustment to the Conversion/Exchange Ratio pursuant to Condition 2.6.A or Condition 2.6.B, and such adjustment is not yet in effect on the Exercise Date (and does not require the delivery of Additional Shares in respect of the relevant exercise of the Conversion/Exchange Right (or would not have required such delivery to be made, had the Issuer been able to deliver such Additional Shares)), the Volume-Weighted Average Price of the Shares on such Trading Day shall be multiplied by the adjustment factor in respect of such adjustment; and provided further that if any doubt shall arise as to the appropriate calculation required to be made pursuant to this paragraph to give the intended result, an Independent Adviser shall determine in good faith the appropriate calculation to be made. This cash amount will be payable on the Delivery Date in respect of the relevant exercise of the Conversion/Exchange Right (or, if no Shares are capable of being so delivered, no later than the fifth (5) Business Day following the relevant Exercise Date), or, if later, on the date on which Additional Shares are delivered in respect of the relevant exercise of the Conversion/Exchange Right (or, if no additional Shares are capable of being delivered, no later than the fifth (5) Business Day following the relevant date on which the relevant adjustment to the Conversion/Exchange Ratio becomes effective).

2.2 Suspension of Conversion/Exchange Right

In the event of a share capital increase or issuance of new Shares of the Company or securities conferring rights to receive Shares of the Company or any other financial transactions conferring preferential subscription rights or reserving a priority subscription period for the benefit of the shareholders of the Company (the “**Shareholders**”), and in the event of a merger or a spin-off (*scission*), the Company shall be entitled to suspend the exercise of the Conversion/Exchange Right for a period not exceeding three (3) months or such other period as may be established by applicable regulations.

Any such suspension may not cause the Bondholders to lose their Conversion/Exchange Right.

The Company will inform the Bondholders of its decision to suspend the Conversion/Exchange Right of the Bondholders by way of a notice published in accordance with Condition 2.9 “*Notices*”. This notice shall be published at least seven (7) calendar days before the suspension of the Conversion/Exchange Right becomes effective. The notice shall specify the dates on which the suspension period begins and ends.

2.3 Exercise Period and Conversion/Exchange Ratio

The Bondholders may exercise their Conversion/Exchange Right at any time provided that the relevant Request Date (as defined in Condition 2.4 “*Terms of exercise of Conversion/Exchange Right*”) must fall in the period from the Issue Date to (and including) the seventh (7th) Business Day preceding the Maturity Date or, as the case may be, the seventh (7th) Business Day prior to the early redemption date at the Conversion/Exchange Ratio in effect on the Exercise Date (the “**Exercise Period**”).

“**Conversion/Exchange Ratio**” in effect on any date means the ratio of, subject to Condition 2.6 “*Maintenance of Bondholders’ rights*” and Condition 2.7 “*Treatment of fractional entitlements*”, one Share for one Bond.

Any Bonds in respect of which the holder has not exercised its Conversion/Exchange Right on or prior to the last day of the Exercise Period will be redeemed as provided in Condition 8 “*Redemption date and terms of repayment of the Bonds*”.

2.4 Terms of exercise of Conversion/Exchange Right

To exercise any Conversion/Exchange Right, Bondholders must make a request to the Account Holder holding their Bonds in a securities account. Any such request is irrevocable once received by the relevant Account Holder. The Centralising Agent will provide and ensure centralisation of the request(s).

The date on which such request shall be deemed to be made for the purpose of these Conditions shall be the day on which the last of conditions (1) and (2) below will have been satisfied (provided that if any such condition is satisfied on a day which is not a Business Day, or after 5:00 p.m. (Paris time) on a Business Day, it shall be deemed to have been satisfied instead on the following Business Day) (the “**Request Date**”):

- (1) the Centralising Agent having received the exercise request transmitted by the Account Holder holding the Bonds in a securities account;
- (2) the corresponding Bonds having been transferred to the Centralising Agent by the relevant Account Holder.

Any request for the exercise of any Conversion/Exchange Right received by the Centralising Agent during the Exercise Period will take effect, subject to the provisions of Condition 2.6.C. “*Public offers*” on the earlier of the following dates falling after the Request Date (the “**Exercise Date**”):

- the fifteenth (15th) day of the calendar month in which the Request Date falls (or, if such day is not a Business Day, the immediately following Business Day);
- the last Business Day of the calendar month in which the Request Date falls; or
- the seventh (7th) Business Day preceding the Maturity Date or, as the case may be, the seventh (7th) Business Day prior to the early redemption date.

With respect to Bonds having the same Exercise Date, the Company will be entitled, at its sole option, to choose between:

- the conversion of Bonds into new Shares;
- the exchange of Bonds for existing Shares; or
- the delivery of a combination of new Shares and existing Shares.

All Bondholders with Bonds having the same Exercise Date will be treated equally and will have their Bonds converted and/or exchanged, as applicable, in the same proportion of new and/or existing Shares, subject to rounding.

Subject to the provisions of Condition 2.6.C. “*Public offers*”, the exercising Bondholders will receive delivery of Shares (other than Additional Shares, as defined below) no later than the fifth (5) Business Day following the Exercise Date (the date on which such delivery is made, the “**Delivery Date**”).

The Calculation Agent will determine the number of Shares to be delivered which, subject to Condition 2.7 “*Treatment of fractional entitlements*” will be equal, for each Bondholder, to the Conversion/Exchange Ratio in effect on the Exercise Date multiplied by the number of Bonds transferred to the Centralising Agent for which the Bondholder submitted a request for exercise.

Retroactive Adjustments

If the Record Date (as defined in Condition 2.6 “*Maintenance of Bondholders’ rights*”) for a transaction giving rise to an adjustment of the Conversion/Exchange Ratio (see Condition 2.6 “*Maintenance of Bondholders’ rights*”) occurs prior to the relevant delivery date of the Shares upon exercise of the Conversion/Exchange Right (and whether such Record Date falls prior to, on or after the Exercise Date), the Bondholders will have no right to participate in, and will have no right to indemnification in respect of, such transaction subject to their right to an adjustment of the Conversion/Exchange Ratio until the delivery date of the Shares (exclusive).

If the Record Date of the transaction giving rise to an adjustment described in Condition 2.6 “*Maintenance of Bondholders’ rights*” occurs prior to the relevant delivery date of the Shares upon exercise of the Conversion/Exchange Right (and whether such Record Date falls prior to, on or after the Exercise Date) in circumstances where the Conversion/Exchange Ratio in effect as of the relevant Exercise Date does not reflect the relevant adjustment in respect of this transaction pursuant to Condition 2.6 “*Maintenance of Bondholders’ rights*”, the Company will deliver such number (as determined by the Calculation Agent) of additional Shares (the “**Additional Shares**”), as, together with the number of Shares required to be delivered based on the Conversion/Exchange Ratio in effect on the Exercise Date, is equal to such number of Shares as would have been required to be delivered had the Conversion/Exchange Ratio adjusted in respect of such transaction been in effect on such Exercise Date, subject to Condition 2.7 “*Treatment of fractional entitlements*” and Condition 2.1 “*Nature of Conversion/Exchange Right*” with respect to any Undelivered Shares.

The Bondholders will receive delivery of the Additional Shares (i) on the Delivery Date or (ii) if the number of Additional Shares could not be determined by the Calculation Agent in

time for such delivery to be made on the Delivery Date, as soon as practicable after such determination is made.

The Company will not be required to pay or indemnify the Bondholders for any registration duties, financial transaction taxes (including among others the FTT), stamp duties, registration fees or other similar taxes (including any interest and penalties payable in connection with any failure to pay or any delay in paying of the same) due in relation to the delivery of Shares pursuant to any exercise of a Conversion/Exchange Right.

2.5 Rights of Bondholders to interest on the Bonds and to dividends and distributions with respect to Shares delivered – Listing of the Shares delivered

Rights to interest on the Bonds

In the event of the exercise of any Conversion/Exchange Right, no interest will be payable to Bondholders in respect of the period since the most recent Interest Payment Date (or the Issue Date, as the case may be) until the date on which the shares are delivered.

New Shares issued upon conversion of the Bonds

The new Shares to be issued upon conversion of the Bonds will carry dividend rights and confer upon their holders, from their delivery date, all the rights attached to the Shares, it being specified that, in the event that the Record Date for a dividend (or interim dividend) occurs prior to the relevant delivery date of the Shares (exclusive), Bondholders will not be entitled to such dividend (or interim dividend) or other entitlement nor to any compensation therefor in respect of such dividend (or interim dividend), subject, as applicable, to the right to an adjustment provided for in Condition 2.6 “*Maintenance of Bondholders’ rights*”.

In accordance with Conditions 2.4 “*Terms of exercise of the Conversion/Exchange Right*” and 2.6 “*Maintenance of Bondholders’ rights*”, Bondholders benefit from the right to an adjustment to the Conversion/Exchange Ratio until the delivery date of the Shares (exclusive).

Existing Shares delivered in exchange for the Bonds

The Shares delivered upon exchange of the Bonds will be existing Shares carrying dividend rights and conferring upon their holders, from their delivery date, all the rights attached to the Shares, it being specified that, in the event that the Record Date for a dividend (or interim dividend) occurs prior to the relevant delivery date of the Shares (exclusive), Bondholders will not be entitled to such dividend (or interim dividend) nor to any compensation in respect of such dividend (or interim dividend), subject, as applicable, to the right to an adjustment provided for in Condition 2.6 “*Maintenance of Bondholders’ rights*”.

In accordance with Conditions 2.4 “*Terms of exercise of the Conversion/Exchange Right*” and 2.6 “*Maintenance of Bondholders’ rights*”, Bondholders benefit from the right to an adjustment to the Conversion/Exchange Ratio until the delivery date of the Shares (exclusive).

Listing of the new or existing Shares issued or allocated upon exercise of the Conversion/Exchange Right

Applications will be made for the admission to trading on the Relevant Exchange of the new Shares issued upon exercise of the Conversion/Exchange Right. Accordingly, the new Shares will immediately become fungible with the existing Shares listed on the Relevant Exchange and tradable, as from the date on which they are admitted to trading, on the same listing line as such existing Shares under the same ISIN code FR0010386334.

The existing Shares delivered upon exercise of the Conversion/Exchange Right will be immediately tradable on the Relevant Exchange.

2.6 Maintenance of Bondholders' rights

A. Specific provisions

In accordance with the provisions of article L.228-98 of the French *Code de commerce*,

- (a) the Company may change its form or corporate purpose without requesting the approval of the Bondholders' general meeting;
- (b) the Company may, without requesting the approval of the Bondholders' general meeting, redeem its share capital, or change its profit distribution and/or issue preferred shares provided that, as long as any Bonds are outstanding, it takes the necessary measures to preserve the rights of the Bondholders;
- (c) in the event of a reduction of the Company's share capital resulting from losses and realised through a decrease of the par value or of the number of Shares comprising its share capital, which the Company may carry out as from the Issue Date and the Record Date (as defined below) of which occurs before the delivery date of the Shares upon exercise of the Conversion/Exchange Right, the rights of the Bondholders will be reduced accordingly, as if they had exercised their Conversion/Exchange Right prior to the date on which such share capital reduction occurred. In the event of a reduction of the Company's share capital by a decrease in the number of Shares, the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the decrease in the number of Shares by the following ratio:

Number of Shares comprising the share capital after the reduction

Number of Shares comprising the share capital prior to the reduction

The new Conversion/Exchange Ratio will be calculated to three decimal places by rounding to the nearest one-thousandth (with 0.0005 being rounded up to the nearest thousandth, i.e. 0.001). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded Conversion/Exchange Ratio. The adjustments will become effective on the date on which the transaction triggering such adjustment is completed.

However, because the Conversion/Exchange Ratio may only result in the delivery of a whole number of Shares, fractional entitlements will be settled as specified in Condition 2.7 "*Treatment of fractional entitlements*".

In accordance with articles L.228-99 and R. 228-92 of the French *Code de commerce*, if the Company decides to issue, in any form whatsoever, new Shares or securities giving access to the share capital with a preferential subscription right reserved for Shareholders, to distribute reserves, in cash or in kind, and issue premiums or to change the distribution of its profits by creating preferred shares, it will inform the Bondholders by way of a notice published in accordance with Condition 2.9 "*Notices*".

B. Adjustments to the Conversion/Exchange Ratio in the event of financial transactions of the Company

Following any of the following transactions:

1. financial transactions with listed preferential subscription rights or by free allocation of listed subscription warrants;
2. free allocation of Shares to all Shareholders, share split or reverse share split;
3. incorporation into the share capital of reserves, profits or premiums by an increase in the par value of the Shares;
4. distribution of reserves or premiums, in cash or in kind;
5. free allocation to Shareholders of any securities other than Shares;
6. merger (*absorption or fusion*) or spin-off (*scission*);
7. repurchase by the Company of its own Shares at a price higher than the market price;
8. redemption of share capital;
9. change in profit distribution and/or creation of preferred shares; and
10. distribution by the Company of a dividend;

which the Company may carry out as from the Issue Date and for which the Record Date (as defined below) occurs before the delivery date of Shares upon exercise of the Conversion/Exchange Right, the preservation of the rights of the Bondholders will be maintained up to the delivery date (exclusive) by means of an adjustment to the Conversion/Exchange Ratio in accordance with the provisions set forth below.

The “**Record Date**” is the date on which the ownership of the Shares is established so as to determine which Shareholders are the beneficiaries of a given transaction or may take part in a transaction and, in particular, to which Shareholders, a dividend, a distribution or an allocation, announced or voted as of this date or announced or voted prior to this date, should be paid, delivered, or completed.

Such adjustment will be carried out so that, to the nearest thousandth of a Share, the value of the Shares that would have been delivered upon exercise of the Conversion/Exchange Right immediately before the completion of any of the transactions mentioned above, is equal to the value of the Shares to be delivered upon exercise of the Conversion/Exchange Right immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs 1 to 10 below, the new Conversion/Exchange Ratio will be calculated to three decimal places by rounding to the nearest one-thousandth (with 0.0005 being rounded up to the nearest thousandth, i.e. 0.001). Any subsequent adjustments will be carried out on the basis of the adjusted Conversion/Exchange Ratio so rounded.

However, because the Conversion/Exchange Ratio may only result in the delivery of a whole number of Shares, fractional entitlements will be settled as specified in Condition 2.7 “*Treatment of fractional entitlements*”.

Adjustments carried out in accordance with paragraphs 1 to 10 below will become effective on the date on which the transaction triggering such adjustment is completed.

In the event that the Company carries out transactions for which no adjustment would be applied pursuant to paragraphs 1 through 10 below, and where an adjustment is subsequently provided for by law or regulation, the Company will apply such adjustment in accordance with the applicable provisions of such laws or regulations, and taking into account relevant market practice in effect in France.

In the event that the Company carries out a transaction likely to be subject to several adjustments, the transaction will be split between the relevant adjustments with the legal adjustments applied by priority.

1. Financial transactions with listed preferential subscription rights or by the free allocation of listed subscription warrants

- a. In the event of financial transactions with a listed preferential subscription right, the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\begin{array}{c} \text{Value of the Share ex-right} \\ + \\ \text{Value of the preferential subscription right} \end{array}}{\text{Value of the Share ex-right}}$$

For the purpose of the calculation of this ratio, the values of the Share ex-right and of the preferential subscription right will be equal to the arithmetic average of their opening prices quoted on the Relevant Exchange on each Trading Day comprised in the subscription period.

- b. In the event of financial transactions with free allocation of listed subscription warrants to the Shareholders with the corresponding ability to sell the securities resulting from the exercise of warrants that were unexercised by their holders at the end of the subscription period that applies to them¹, the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\begin{array}{c} \text{Value of the Share after the detachment of the warrant} \\ + \\ \text{Value of the warrant} \end{array}}{\text{Value of the Share after the detachment of the warrant}}$$

For the purpose of the calculation of this ratio:

- the value of the Share after the detachment of the warrant will be equal to the volume-weighted average of (i) the trading prices of the Share on the Relevant Exchange on each Trading Day comprised in the subscription period, and (ii) (a) if such securities are fungible with the existing Shares, the sale price of the securities sold in connection with the offering, applying the volume of Shares sold in the offering to the sale price, or (b) if such securities are not fungible with the existing Shares, the trading prices of the Share on the Relevant Exchange on the date the sale price of the securities sold in the offering is set;

¹ Are only concerned warrants which are “substitutes” of preferential subscription rights (exercise price usually lower than the market price, term of the warrant similar to the period of subscription of the capital increase with upholding of the Shareholders’ preferential subscription right, option to “recycle” the non-exercised warrants). The adjustment as a result of a free allocation of standard warrants (exercise price usually greater than the market price, term usually longer, absence of option granted to the beneficiaries to “recycle” the non-exercised warrants) shall be made in accordance with paragraph 5.

- the value of the warrant will be equal to the volume-weighted average of (i) the trading prices of the warrants on the Relevant Exchange on each Trading Day comprised in the subscription period, and (ii) the subscription warrant's implicit value as derived from the sale price of the securities sold in the offering, which shall be equal to the difference (if positive), adjusted for the exercise ratio of the warrants, between the sale price of the securities sold in the offering and the subscription price of the securities through exercise of the warrants, applying to this amount the corresponding number of warrants exercised in respect of the securities sold in the offering.
2. In the event of the free allocation of Shares to all Shareholders, or a share split or reverse share split in respect of the Shares, the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

Number of Shares included in the share capital after the transaction

Number of Shares included in the share capital prior to the transaction

3. In the event of a capital increase by incorporation of reserves, profits or premiums achieved by increasing the par value of the Shares, the par value of the Shares that will be delivered to the Bondholders exercising their Conversion/Exchange Right will be increased accordingly, and no adjustment shall be required to be made to the Conversion/Exchange Ratio.
4. In the event of a distribution of reserves or premiums, in cash or in kind (portfolio securities, etc.), the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

Value of the Share prior to the distribution

Value of the Share prior to the distribution – Amount distributed per Share or
value of the securities or assets distributed per Share

For the purpose of the calculation of this ratio:

- the value of the Share prior to the distribution will be equal to the Volume-Weighted Average Price (as defined below) of the Share over the period comprising the last three (3) Trading Days preceding the Trading Day on which the Shares are quoted ex-distribution;
- if the distribution is made in cash, or is made either in cash or in kind (including but not limited to Shares) at the option of the Shareholders (including but not limited to pursuant to articles L.232-18 *et seq.* of the French *Code de commerce*), the amount distributed per Share will be the amount of such cash payable per Share (prior to any withholdings and without taking into account any applicable deductions), *i.e.* disregarding the value of the in-kind property payable in lieu of such cash amount at the option of the Shareholders as aforesaid;
- if the distribution is made in kind only:
 - in the event of a distribution of securities that are already listed and which main listing is on a Regulated Market or a similar market, the

value of the distributed securities will be determined in the same manner as the value of the Share prior to the distribution as provided above (or, if no such value can be so determined, the value of the distributed securities will be determined by an Independent Adviser);

- in the event of a distribution of securities that are not yet listed, or do not have their main listing, on a Regulated Market or a similar market, the value of the distributed securities will be equal, if they are expected to be listed on a Regulated Market or similar market which will be their main listing within the ten (10) Trading Days' period starting on the first (1st) Trading Day on which the Shares are quoted ex-distribution, to the Volume-Weighted Average Price of such securities over the period comprising the first three (3) Trading Days included in such period during which such securities are listed (or, if no such value can be so determined, the value of the distributed securities will be determined by an Independent Adviser); and
- in other cases (including in the case of a distribution of securities that are not listed on a Regulated Market or a similar market or listed for less than three (3) Trading Days within the period of ten (10) Trading Days referred to above or in the case of a distribution of unlisted assets), the value of the securities or assets allocated per share will be determined by an Independent Adviser.

For the purposes of these Terms and Conditions:

“Volume-Weighted Average Price” means, in respect of the Share or other security, on any Trading Day, the volume-weighted average price of such Share or other security on such Trading Day on the Relevant Exchange (as defined below) in respect thereof as published by or derived from (i) Bloomberg page HP (or any successor page) (setting **“Weighted Average Line”**, or any successor setting) in respect of such Share or other security for such Relevant Exchange (such page being as at the Issue Date of the Bonds, in the case of the Share, KORI FP Equity HP), provided that in the case of a Volume-Weighted Average Price to be observed over a period of several Trading Days, such Volume-Weighted Average Price shall be equal to the volume-weighted average of the relevant daily Volume-Weighted Average Prices (the daily volumes to be used for the purpose of determining such weighted average being the volumes as published on such Bloomberg page HP (or any successor page), setting **“VWAP Volume”** (or any successor setting)), as determined by the Calculation Agent, or, (ii) if the Volume-Weighted Average Price cannot be determined as aforesaid, such Relevant Exchange.

“Relevant Exchange” means (A) in respect of the Shares, (i) Euronext Paris or (ii) (if the Shares are no longer listed on Euronext Paris at the relevant time) any other Regulated Market (of Euronext or otherwise) or other similar market on which the Shares have their main listing, and (B) in respect of any other security, the Regulated Market or any other similar market on which such security has its main listing.

“Regulated Market” means any stock exchange or securities market which is a regulated market pursuant to the terms of the 2014/65/EU Directive dated 15 May 2014, as amended, relating to the financial market instruments within the European Economic Area.

5. In the event of a free allocation to Shareholders of any securities other than Shares and subject to paragraph 1. b. above, the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\begin{array}{c} \text{Value of the Share ex-right of free allocation} \\ + \\ \text{Value of the security or securities allocated per Share} \end{array}$$

$$\text{Value of the Share ex-right of free allocation}$$

For the purpose of the calculation of this ratio:

- the value of the Share ex-right of free allocation will be equal to the Volume-Weighted Average Price of the Share over the period comprising the first three (3) Trading Days starting on the first (1st) Trading Day on which the Shares are quoted ex-right of free allocation;
- the value of the securities allocated will be determined:
 - if such securities are listed on a Regulated Market or similar market which is their main listing in the period of ten (10) Trading Days starting on the first (1st) Trading Day on which the Shares are quoted ex-right of free allocation: in the same manner as the value of the Share ex-right of free allocation as provided above (or, if such securities are not so listed on each of the three (3) Trading Days referred to above, as provided above but by reference to the first three (3) Trading Days on which such securities are so listed within such ten (10) Trading Days' period as aforesaid); or
 - in any other case, including where the value of the securities cannot be determined as provided above: by an Independent Adviser.

6. In the event that the Company is merged into another company (*absorption*) or is merged with one or more companies forming a new company (*fusion*) or carries out a spin-off (*scission*) within the meaning of article L.228-101 of the French *Code de commerce*, the Bonds will be convertible into shares of the merged or new company or of the beneficiary companies of such spin-off.

The new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the exchange ratio of Shares of the Company to the shares of the merging company or the beneficiary companies of a spin-off. The merging company (or, in the case of multiple beneficiary companies of a spin-off, such company or companies as is or are determined in good faith to be appropriate by an Independent Adviser) will automatically be substituted for the Company for the purpose of the performance of its obligations towards the Bondholders and from such point such merging company or the beneficiary company or companies of a spin-off as aforesaid shall constitute the Company for the purpose of these Conditions, subject to any technical changes to these Conditions required to be made to that effect as may be determined in good faith to be appropriate by an Independent Adviser.

7. In the event of a repurchase by the Company of its own Shares at a price higher than the Value of the Share (as defined below), the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the repurchase by the following ratio:

$$\text{Value of the Share} \times (1 - \text{Pc}\%)$$

$$\text{Value of the Share} - (\text{Pc}\% \times \text{Repurchase price})$$

For the purpose of the calculation of this ratio:

“**Value of the Share**” means the Volume-Weighted Average Price of the Share over the period comprising the last three (3) Trading Days preceding the repurchase (or the repurchase option);

“**Pc%**” means the percentage of share capital repurchased; and

“**Repurchase price**” means the price at which the relevant Shares are repurchased.

8. In the event of a redemption of share capital, the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Value of the Share before the redemption}}{\text{Value of the Share before the redemption} - \text{Amount of the redemption per Share}}$$

Value of the Share before the redemption – Amount of the redemption per Share

For the purpose of the calculation of this ratio, the value of the Share before the redemption will be equal to the Volume-Weighted Average Price of the Share over the period comprising the last three (3) Trading Days preceding the first (1st) Trading Day on which the Shares are quoted ex-redemption.

9. In the event the Company changes its profit distribution and/or creates preferred shares resulting in such a change, the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Value of the Share prior to the modification}}{\text{Value of the Share prior to the modification} - \text{Reduction per Share of the right to profits}}$$

Value of the Share prior to the modification – Reduction per Share of the right to profits

For the purpose of the calculation of this ratio:

- the Value of the Share prior to the modification will be equal to the Volume-Weighted Average Price of the Share over the period comprising the last three (3) Trading Days preceding the date of the modification; and
- the Reduction per Share of the right to profits will be determined by an Independent Adviser.

In the case of creation of preferred shares which do not result in a change in the distribution of the Company’s profits, the adjustment of the Conversion/Exchange Ratio, if any, will be determined by an Independent Adviser.

Notwithstanding the foregoing, if such preferred shares are issued with preferential subscription rights of the Shareholders or by way of a free allocation to the Shareholders of warrants exercisable for such preferred shares, the new Conversion/Exchange Ratio will be adjusted in accordance with paragraphs 1 or 5 above.

10. Adjustment in the event of dividend distributions

In the event of payment of any dividend, interim dividend or any distribution, in cash or in kind, by the Company to the Shareholders (prior to any withholdings and without taking into account any applicable deductions) (a “**Dividend**”), provided that:

- (i) any dividend or distribution (or fraction of dividend, interim dividend or distribution) resulting in an adjustment to the Conversion/Exchange Ratio pursuant to paragraphs 1 to 9 above shall be deemed not to be a Dividend and will not give rise to any adjustment provided for in this paragraph 10, and
- (ii) the amount of any such Dividend shall be equal to:
 - (A) in the case of a Dividend payable solely in cash: the amount of such cash per Share,
 - (B) in the case of a Dividend payable either in cash or in kind (including but not limited to Shares) at the option of the Shareholders (including but not limited to pursuant to articles L.232-18 et seq. of the French *Code de commerce*): the amount of such cash payable per Share, *i.e.*, disregarding the value of the in-kind property payable in lieu of such cash amount at the option of the Shareholders as aforesaid, or
 - (C) in the case of a Dividend payable solely in kind: the value of such Dividend per Share determined in the same manner as that of the distribution of securities pursuant to paragraph 4 above,

the new Conversion/Exchange Ratio will be determined by the Calculation Agent by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

A

A – B

For the purpose of the calculation of this ratio:

- A means the Volume-Weighted Average Price of the Share over the period comprising the last three (3) Trading Days preceding the first (1st) Trading Day on which the Shares are quoted ex-Dividend; and
- B means the amount of Dividend distributed per Share.

C. Public offers

Under current French regulations, any public offer (in cash or in securities, in cash and securities, etc.) filed by a third party for the Shares would also be required to be made for all securities giving access to the share capital of or voting rights in the Company, and therefore the Bonds described in these Terms and Conditions. Any such offer proposal and the offer document setting out the terms and conditions of such offer would be subject to prior review by the French Financial Markets Authority (*Autorité des marchés financiers*) (the “AMF”) (or its successor), which would determine the admissibility of the offer based on the elements presented.

In the event that the Shares would be subject to a public offer (tender, exchange, mixed, etc.) which may result in a Change of Control (as defined below), or a public offer (tender, exchange, mixed, etc.) filed following a Change of Control (as defined below), and that such public offer would be declared admissible by the AMF (or its successor), the Conversion/Exchange Ratio will be temporarily adjusted as determined by the Calculation Agent during the Adjustment Period in case of a Public Offer in accordance with the following formula (the resulting Conversion/Exchange Ratio being rounded as provided below):

$$\text{NCER} = \text{CER} \times [1 + \text{ICEP} \times (c / t)]$$

where:

“**NCER**” means the new Conversion/Exchange Ratio applicable during the Adjustment Period in case of a Public Offer (as defined below) (rounded to three decimal places, with 0.0005 being rounded up to the nearest thousandth, i.e. 0.001);

“**CER**” means the previous Conversion/Exchange Ratio in effect prior to the Offer Opening Date (as defined below);

“**ICEP**” means 55%, being the initial conversion/exchange premium (as set out in Condition 1.2 “*Nominal amount of the issuance – Par value of the Bonds – Issue price of the Bonds*”) expressed as a percentage;

“**c**” means the actual number of days from the Offer Opening Date (inclusive) to the Maturity Date (exclusive); and

“**t**” means 2,556 days, being the actual number of days from 6 March 2020 (inclusive) to the Maturity Date (exclusive).

The adjustment of the Conversion/Exchange Ratio indicated above will benefit only to those Bondholders who will exercise their Conversion/Exchange Right such that the relevant Request Date falls in the period (the “**Adjustment Period in case of a Public Offer**”) from (and including):

A. the first (1st) day on which the Shares may be tendered to the offer (the “**Offer Opening Date**”), and

B. to (and including) the earlier of:

(I) the applicable date pursuant to (i), (ii) or (iii) below:

(i) if the offer is unconditional, the date that is fifteen (15) Business Days after the date of publication by the AMF (or its successor) of the notice of result of the offer or, if the offer is re-opened, the date that is fifteen (15) Business Days after the date of publication by the AMF (or its successor) of the notice of result of the re-opened offer;

(ii) if the offer is conditional, (x) if the AMF (or its successor) declares that the offer is successful, the date that is fifteen (15) Business Days after the date of publication by the AMF (or its successor) of the notice of result of the offer or, if the offer is re-opened, the date that is ten (10) Business Days after the date of publication by the AMF (or its successor) of the notice of result of the re-opened offer or (y) if the AMF (or its successor) declares that the offer is unsuccessful, the date of publication by the AMF (or its successor) of the notice of result of the offer; or

(iii) if the bidder withdraws the offer, the date on which such withdrawal is published.

and

(II) the last day of the Exercise Period

Delivery of Shares resulting from the exercise of the Conversion/Exchange Right during the Adjustment Period in the case of a Public Offer

Notwithstanding the provisions of Condition 2.4 “*Terms of exercise of the Conversion/Exchange Right*”, in the event of the exercise of the Conversion/Exchange Right during the Adjustment Period in case of a Public Offer, the Exercise Date will be deemed to be the Request Date and the corresponding Shares will be delivered within a maximum of three (3) Business Days of the Exercise Date.

D. Notification of adjustments to Conversion/Exchange Ratio

Adjustments of the Conversion/Exchange Ratio of the Bonds, calculations and determinations performed by the Calculation Agent or, where applicable, an Independent Adviser, pursuant to these Terms and Conditions shall be final and binding (in the absence of wilful default, bad faith or manifest error and subject to any determinations by an Independent Adviser) on the Company, the Bondholders and the Centralising Agent.

Notice of adjustments to Conversion/Exchange Ratio of the Bonds will be given by the Company promptly after the determination thereof by way of a notice published in accordance with Condition 2.9 “Notices”.

In addition, the board of directors (*conseil d’administration*) of the Company will report the calculations and results of all adjustments in the annual report following such adjustment.

2.7 Treatment of fractional entitlements

Each Bondholder exercising its Conversion/Exchange Right in relation to the Bonds will have the right to receive a number of Shares calculated by the Calculation Agent by multiplying the total number of Bonds presented for exchange or conversion on a given Exercise Date by the Conversion/Exchange Ratio in effect on the Exercise Date, all in accordance with Condition 2.4 “*Terms of exercise of the Conversion/Exchange Right*”.

If the number of Shares thus calculated is not a whole number, such number shall be rounded down to the nearest whole number of Shares, and the Bondholder will receive a cash payment equal to the product of (i) the remaining fractional share and (ii) the Volume-Weighted Average Price of the Share on the Relevant Exchange on the last Trading Day preceding the Request Date, as determined by the Calculation Agent.

Such amount in cash (if any) will be rounded to the nearest whole multiple of €0.01, with €0.005 rounded upwards.

2.8 Calculation Agent, Centralising Agent, Independent Adviser

In connection with the Bonds, Conv-Ex Advisors Limited has been appointed as calculation agent (the “**Calculation Agent**”) and CACEIS Corporate Trust has been appointed as centralising agent (the “**Centralising Agent**”).

The Company reserves the right at any time to modify or terminate the appointment of the Calculation Agent or the Centralising Agent and/or appoint a substitute Calculation Agent or Centralising Agent or approve any change in the office through which such agent acts, provided that, so long as any Bond is outstanding, there will at all times be (i) a Calculation Agent and (ii) a Centralising Agent having a specified office in an European city (which shall, for the avoidance of doubt, include the United Kingdom).

Any termination or appointment of the Centralising Agent shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than 45 nor less than 30 calendar days’ notice thereof shall have been given to the Bondholders by the Company through a notice published on its Internet website (www.korian.com).

In addition, the Company may, from time to time and at its own expense, appoint an independent financial institution of international repute or adviser with appropriate expertise, which may include the Calculation Agent acting for this purpose in such independent adviser capacity (as may be agreed at the relevant time between the Company and the Calculation Agent) (the “**Independent Adviser**”).

The Calculation Agent is acting exclusively as an agent for, and upon request from, the Company. Neither the Calculation Agent (acting in such capacity) nor any Independent

Adviser appointed in connection with the Bonds (acting in such capacity), shall have any relationship of agency or trust with, nor shall the Calculation Agent (acting in such capacity) nor any Independent Adviser appointed as aforesaid shall (to the fullest extent permissible by law) be liable nor shall they incur any liability as against, the Bondholders, the Representative and (in the case of adjustments, calculations and determinations performed by an Independent Adviser) the Calculation Agent.

The Calculation Agent may, subject to the provisions of the calculation agency agreement to be entered into between the Company and the Calculation Agent at the latest on the Issue Date, consult on any matter (including but not limited to, any legal matter), with any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Company, the Representative or the Bondholders in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion/Exchange Ratio or as to the appropriate adjustment to the Conversion/Exchange Ratio, and following consultation between the Company, the Calculation Agent and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Company, the Bondholders, the Centralising Agent and the Calculation Agent, save in the case of manifest error.

2.9 Notices

All notices to be given by the Company in accordance with this Condition 2.9 "Notices" will be valid if:

- (a) posted on the Company's website (www.korian.com); and
- (b) delivered by the Company to (as applicable) Euroclear France, Euroclear, Bank SA/NV, Clearstream Banking S.A. and/or any other clearing system through which the Bonds are for the time being cleared for communication by such clearing systems to the Bondholders (and for the purpose of this Condition 2.9 "Notices" the date on which such notice is so delivered shall be deemed to be the publication date of such notice).

To the extent required by the applicable rules and regulations:

- a corresponding notice shall also be issued by Euronext Paris (or its successor or any substitute exchange to which trading in the Bonds has been relocated); and
- a notice shall be published in any other way as is compliant with applicable rules and regulations.

Any notice will be deemed to have been given on the day of its publication or, in the case of more than one publication, the date of first publication.

2.10 Cancellation (*Caducité*)

If, at any time, any agreement part of a single transaction (*même opération*) involving the Bonds, is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction or is terminated for any reason, neither the legality, validity or enforceability of the Terms and Conditions shall in any way be affected or impaired thereby and as a result the terms and conditions and the Bonds shall not become *caducs* for the purpose of article 1186 of the French *Code civil*.