

Terms and Conditions of the net share settled undated unsubordinated unsecured bonds convertible into new shares and/or exchangeable for existing shares of KORIAN (the “Bonds”)

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

The combined general meeting (ordinary and extraordinary) of KORIAN (the “**Company**”) of 22 June 2017, under resolution twenty, delegated to the Board of Directors of the Company the authority to issue the Bonds. The Board of Directors, during its meeting of [22 June] 2017, decided to authorise and granted power to the Chief Executive Officer (*Directeur Général*) of the Company to issue the Bonds and determine the Terms and Conditions of the Bonds. Based upon this delegation, the Chief Executive Officer of the Company decided on [●] 2017 to proceed with the issuance of the Bonds under the conditions specified in these Terms and Conditions.

For the purposes of these Terms and Conditions:

“**Bondholders**” means the holders of the Bonds;

“**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 (ii) on which Euroclear France or any successor is operating and (iii) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system or any successor thereto is operating;

“**Centralising Agent**” means CACEIS Corporate Trust, 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux, Cedex 9, acting as paying agent and conversion / exchange agent;

“**Calculation Agent**” means Conv-Ex Advisors Limited, 30 Crown Place, EC2A 4EB London, United Kingdom;

“**Group**” means the Company and all its Subsidiaries;

“**Independent Adviser**” means any 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), appointed from time to time by the Company at its own expense;

“**Option Expiry Date**” means 1 January 2023;

“**Trading Day**” means any day (other than a Saturday or Sunday) on which the Share (as defined in Condition 2) is traded on the Relevant Exchange in respect thereof, other than a day on which such trading ceases prior to the usual closing time (for the avoidance of doubt, trading sessions where the market closes before the usual closing time, whether such closing is scheduled (as it is often the case regarding trading on Euronext Paris on 24 and 31 December) or unscheduled, will not be deemed Trading Days); and

“**Regulated Market**” means any regulated market pursuant to the terms of the 2004/39/CE Directive dated 21 April 2004, as amended, relating to the financial market instruments within the European Economic Area.

“**Relevant Exchange**” means (A) in respect of the Shares, (i) any Regulated Market of Euronext Paris or (ii) (if the Shares are no longer listed on a Regulated Market of Euronext Paris at the relevant time) the Regulated Market or other similar market on which the Share has its 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.

“**Volume-Weighted Average Price**” means, in respect of the Share or other security, on any Trading Day, the order book volume-weighted average price of such Share or other security on such Trading Day on the Relevant Exchange 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 Shares, [●] 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 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.

“**Closing Price**” means, in respect of the Share, on any Trading Day, the closing price of such Share on such Trading Day on the Relevant Exchange in respect thereof as published by or derived from (i) Bloomberg page HP (or any successor page) (setting “**Last Price**”, or any successor setting) in respect of the Share for such Relevant Exchange (such page being as at the Issue Date of the Bonds, in the case of the Shares, [●] Equity HP), or, (ii) if the Closing Price cannot be determined as aforesaid, such Relevant Exchange.

1. Nature and class of the Bonds

The Bonds to be issued by the Company constitute securities that confer certain rights to receive shares of the Company within the meaning of Articles L. 228-91 *et seq.* of the French Commercial Code (*Code de commerce*).

2. Nominal amount of the issuance – Par value of the Bonds – Issue price of the Bonds

The issue will be for a principal amount of €[●], represented by [●] Bonds.

The par value of each Bond (the “**Nominal Value per Bond**”) was set at €[●], which includes a conversion premium of [●]% over the reference trading price of the shares of the Company of €[●] which was retained at the time of the determination of the final terms of the Bonds and which corresponds to the volume-weighted average price of the shares of the Company quoted on Euronext Paris from the opening of trading on [●] 2017 until the pricing on the same date.

The Bonds will be issued on [●] 2017.

The Company’s shares (the “**Shares**”), with a nominal value of €5 each, are traded on Euronext Paris (Compartment A) under ISIN code FR[●].

3. Governing law and jurisdiction

The Bonds will be governed by French law.

The courts having jurisdiction in the event of a dispute are those of the jurisdiction in which the registered office of the Company is located if the Company is the defendant and are designated according to the nature of the dispute, unless otherwise provided by the French Code of Civil Procedure (*Code de procédure civile*).

4. Form and method of registration in Bonds accounts

The Bonds may be held in dematerialised registered or bearer form, at the Bondholders’ option.

In accordance with Article L. 211-3 of the French Monetary and Financial Code (*Code monétaire et financier*), the Bonds shall be registered in securities accounts held, as the case may be, by the Company or an authorized intermediary.

Consequently, the rights of the Bondholders will be represented via a registration in securities accounts opened in their name in the registries of:

- CACEIS Corporate Trust, acting on behalf of the Company, in respect of fully registered form Bonds (*forme nominative pure*);
- an authorized financial intermediary chosen by the Bondholder and CACEIS Corporate Trust, acting on behalf of, in respect of Bonds in administered registered form (*forme nominative administrée*); or
- an authorized financial intermediary chosen by the Bondholder in respect of Bonds in bearer form (*forme au porteur*).

No document evidencing the ownership of the Bonds (including representative certificates under Article R. 211-7 of the French Monetary and Financial Code) will be issued relating to the Bonds.

In accordance with Articles L. 211-15 and L. 211-17 of the French Monetary and Financial Code, the Bonds are sent via a transfer from one account to another, and the transfer of ownership of the Bonds will occur upon their registration in the purchaser's securities account.

A request for the admission of the Bonds to the operations of Euroclear France will be made and Euroclear France will be responsible for the clearing of the Bonds between entities managing securities accounts. In addition, a request will also be made for the admission of the Bonds to the operations of Euroclear Bank S.A./N.V. and Clearstream Banking S.A.. The ISIN code of the Bonds is FR [●].

It is expected that the Bonds will be registered in securities accounts on [●] 2017, date of the settlement and delivery of the Bonds. The Company undertakes to make or cause to be made an application for the Bonds to be admitted to trading on the [Euronext Access] of Euronext Paris within [30] days following the Issue Date (as defined in Condition 12 "*Issue Date*").

5. Currency of the issuance of the Bonds

The Bonds will be issued in euros.

6. Ranking of the Bonds

6.1 Status

The Bonds and the interest, Deferred Interest (as defined below) and Additional Interest (as defined below) thereon, constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, and rank, and will at all times rank, *pari passu* without any preference amongst themselves and (subject to exceptions imposed by French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Company.

The Company's obligation to pay interest, Deferred Interest and Additional Interest thereon, principal, taxes, costs and other amounts in respect of the Bonds is not guaranteed.

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* of the 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 (i) those which have been redeemed on their due date or otherwise in accordance with the Terms and Conditions, (ii) those in respect of which claims have been prescribed under Condition 10 *“Prescription”* and (iii) those which have been purchased and cancelled in accordance with the Terms and Conditions.

“Relevant Debt” means any present or future indebtedness for borrowed money 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 for the time being, or are capable of being, quoted, admitted to trading, listed or ordinarily 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 Commercial Code.

6.3 Further issues

If the Company subsequently issues new bonds with rights identical in all respects to those of the Bonds (except, as the case may be, with respect to the first interest payment of such new bonds), 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 subsequent issuances, thereby treating such bonds as the same issue for purposes of financial agency services and trading. All holders of such bonds would in this case be grouped into a single *Masse* (as defined in Condition 11 *“Representation of Bondholders”*).

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

In the event of an exercise of the Conversion Right as defined in Condition 17.1 *“Nature of the Conversion Right”*, at any time from the Issue Date (inclusive) and until the [18th] Trading Day (exclusive) preceding the earlier of: (i) the date set for any early redemption of the Bonds and (ii) the Option Expiry Date, the Bondholders will have the right to receive, at the option of the Company, (i) either (a) an amount in cash only or (b) an amount in cash and new and/or existing Shares, or (ii) new and/or existing Shares only. The terms and conditions of the Conversion Right are defined in Condition 17.3 *“Terms of allocation pursuant to the Conversion Right”*.

Exercise of the Conversion Right results in cancellation of the Bonds in respect of which it was exercised.

Bonds which Conversion Right has not been exercised in accordance with Condition 17 “*Conversion Right*” are to be redeemed in cash in accordance with the conditions set out in Condition 9 “*Redemption and purchase of the Bonds*”.

Furthermore, the Bonds will bear interest paid in arrear on a semi-annual basis pursuant to Condition 8 “*Nominal interest rates and provisions relating to accrued interest*”, provided that in accordance with the terms of Condition 17.6 “*Bondholders’ rights to interest on the Bonds and to dividends with respect to Shares delivered / Tradable Shares*”, in the event of exercise of the Conversion Right, no interest will be paid to the Bondholders, for the period between the last Interest Payment Date (as defined below in Condition 8 “*Nominal interest rates and provisions relating to accrued interest*”) preceding the Exercise Date (as defined below in Condition 17.5 “*Conditions of exercise of the Conversion Right*”) or, if applicable, the Issue Date and the date on which the delivery of the amounts in cash and, if applicable, of new and/or existing Shares, or of new and/or existing Shares only occurs.

8. Nominal interest rates and provisions relating to accrued interest

8.1 Payment of interest

- (a) From [●] until 31 December 2022

The Bonds will bear interest as from the Issue Date (as defined in Condition 12 “*Issue Date*”) (inclusive) and until 31 December 2022 (inclusive) at a nominal annual rate of [●]% (the “**Fixed Interest Rate**”), payable semi-annually in arrear on [●] and [●] of each year (each, an “**Interest Payment Date**”) commencing on [●] (the “**Interest Commencement Date**”) subject to the provisions of Condition 8.2 “*Suspension of interest payments*”.

It is specified that, if an Interest Payment Date is not a Business Day, the coupon will be paid on the first following Business Day and, for the avoidance of doubt, no further interest or other additional sums in respect of such postponed payment.

Any amount of interest arising from an interest period of less than a half-year period will be calculated (and rounded down if necessary to the nearest integral multiple of €0.00001) by applying to the Nominal Value per Bond the product of (a) the annual interest rate and (b) the number of days in the period from (and including) the most recent Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the event of a Change of Control (as defined in Condition 9.3 “*Early redemption at the Company’s option*”), the Fixed Interest Rate will be increased by [500] basis points. In such event, this increase will be applicable to the interest period starting after the Interest Payment Date immediately following the occurrence of such Change of Control. The Company will notify Bondholders no later than [15] days after the occurrence of such Change of Control (as set out in Condition 9.6 “*Publication of information in the event of repurchase, redemption of the Bonds and exercise of the Conversion Right*”).

Subject to the provisions of Condition 17.6 “*Bondholders’ rights to interest on the Bonds and to dividends with respect to Shares delivered / Tradable Shares*”, interest will cease to accrue from the date of redemption of the Bonds.

Any interest payable pursuant to this Condition 8.1(a) shall be calculated by the Centralising Agent.

- (b) From 1 January 2023

The Bonds will bear interest as from 1 January 2023 (inclusive) at a rate computed by the Calculation Agent on the basis of the Floating Interest Rate (as defined below), payable semi-annually in arrear on each Interest Payment Date commencing on [●] subject to the provisions of Condition 8.2 “*Suspension of interest payments*”. The period from an Interest Payment Date (inclusive) to the next Interest Payment Date (exclusive) is referred to as an “**Interest Period**”.

It is specified that, if an Interest Payment Date is not a Business Day, the coupon will be paid on the first following Business Day and, for the avoidance of doubt, no further interest or other additional sums in respect of such postponed payment.

The first payment of floating interest will occur on [●] for the Interest Period commencing on [●].

1. The floating interest rate applicable to the Bonds (the “**Floating Interest Rate**”), expressed on an annual basis, will be determined by the Calculation Agent or, where otherwise specified, an Independent Adviser) as follows:
 - (i) The Floating Interest Rate for the relevant Interest Period will be the 6-month Euribor Rate, as determined by the Calculation Agent in accordance with the Terms and Conditions, plus a margin of [900] basis points. The “**6-month Euribor Rate**” is the rate stated as an annual interest rate, as calculated by the European Money Markets Institute (“**EMMI**”) and published for information purposes on page EUR006M Index of Bloomberg (or any successor page, if any, or, in any such case, page Euribor 01 of Reuters or any successor page, if any, or in any such case, any publicly available recognized page of any other service providing substantially similar information, as determined by the Calculation Agent, if any, or in any such case on any other recognized page of any other service as determined by an Independent Adviser) at or around 11.00 am (Paris time), two (2) Business Days prior to the beginning of the relevant Interest Period (such date being an “**Interest Rate Determination Date**”), offered for euro interbank deposits between major euro-zone banks for a period of six (6) months.
 - (ii) If for any reason on any Interest Rate Determination Date, the 6-month Euribor Rate is not so calculated, published or otherwise made available by the EMMI, an Independent Adviser will request, on such Interest Rate Determination Date, the principal euro-zone offices of each of four major banks in the euro-zone interbank market (excluding any such bank with the Independent Adviser may be part of, as applicable), selected by such Independent Adviser (the “**Reference Banks**”), to provide such Independent Adviser with its offered quotation for six-month euro deposits in the euro interbank market at, or about, 11.00 am (Paris time) on the Interest Rate Determination Date for the relevant Interest Period. The Floating Interest Rate for such period will be the arithmetic mean (rounded, where necessary, to the nearest fourth decimal place, 0.00005 being rounded up to 0.0001) of such quotations provided by the Reference Banks (or of such of them, being at least two of them) pursuant to this paragraph, plus [900] basis points.
 - (iii) For the purpose of the preceding sub-paragraph (ii) above, if on any Interest Rate Determination Date one only or none of the Reference Banks has provided the Independent Adviser with such quotations, the Floating Interest Rate for the following Interest Period will be the higher of:

- (a) the Floating Interest Rate in force for the immediately preceding Interest Period; and
 - (b) the annual rate that the Independent Adviser determines to be the arithmetic mean of the euro lending rates quoted by at least two other major banks in the euro-zone interbank market, selected by the Independent Adviser (excluding any such bank with the Independent Adviser may be part of, as applicable), at the Interest Rate Determination Date for the relevant Interest Period for loans in euros to leading European banks for a period of six months commencing on the first day of the relevant Interest Period, plus [900] basis points.
2. The Calculation Agent (or, where otherwise specified, an Independent Adviser) will determine, as soon as possible after 11.00 am (Paris time) on each Interest Rate Determination Date, but no later than on the following Business Day, the Floating Interest Rate and the Calculation Agent will calculate the amount of interest due for each Bond (the “**Floating Interest Amount**”) for the relevant Interest Period.

The Floating Interest Amount per Bond will be calculated (and rounded down if necessary to the nearest integral multiple of €0.00001) by applying to the Nominal Value per Bond the product of (a) the Floating Interest Rate and (b) the ratio between (x) the actual number of days in the relevant Interest Period and (y) 360 days.

Any amount of interest arising from an interest period of less than an Interest Period will be calculated (and rounded down if necessary to the nearest integral multiple of €0.00001) by applying to the Nominal Value per Bond the product of (a) the Floating Interest Rate and (b) the ratio between (x) the actual number of days since (and including) the last Interest Payment Date to (but excluding) the last day of such interest period and (y) 360 days.

3. The Calculation Agent (based, as the case may be, on the determination made by an Independent Adviser in the circumstances specified in the foregoing provisions) will cause the Floating Interest Rate and the Floating Interest Amount for each Interest Period as well as the relevant Interest Payment Date to be notified to the Company and to the Centralising Agent as promptly as possible after the Interest Rate Determination Date, but in any event no later than on the first day of the relevant Interest Period. The Company will publish the Floating Interest Rate and the Floating Interest Amount in accordance with paragraph 5 below, no later than on the first day of the relevant Interest Period. The Floating Interest Amount and the Floating Interest Rate so published may be modified subsequently (or appropriate alternative arrangements may be set up by means of an adjustment) without notification in the event of an extension to or reduction of the Interest Period.
4. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this paragraph, whether by the Reference Banks as defined above or other major banks (or any one of them) or by the Calculation Agent, or as the case may be, an Independent Adviser, will (in the absence of wilful default, bad faith or manifest error) be final and binding on the Company, the Centralising Agent, the Reference Banks, or other major banks, the Calculation Agent and all of the Bondholders.
5. Any notice to the Bondholders will be deemed to have been validly given to the latter if published on the Company’s website (www.korian.com) and via a notice published by Euronext Paris. Such information will be deemed to have been communicated on the date of said publication.

6. In the event of a Change of Control (as defined in Condition 9.3 “*Early redemption at the Company’s option*”), the then applicable Floating Interest Rate will be increased by [500] basis points. In such event, this increase will be applicable to the interest period starting after the Interest Payment Date immediately following the occurrence of such Change of Control. The Company will notify Bondholders no later than [15] days after the occurrence of such Change of Control (as set out in Condition 9.6 “*Publication of information in the event of repurchase, redemption of the Bonds and exercise of the Conversion Right*”). In any case, interest will cease to accrue from the date of redemption of the Bonds.

8.2 Suspension of interest payments

(a) Optional Interest Payment Dates

An “**Optional Interest Payment Date**” means any Interest Payment Date if, during the 12-month period preceding such Interest Payment Date, no payment of a dividend or interim dividend in respect of the Shares has been decided or paid.

On any Optional Interest Payment Date, the Company may decide, at its option, to pay or not to pay interest in respect of the Bonds for the relevant Interest Period. On every Optional Interest Payment Date, the Company may thus decide not to pay interest in respect of the Bonds for the relevant Interest Period, subject to having notified Bondholders in advance in accordance with Condition 8.2(d) (the relevant date being in that case the applicable Interest Payment Date). Non-payment of the interest in such circumstances will not constitute a breach or a default by the Company of its obligations hereunder or in any other respect whatsoever. All interest in respect of the Bonds that is not paid at an Optional Interest Payment Date will constitute “**Deferred Interest**” and will be payable in accordance with the provisions of sub-Condition (b) below.

The Deferred Interest and, where appropriate, Additional Interest as defined hereinafter will remain attached to the Bonds.

(b) Deferred Interest

Deferred Interest (as well as the corresponding amount of Additional Interest) may be paid in full or in part at any time at the Company’s option, but the entire amount of Deferred Interest (as well as the corresponding amount of Additional Interest) in respect of all the Bonds will become due and payable in full at the first of the following dates:

- (i) the first Interest Payment Date:
 - following a shareholders’ meeting of the Company during which the payment of a dividend in respect of the Shares has been decided or, depending on the circumstances, following a meeting of the board of directors of the Company having decided the payment of an interim dividend; or
 - which is an Optional Interest Payment Date and on which the Company decides to pay interest in respect of the Bonds;
- (ii) the date set for redemption at the Company’s option of the entire amount of outstanding Bonds; or
- (iii) the date of the final court ruling deciding a court-ordered liquidation of the Company (*liquidation judiciaire*) or the date of the voluntary liquidation of the Company (*liquidation amiable*) or the date of the full sale of the business in respect of the Company (*cession totale de l’entreprise*).

Any Interest Payment Date referred to in sub-sections (i), (ii) or (iii) above will represent a “**Compulsory Deferred Interest Payment Date**”.

(c) Additional Interest

Any amount of Deferred Interest will bear interest (to the full extent permitted by law) from the relevant Optional Interest Payment Date for any period exceeding twelve (12) months at a rate computed on the basis of the interest rate applicable to the relevant period and as determined in accordance with Condition 8.1 “*Payment of interest*”. The amount of accrued interest (the “**Additional Interest**”) in respect of the Deferred Interest will fall due and payable in the same manner as the Deferred Interest in accordance with the provisions of sub-Condition (b) above, and will be calculated by the Calculation Agent, which will apply this interest rate to the amount of Deferred Interest, in accordance with all the provisions of these Terms and Conditions. The amount of Additional Interest accrued for over twelve (12) months at an Interest Payment Date will be added, for the purpose of calculating the amount of Additional Interest due after this Interest Payment Date to the amount of Deferred Interest remaining unpaid at such Interest Payment Date as if it itself constituted Deferred Interest.

(d) Notification of suspension and payment of Deferred Interest

Bondholders will be informed by the Company through a notice published by the Company on its website (www.korian.com), at least [15] calendar days prior to the relevant date, of:

- (i) non-payment of interest at an Optional Interest Payment Date; and
- (ii) any date on which Deferred Interest or Additional Interest must be paid.

(e) Partial payment of Deferred Interest or Additional Interest

If Deferred Interest or Additional Interest were to fall due:

- (i) unpaid Deferred Interest would be payable prior to all Additional Interest; and
- (ii) Deferred Interest for an Interest Period will not be payable so long as payment of the Deferred Interest for a preceding Interest Period has not been made in full.

(f) Capital Transactions

The Company may not carry out any of the following transactions without previously or simultaneously having paid the Deferred Interest and, where appropriate, the Additional Interest: (i) an early redemption of the Bonds, and (ii) any repurchase of the Company’s Shares (other than repurchases of Shares made in accordance with the objectives set pursuant to an authorisation granted by a shareholders’ meeting in connection with the implementation of a share buyback programme in order to deliver Shares in the context of any stock-options plan or any free Shares plan, the implementation of a liquidity programme or the implementation of any associated coverage, present or future, as well as share repurchases made in connection with a reduction in the share capital as a result of losses).

In addition, if the Company carries out (i) a share capital increase through an issue of ordinary or preference Shares (other than an issue of Shares or securities or other instruments conferring rights to the share capital reserved for the Group’s employees and corporate officers or a capital increase following the issue of Shares upon the exercise of share subscription warrants, the subscription of which has been reserved for employees and corporate officers of the Group) (ii) an issue of securities conferring rights to the share capital, or (iii) an issue of securities with an equal ranking to the Bonds, the relevant portion of the proceeds of any such issue would be [earmarked] to the payment of any Deferred Interest and, where appropriate, Additional Interest insofar as Deferred Interest and, where

appropriate, Additional Interest have become payable pursuant to Condition 8.2(b) “*Deferred Interest*”.

8.3 Terms of payment of Deferred Interest and Additional Interest

- (a) The Company undertakes to inform the Centralising Agent of its intention to suspend interest payments in accordance with the provisions of the Terms and Conditions no later than [five] Business Days prior to the publication of the notice on the Company’s website (www.korian.com) referred to in Condition 8.2 “*Suspension of interest payments*” above.

In such circumstances, the Centralising Agent shall notify Euroclear France of the Company’s decision no later than on the Business Day preceding publication of the notice referred to above.

Should the Company decide to make a payment of Deferred Interest and, where appropriate, Additional Interest or should a Compulsory Deferred Interest Payment Date arise, the Company shall inform the Centralising Agent no later than [two] Business Days prior to the publication of the notice on the Company’s website (www.korian.com) referred to in Condition 8.2 “*Suspension of interest payments*” above.

In such circumstances, the Centralising Agent shall notify Euroclear France no later than the Business Day on which the notice referred to above is published of the amount of Deferred Interest and Additional Interest being paid by the Company and the date of such payment. In such case, Euroclear France will credit to a specific account in its books in the name of each financial intermediary the rights related to the amount of Deferred Interest and, as the case may be, Additional Interest that the financial intermediary will receive in respect of the Bonds recorded in bearer (*au porteur*) and registered (*nominatif administré*) form. Each financial intermediary thus credited in a specific account will request payment of relevant amounts from the Centralising Agent via Euroclear France. The Centralising Agent will pay the amount of Deferred Interest and, where appropriate, Additional Interest, thus paid by the Company.

With regard to Bonds held in fully registered form (*nominatif pur*), the Centralising Agent will in the circumstances described above pay the Deferred Interest and, as the case may be, Additional Interest, directly to the Bondholders.

Deferred Interest and, as the case may be, Additional Interest not paid upon a partial payment of Deferred Interest will continue to bear interest under the terms of Condition 8.2 “*Suspension of interest payments*” above.

- (b) Should a Conversion Right be exercised in accordance with the provisions of Condition 17 “*Conversion Right*” prior to full payment by the Company of the Deferred Interest and, as the case may be, Additional Interest, the relevant Bondholder will retain the rights related to the amount of Deferred Interest and, as the case may be, Additional Interest due to such relevant Bondholder at the Exercise Date.

Deferred Interest and, as the case may, Additional Interest represented in this manner will continue to bear interest under the terms of Condition 8.2 “*Suspension of interest payments*” above after the Exercise Date and will become payable on the first Compulsory Deferred Interest Payment Date under the terms of Condition 8.2 “*Suspension of interest payments*” above.

Should the Company pay part of the Deferred Interest and, as the case may be, the Additional Interest, a claim equal to the outstanding amount would be recorded as stated above.

9. Redemption and purchase of the Bonds

9.1 Normal Redemption

The Bonds are undated, subject to cases of early redemption at the Company's option, and will only be repayable in the event of the liquidation of the Company or upon the expiry of the term indicated in the Company's by-laws (*i.e.*, as of the date of the Terms and Conditions, [●] unless extended by the Company in accordance with applicable legislation). Redemption shall be at par value together with interest accrued since the most recent Interest Payment Date until the date of redemption.

As applicable, the rights accrued in respect of Deferred Interest and of Additional Interest will be paid to the Bondholders.

9.2 Repurchase or tender or exchange offers at the Company's option

The Company may repurchase all or part of the Bonds, at any time, at its option, without limitation as to price or quantity, either on or off market or by means of tender or exchange offers.

Bonds acquired in this manner will be cancelled in accordance with the provisions of the Terms and Conditions.

9.3 Early redemption at the Company's option

“**Early Redemption Price**” means the Nominal Value per Bond together with (i) interest accrued since the most recent Interest Payment Date until the date fixed for the early redemption, and (ii) any Deferred Interest and, as the case may be, by Additional Interest.

1. The Company may, at any time and at its option, from 29 January 2021 until 1 January 2023, subject to the 45 calendar day prior notice as set out in Condition 9.6 “*Publication of information in the event of repurchase, redemption of the Bonds and exercise of the Conversion Right*” redeem all, but not some, of the outstanding Bonds at the Early Redemption Price, if the arithmetic mean, calculated over any period of 20 consecutive Trading Days (as defined in Condition 17.2 “*Conversion Period*”) falling within any period of 40 consecutive Trading Days ending on the Trading Day immediately preceding the day of publication of the early redemption notice, of the daily products of (x) the Closing Price of the Shares and (y) the Conversion Ratio (as defined in Condition 17.1 “*Nature of the Conversion Right*”) in effect on each Trading Day during such period (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 Ratio pursuant to Condition 17.7.1 or 17.7.2 and such adjustment is not yet in effect on such Trading Day, the Conversion Ratio in effect on such Trading Day shall be multiplied by the adjustment factor in respect of such adjustment event), exceeds 130% of the Nominal Value per Bond.
2. The Company may, at its option, for the first time on 1 January 2023 (or, if that date is not a Business Day, the next following Business Day), and then on each Interest Payment Date (or, if that date is not a Business Day, the next following Business Day), subject to the 45 calendar day notice as set out in Condition 9.6 “*Publication of information in the event of repurchase, redemption of the Bonds and exercise of the Conversion Right*”, proceed with the early redemption of all the Bonds outstanding, at the Early Redemption Price.
3. The Company may, at any time and at its option, subject to the 45 calendar day notice as set out in Condition 9.6 “*Publication of information in the event of repurchase, redemption of the Bonds and exercise of the Conversion Right*”, redeem all, but not

some, 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 originally issued.

4. Upon occurrence of a Change of Control, the Company may, at its sole option, (i) before the Option Expiry Date, during a period of 3 months after the occurrence of a Change of Control and (ii) at any time thereafter upon the occurrence of a Change of Control, in all cases subject to a 45 calendar day notice (such notice being as set out in Condition 9.6 “*Publication of information in the event of repurchase, redemption of the Bonds and exercise of the Conversion Right*”), redeem all, but not some, of the Bonds outstanding at the Early Redemption Price. If the Company decides not to redeem the Bonds in case of a Change of Control, interest will be calculated in accordance with Condition 8.1 “*Payment of interest*”.

“**Change of Control**” means 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 purpose 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 voting rights attached to the Shares or (y) more than 40% of these voting rights if no other Company shareholder, 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.

Interest shall cease to accrue on the date on which the Bonds are redeemed by the Company.

If applicable, the rights accrued in respect of Deferred Interest and Additional Interest will be paid to Bondholders.

In the events described in the sections 1, 3 and 4 above, the Bondholders will retain the ability to exercise their Conversion Right pursuant to Condition 17.2 “*Conversion Period* and Condition 17.3 “*Terms of allocation pursuant to the Conversion Right*” up to the [18]th Trading Day (exclusive) preceding the date fixed for the early redemption.

9.4 Events of Default

None.

9.5 Early redemption at the Bondholders’ option upon Change of Control of the Company

None.

9.6 Publication of information in the event of repurchase, redemption of the Bonds and exercise of the Conversion Right

The decision of the Company to redeem outstanding Bonds shall be published on its website (www.korian.com) via a notice including the necessary information and informing the Bondholders of the redemption date, no later than 45 calendar days prior to the redemption date set by the Company and a notice will be issued by Euronext Paris (or its successor or any substitute exchange to which trading in the Bonds has been relocated) no later than 45 calendar days prior to the redemption date set by the Company.

In case of repurchase, redemption of the Bonds or exercise of the Conversion Rights, information relating to the number of Bonds repurchased, redeemed or for which a Conversion Right has been exercised, and the number of Bonds remaining outstanding, will be provided on a yearly basis to Euronext Paris for publication (or its successor or any substitute exchange to which trading in the Bonds has been relocated). This information will also be obtainable at any time from the Company or from the Centralising Agent.

9.7 Cancellation of the Bonds

Shall cease to be considered outstanding and shall be cancelled in accordance with applicable law (i) the Bonds redeemed or reimbursed pursuant to Condition 9 “*Redemption and purchase of the Bonds*”, (ii) the Bonds for which the Conversion Right has been exercised, as well as (iii) the Bonds repurchased on or off the market or by way of public tender or exchange offers, except in case of a change of laws, applicable after the Issue Date of the Bonds, authorising the issuers to hold securities giving access to the company’s capital (which is not currently the case, in particular pursuant to Article L. 225-149-2 of the French Commercial Code), in which case the Company will have the ability to hold the Bonds thus repurchased.

10. Prescription

Interest

Any claims filed against the Company for the payment of interest due under the Bonds will be prescribed at the expiration of a period of five years from the date on which such interests become due. In addition, the interest will be prescribed to the benefit of the French State at the expiration of a period of five years from the date on which it becomes due.

Redemption

Any claims filed against the Company seeking redemption of the Bonds will be prescribed at the expiration of a period of ten years from the normal or early redemption date. In addition, the redemption price of the Bonds will be prescribed to the benefit of the French State at the expiration of a period of ten years from the normal or early redemption date.

11. Representation of Bondholders

In accordance with Article L. 228-103 of the French Commercial Code, 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 of the Bonds 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 Commercial Code, the provisions of which, along with those of Article L. 228-73 of the French Commercial Code, 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 a-fifth of the Bonds carrying voting rights at the first meeting convocation. No quorum shall be required 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.

11.1 Representative of the *Masse* of Bondholders

Representative of the Masse of Bondholders

In accordance with Article L. 228-47 of the French Commercial Code, the initial representative of the *Masse* of Bondholders (the “**Representative of the Masse**”) is:

MASSQUOTE S.A.SU.
RCS 529 065 880 Nanterre
7bis rude de Neuilly

F-92110 Clichy
Mailing address:
33, rue Anna Jacquin
92100 Boulogne Billancourt
France
represented by its Chairman

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

The Representative of the *Masse* will exercise such duties until its dissolution, resignation, or termination of its duty by the Bondholders' general meeting or until it becomes unable to act. His or her appointment shall automatically cease on the date of the general redemption of the Bonds. This term may be automatically extended, as the case may be, 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, if applicable.

11.2 General

The Representative of the *Masse* will be entitled to a remuneration of €500 (VAT excluded) per year, payable on each Interest Payment Date with the first payment at the Issue Date.

The Company will bear the cost of the remuneration of the Representative of the *Masse* and the expenses of calling and holding Bondholders' general meetings, the costs related to publishing the decisions thereof, as well as any fees related to the appointment of the Representatives of the *Masse* under Article L. 228-50 of the French Commercial Code, and, more generally, all duly incurred and justified administrative and operational expenses of the *Masse*.

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 15 calendar days period preceding such meeting, to review or procure a written copy, whether on his own or by proxy, at the registered head office of the Company or any other location specified in the notice convening such meeting, of the resolutions to be proposed and reports to be presented at such meeting.

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 such bonds shall be grouped together in a single *Masse*.

12. Issue Date

The Bonds will be issued on [●] 2017 (the "**Issue Date**").

This date is also the entitlement and settlement and delivery date of the Bonds.

13. Restrictions on the transferability of the Bonds

Subject to applicable selling restrictions, there are no restrictions imposed by the Terms and Conditions of the Bonds on the free transferability of the Bonds.

14. Hardship (*imprévision*)

In relation to these terms and conditions each of the Company, the Representative of the Masse and each Bondholder waive any right under Article 1195 of the French Civil Code (*Code civil*).

15. 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 of the Bonds 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 Civil Code (*Code civil*).

16. Taxation

16.1 Withholding tax

The Bonds will be admitted, at the time of their issue, to the clearing operations of the central securities depository Euroclear France. Consequently, payments made in respect of the Bonds will be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*) as construed by the French tax authorities in their official guidelines (*Bulletin officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70 and BOI-IR-DOMIC-10-20-20-60-20150320, n°10).

The Company will have no obligation to pay any additional amount to the Bondholders if a deduction or withholding at source becomes applicable on payments made in respect of the Bonds either in France or another jurisdiction.

16.2 French financial transaction tax

Pursuant to Article 235 *ter* ZD of the French General Tax Code (*Code général des impôts*), a financial transactions tax (the “**FTT**”) applies to the acquisitions of equity securities or assimilated securities admitted to trading on a regulated market, which are issued by a company having its head office in France and having a market capitalization in excess of €1 billion as of the 1st of December preceding the year of acquisition.

The list of the companies (*entreprises*) subject to the FTT for the upcoming year is published in a decree each year. The Company is part of this list for the year 2017 as its market capitalization exceeded €1 billion as at 1st December 2016 (BOI-ANNX-000467-20161220).

When the FTT is not applicable, the delivery of existing Shares may be subject to registration duties (*droits d'enregistrement*), under certain circumstances.

The Bondholders are informed that under applicable French law:

- (a) the acquisition and delivery of the Bonds are exempt from the FTT;
- (b) the delivery of existing Shares upon exercise by the Bondholders of their Conversion Right may be subject to the FTT (currently at a 0.3% rate on the price fixed in the Terms and Conditions, pursuant to *Bulletin Officiel des Finances Publiques* BOI-TCA-FIN-10-10-20151221 n°40), payable by the financial intermediaries through whom the Bondholders have exercised their Conversion Right or on their custodians. According to their contractual arrangements with their financial intermediaries and

custodians, the Bondholders may have to bear the cost of the FTT if it is applicable; and

- (c) the delivery of the new Shares upon the exercise by the Bondholders of their Conversion Right is free of FTT.

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

The Company will not bear the cost of the FTT, registration duties (*droits d'enregistrement*) or stamp duties whatsoever which may be applicable.

17. Conversion Right

17.1 Nature of the Conversion Right

For the purpose of these Terms and Conditions, the “**Conversion Ratio**” is equal, as at the Issue Date of the Bonds, to 1 Share for 1 Bond and may be subject to future adjustments in accordance with Condition 17.7 “*Preservation of Bondholders’ rights*”.

The Bonds give to the Bondholders the right (the “**Conversion Right**”) to receive during the time period defined in Condition 17.2 “*Conversion Period*” and in accordance with the terms of Condition 17.3 “*Terms of allocation pursuant to the Conversion Right*”, at the Company’s option:

1. either:
 - a) if the Conversion Value as defined in Condition 17.3 “*Terms of allocation pursuant to the Conversion Right*” is lower than or equal to the Nominal Value per Bond: an amount in cash (rounded to the nearest whole multiple of €0.01) equal to the product of the Conversion Value and the number of Bonds in respect of which the Conversion Right has been validly exercised; or
 - b) if the Conversion Value is greater than the Nominal Value per Bond, either:
 - an amount in cash (rounded to the nearest whole multiple of €0.01) equal to the Conversion Value multiplied by the number of Bonds in respect of which the Conversion Right has been validly exercised; or
 - (x) an amount in cash (rounded to the nearest whole multiple of €0.01) per Bond and (y) an amount payable in new and/or existing Shares (at the option of the Company), such amounts being determined in accordance with the terms of Condition 17.3 “*Terms of allocation pursuant to the Conversion Right*”;
2. or (whether the Conversion Value is lower than, greater than or equal to the Nominal Value per Bond): a number of new and/or existing Shares (at the option of the Company) equal to the Conversion Ratio multiplied by the number of Bonds in respect of which the Conversion Right has been validly exercised.

Exercise of the Conversion Right results in the cancellation of the Bonds in respect of which it was validly exercised.

17.2 Conversion Period

1. Bondholders may exercise their Conversion Right (as defined above) at any time from the Issue Date (inclusive) until the [18th] Trading Day (exclusive) preceding the earlier of (i) the date set for any early redemption and (ii) the Option Expiry Date.

2. Any Bondholder who has not exercised its Conversion Right within the time period indicated above will lose the right to exercise its Conversion Right.

17.3 Terms of allocation pursuant to the Conversion Right

Upon exercise of its Conversion Right, each Bondholder will receive at the option of the Company:

1. either:
 - (a) if the Conversion Value (as defined below) is lower than or equal to the Nominal Value per Bond: an amount in cash (rounded to the nearest whole multiple of €0.01) (determined by the Calculation Agent) equal to the product of the Conversion Value and the number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder, all as determined by the Calculation Agent; or
 - (b) if the Conversion Value is greater than the Nominal Value per Bond, either:
 - (i) an amount in cash (rounded to the nearest whole multiple of €0.01) (determined by the Calculation Agent) equal to the product of the Conversion Value and the number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder; or
 - (ii) (x) an amount in cash (rounded to the nearest whole multiple of €0.01) (determined by the Calculation Agent) equal to the product of (a) a percentage (as determined by the Company at its sole discretion, the “**Specified Percentage**”) comprised between 0% (excluded) and 100% (excluded) of the Conversion Value (the “**Amount Payable in Cash per Bond**”, unrounded) and (b) the number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder (the “**Amount Payable in Cash**”); and

(y) an amount payable in new and/or existing Shares (at the option of the Company) corresponding to the product of (a) the difference between the Conversion Value and the Amount Payable in Cash per Bond and (b) the number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder (the “**Amount Payable in Shares**”). The number of new and/or existing Shares (determined by the Calculation Agent) to be so delivered to each Bondholder (the “**Number of Shares**”) shall be equal to (a) the Amount Payable in Shares divided by (b) the Average Share Price (as defined below), subject to the terms of Condition 17.9 “*Treatment of fractional entitlements*”.

The “**Average Share Price**” means the arithmetic average of the daily Volume-Weighted Average Prices of the Share over a period of [10] consecutive Trading Days (or [●] consecutive Trading Days in the circumstances the subject of the following paragraph) (the “**Calculation Period**”) beginning on the first Trading Day immediately following the last day of the Notification Period (as defined below), as determined by the Calculation Agent, provided that (i) if the Conversion Ratio on the last Trading Day of the Calculation Period has been adjusted pursuant to Condition 17.7 “*Preservation of Bondholders’ rights*” in respect of events that occurred during the Calculation Period, any daily Volume-Weighted Average Price unaffected by any such events shall be adjusted accordingly (for instance, in the case of the Shares going ex-Dividend, by dividing such Volume-Weighted Average Prices by the

adjustment factor (if any) applied to the Conversion Ratio in respect of such Conversion Ratio adjustment), as determined by the Calculation Agent, and (ii) if such daily Volume-Weighted Average Prices of the Share are not available in respect of at least [●] Trading Days (or [●] Trading Days in the circumstances the subject to the following paragraph) during the Calculation Period, or if the Shares no longer have their main listing on Euronext Paris or a Regulated Market or similar market, as determined by the Calculation Agent, the Average Share Price shall be determined by an Independent Adviser.

If the Conversion Right is exercised during the Adjustment Period in case of a Public Offer as described in Condition 17.7(3) “*Preservation of Bondholders’ rights – Public offers*”, the Calculation Period will be the period of [●] consecutive Trading Days beginning on the first Trading Day immediately following the last day of the Notification Period (as defined below).

“**Conversion Value**” means, for each Bond, an amount calculated by the Calculation Agent equal to the product of (x) the Conversion Ratio in effect on the last Trading Day of the Calculation Period and (y) the Average Share Price.

Any amount in cash payable to a Bondholder pursuant to this Condition 17.3.1 shall be determined by the Calculation Agent based on the aggregate number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder. Any number of new and/or existing Shares of the Company deliverable to a Bondholder pursuant to this Condition 17.3.1 shall be determined by the Calculation Agent based on the aggregate number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder, and subject to the terms of Condition 17.9 “*Treatment of fractional entitlements*”.

2. or, whether the Conversion Value is lower than, greater than or equal to the Nominal Value per Bond, only new and/or existing Shares.

The total number of new and/or existing Shares (the combination of which shall be determined by the Company at its sole discretion) to be allocated shall be determined by the Calculation Agent and be equal, for each Bondholder, to the Conversion Ratio in effect on the last Trading Day of the Notification Period (as defined below) multiplied by the number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder in accordance with Condition 17.5 “*Conditions of exercise of the Conversion Right*” (subject to the terms of Condition 17.9 “*Treatment of fractional entitlements*”), all as determined by the Calculation Agent.

For each Bondholder having validly exercised its Conversion Right, the Company will inform the Calculation Agent and the Centralising Agent at the latest on the second Trading Day following the Exercise Date (as defined in Condition 17.5(1)) if the Company intends to grant such Bondholder (i) either (x) an amount in cash only pursuant to Condition 17.3.1.a) or Condition 17.3.1.b.i) or (y) an amount in cash and new and/or existing Shares pursuant to Condition 17.3.1.b.ii), in which case the Company will inform the Calculation Agent and the Centralising Agent, in order for the Centralising Agent to inform the financial intermediary of such Bondholder, of the Specified Percentage that it has retained or (ii) only new and/or existing Shares pursuant to Condition 17.3.2.

The Centralising Agent will inform the financial intermediaries in charge of informing the relevant Bondholders of the Company’s decision on the second Trading Day following such decision.

The period of 4 Trading Days commencing on the first Trading Day following the Exercise Date is referred to herein as the “**Notification Period**”.

Any number of new and/or existing Shares of the Company deliverable to a Bondholder pursuant to this Condition 17.3.2 shall be determined by the Calculation Agent based on the aggregate number of Bonds transferred to the Centralising Agent and in respect of which the Conversion Right has been validly exercised by such Bondholder, and subject to the terms of Condition 17.9 “*Treatment of fractional entitlements*”.

Exercise of the Conversion Right results in cancellation of the Bonds in respect of which it was exercised.

17.4 Suspension of the Conversion 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, and in the event of a merger or a spin off (*scission*), the Company shall be entitled to suspend the exercise of the Conversion Right for a period not exceeding three months or such other period as may be established by applicable regulations.

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

The Company’s decision to suspend the Conversion Right of the Bondholders will be published in a notice in the *Bulletin des annonces légales et officielles* (“**BALO**”) (so long as required by French Law) or in any other form of communication compliant with rules and regulations. This notice shall be published at least seven calendar days before the suspension of the Conversion Right becomes effective. The notice shall specify the dates on which the suspension period begins and ends. In any case, this information will be published by the Company on its website (www.korian.com) and in a notice to be issued by Euronext Paris (or its successor or any substitute exchange to which trading in the Bonds has been relocated) in accordance with Condition 17.8 “*Calculation of adjustments of the Conversion Ratio and notice to Bondholders in the event of adjustment*”.

17.5 Conditions of exercise of the Conversion Right

1. To exercise any Conversion Right, Bondholders must make a request to the financial intermediary holding their Bonds in a securities account. Any such request to exercise the Conversion Right is irrevocable once received by the relevant financial intermediary. The Centralising Agent will provide centralization of this process.

The date of the request will be the Business Day during which the last of Conditions (a) and (b) below will have been satisfied, if satisfied at or prior to 4:00 p.m., Paris time, or the following Business Day if such satisfaction occurs after 4:00 p.m., Paris time (the “**Date of the Request**”):

- (a) the Centralising Agent will have received the exercise request transmitted by the financial intermediary in the books of which the Bonds are held in a securities account;
- (b) the Bonds will have been transferred to the Centralising Agent by the relevant financial intermediary.

Any request for the exercise of the Conversion Right sent to the Centralising Agent, in its capacity as centralising agent, will be effective as of the first Trading Day following the Date of the Request (such date being the “**Exercise Date**”). All requests for the exercise of the Conversion Right must be received by the Centralising Agent (and the Bonds must have been transferred to the Centralising Agent) no later than the [18th] Trading Day (exclusive) preceding the earlier of (i) the date determined for any early redemption and (ii) the Option Expiry Date.

All Bondholders with Bonds having the same Exercise Date will be treated equally and will each receive an allocation for their Bonds of either (i) (a) an amount in cash, or (b) an amount in cash and new and/or existing Shares of the Company, or (ii) only new and/or existing Shares, in the same proportion, subject to rounding provisions pursuant to these Terms and Conditions.

2. For Bonds having the same Exercise Date, if the Company decides to deliver only Shares, the Company may choose, at its sole discretion, to deliver the applicable number of Shares in:
 - new Shares; or
 - existing Shares; or
 - a combination of new and existing Shares.

If the Company decides pursuant to Condition 17.3(1) “*Terms of allocation pursuant to the Conversion Right*” to pay (i) a cash amount or (ii) a cash amount and new and/or existing Shares, Bondholders will receive the cash amount and, if applicable, the delivery of new and/or existing Shares no later than the fourth Trading Day following the end of the Calculation Period (as defined in Condition 17.3 “*Terms of allocation pursuant to the Conversion Right*”).

If the Company decides pursuant to Condition 17.3(2) “*Terms of allocation pursuant to the Conversion Right*” to deliver new and/or existing Shares only, Bondholders will receive delivery of new and/or existing Shares no later than the fourth Trading Day following the end of the Notification Period (as defined in Condition 17.3 “*Terms of allocation pursuant to the Conversion Right*”).

3. In the circumstances described in paragraphs 2 and 3 above, any delivery of Shares or cash amount occurring on a Trading Day that is not a Business Day, shall take place on the following Business Day.
4. In the event of a transaction constituting an adjustment event (see Condition 17.7 “*Preservation of Bondholders’ rights*”) where the Record Date occurs between the Exercise Date and the delivery date (exclusive) of the Shares upon exercise of the Conversion Right, the Bondholders will have no right to participate and will have no right to indemnification, subject however, as the case may be, to their right to an adjustment (as set forth in Condition 17.7 “*Preservation of Bondholders’ rights*”) until the delivery date (exclusive) of the Shares.

If the Record Date of a transaction constituting an adjustment event referred to in Condition 17.7 “*Preservation of Bondholders’ rights*” occurs:

- on the last Trading Day of (in the case of an exercise of Conversion Right subject to Condition 17.3(1)) the Calculation Period or (in the case of an exercise of Conversion Right subject to Condition 17.3(2)) the Notification Period, or prior to such date but, in either case, for which the Conversion Ratio in effect as of such date does not reflect the adjustment resulting from, if applicable, this transaction pursuant to Condition 17.7 “*Preservation of Bondholders’ rights*”, or
- between the last Trading Day (exclusive) of the Calculation Period or of the Notification Period, as the case may be, and the delivery date (exclusive) of the Shares and/or, as the case may be, amount of cash,

the Company will deliver a number of additional Shares and/or as the case may be, additional amount of cash, determined by the Calculation Agent such that the total

number of Shares and/or, as the case may be, additional amount of cash, delivered will be equal to the number of Shares and/or, as the case may be, amount of cash, that would have been determined if the Conversion Ratio initially applied had taken into account the adjustment resulting, as the case may be, from this transaction pursuant to Condition 17.7 “*Preservation of Bondholders’ rights*”, subject to the provisions of Condition 17.9 “*Treatment of fractional entitlements*”, all as determined by the Calculation Agent. The delivery of these additional Shares will occur as soon as possible following the initial delivery of the Shares and/or as the case may be, additional amount of cash in respect of the exercise of the Conversion Right.

5. Should a claim representing the amount of the Deferred Interest and, where appropriate, the Additional Interest due to the relevant Bondholder as at the Exercise Date be recorded in the name of the relevant Bondholder in accordance with the provisions of Condition 8.3 “*Terms of payment of Deferred Interest and Additional Interest*” paragraph (ii), it is specified that such claim should not be attached to the Shares but due to the relevant Bondholder as at the Exercise Date.
6. The Company will not be required to compensate the Bondholders for any stamp duties, registration fees, financial transaction tax or other similar tax due in relation to the delivery of Shares pursuant to the exercise of the Conversion Right.

17.6 Bondholders’ rights to interest on the Bonds and to dividends with respect to Shares delivered / Tradable Shares

- (a) Right to interest on the Bonds

In the event of the exercise of a Conversion Right, no interest shall be payable to Bondholders in respect of the period from the most recent Interest Payment Date (or if applicable, since the Issue Date) preceding the Exercise Date and the date on which occurs either (i) the payment of the cash amount only or the payment of the cash amount and the delivery of new and/or existing Shares, or (ii) the delivery of new and/or existing Shares if the Company chooses to deliver only new and/or existing Shares.

- (b) Right to dividends of the Shares issued or allocated upon exercise of the Conversion Right
 - (i) New Shares issued upon exercise of the Conversion Right

The new Shares issued upon exercise of the Conversion Right will carry dividend rights and confer upon their holders, from their date of delivery, all the rights attached to Shares, it being specified that in the event that a Record Date for a dividend (or interim dividend) occurs between the Exercise Date of the Conversion Right and the delivery date of the Shares, the Bondholders will not be entitled to such dividend (or interim dividend) nor to any compensation therefor, subject to the right to an adjustment provided for in Condition 17.7 “*Preservation of Bondholders’ rights*”.

It should be noted that before the Option Expiry Date and in accordance with Condition 17.5 “*Conditions of exercise of the Conversion Right*” and Condition 17.7 “*Preservation of Bondholders’ rights*”, the Bondholders will have the right to any applicable adjustment of the Conversion Ratio up to the date of the delivery of the Shares (exclusive).

- (ii) Existing Shares of the Company allocated upon exercise of the Conversion Right

The existing Shares allocated upon exercise of the Conversion Right will be existing ordinary Shares carrying dividend rights and conferring upon their holders, from their date of delivery, all the rights attached to Shares, it being specified that in the event that a Record Date for a dividend (or interim dividend) occurs between the Exercise Date of the Conversion Right and the delivery date of the Shares, the Bondholders will not be entitled to such dividend (or interim dividend) nor to any compensation therefor, subject to the right to an adjustment provided for in Condition 17.7 “*Preservation of Bondholders’ rights*”.

It should be noted that before the Option Expiry Date and in accordance with Condition 17.5 “*Conditions of exercise of the Conversion Right*” and Condition 17.7 “*Preservation of Bondholders’ rights*”, the Bondholders will have the right to an adjustment of the Conversion Ratio up to the date of the delivery of the Shares (exclusive).

(c) Listing of the new or existing Shares issued or allocated upon exercise of the Conversion Right

(i) New Shares issued upon exercise of the Conversion Right

The new Shares issued upon exercise of the Conversion Right will be subject to applications for listing on Euronext Paris. Accordingly, the new Shares will immediately become fungible with the existing Shares of the Company listed on Euronext Paris 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 FR[●].

(ii) Existing Shares allocated upon exercise of the Conversion Right

The existing Shares allocated upon exercise of the Conversion Right will be immediately tradable on the market.

17.7 Preservation of Bondholders’ rights

1. Specific provisions

In accordance with the provisions of Article L. 228-98 of the French Commercial Code,

- (a) the Company may freely change its corporate form or 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, the rights of the Bondholders will be reduced accordingly, as if they had exercised their Conversion 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 Ratio will be determined by the Calculation Agent and will be equal to the product of the Conversion Ratio in effect prior to the decrease in the number of Shares and the following ratio:

Number of Shares comprising the share capital after the reduction

Number of Shares comprising the share capital prior to the reduction

In accordance with Articles L.228-99 and R. 228-92 of the French Commercial Code, 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 through a notice published by the Company on its website (www.korian.com) and a notice published in the BALO (so long as required by French law) or in any other form of communication compliant with rules and regulations.

2. Adjustments to the Conversion 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 shareholders, share split or reverse split of Shares;
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 the Company's 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 of a dividend;

which the Company may carry out as from the Issue Date and before 1 January 2023, for which the Record Date occurs before the delivery date of (i) the cash amount and, if applicable, the new and/or existing Shares or (ii) the new and/or existing Shares only, in each case upon exercise of the Conversion 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 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 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 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 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 Ratio so rounded.

However, because the Conversion Ratio may only result in the delivery of a whole number of Shares, fractional entitlements will be settled as specified in Condition 17.9 “*Treatment of fractional entitlements*”.

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

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

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 Euronext Paris (or, if Euronext Paris is not, or is no longer the stock exchange or securities market on which the Share or the preferential subscription right has its main listing, such other stock exchange or securities market which is a Regulated Market or similar market where the Share or preferential subscription right has its main listing) 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 Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following ratio:

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 increase of capital 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.

$$\begin{aligned} & \text{Value of the Share after the detachment of the warrant} \\ & \quad + \text{Value of the warrant} \\ & \hline \end{aligned}$$

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 prices of the Share on Euronext Paris (or, if Euronext Paris is no longer the stock exchange or securities market on which the Share has its main listing, such other stock exchange or securities market which is a Regulated Market or similar market where the Share has its main listing) 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 Euronext Paris (or, if Euronext Paris is no longer the stock exchange or securities market on which the Share has its main listing, such other stock exchange or securities any other market operator which is a Regulated Market or similar market where the Share has its main listing) on the date the sale price of the securities sold in the offering is set;
 - the value of the warrant will be equal to the volume-weighted average of (i) the prices of the warrants on Euronext Paris (or, if Euronext Paris is not the stock exchange or securities market on which the warrant has its main listing, such other stock exchange or securities any other market operator which is a Regulated Market or similar market where the warrant has its main listing) 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 shareholders, or a share split or reverse share split, the new Conversion Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Number of Shares included in the share capital after the transaction}}{\text{Number of Shares included in the share capital prior to the transaction}}$$

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 Right will be increased accordingly.
4. In the event of a distribution of reserves or premiums, in cash or in kind (portfolio securities, etc.), the new Conversion Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Value of the Share prior to the distribution}}{\text{Value of the Share prior to the distribution} - \text{Amount distributed per Share or value of the securities or assets distributed per Share}}$$

For the purpose of the calculation of this ratio:

- the value of the Share before the distribution will be equal to the Volume-Weighted Average Price of the Share over the last three 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 shareholders of the Company (including but not limited to pursuant to articles L.232- 18 et seq. of the French Commercial Code (Code de commerce)): the amount distributed per Share will be the amount of such cash payable per Share;
 - 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 similar market, the value of the distributed securities will be determined 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 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 Trading Days starting on the date on which the Shares are listed ex-distribution, to the Volume-Weighted Average Price of such securities over the first three 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 (distribution of securities that are not listed on a Regulated Market or a similar market or listed for less than three Trading Days within the period of ten 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.
5. In the event of a free allocation to the shareholders of the Company of securities other than Shares and subject to paragraph 1.(b) above, the new Conversion Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction and the following ratio:

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

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 first three Trading Days starting on the Trading Day on which the Shares are traded 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 Trading Days starting on the date on which the Shares are listed ex-right of free allocation) as provided above, or (in any other case) 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 is spun-off (*scission*) within the

meaning of Article L.228-101 of the French Commercial Code (*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 Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of Shares to the shares of the merging company or the beneficiary companies of a spin-off. These companies will automatically be substituted for the Company for the purpose of the performance of its obligations towards the Bondholders.

7. In the event of a repurchase by the Company of its own Shares at a price higher than the market price, the new Conversion Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the repurchase by the following ratio:

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

For the purpose of the calculation of this ratio:

- “**Value of the Share**” means the Volume-Weighted Average Price of the Share over the three Trading Days preceding the repurchase (or the repurchase option);
 - “**Pc%**” means the percentage of share capital repurchased; and
 - “**Repurchase price**” means the actual price at which any Shares are repurchased.
8. In the event of a redemption of the share capital, the new Conversion Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following ratio:

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

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 three Trading Days preceding the Trading Day on which the Shares are traded 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 Ratio will be determined by the Calculation Agent by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following ratio:

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

For the purpose of the calculation of this ratio:

- the Value of the Share prior to the modification will be determined on the basis of the Volume-Weighted Average Price of the Share during the three 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.

- (a) 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 Ratio, if any, will be determined by an Independent Adviser.
- (b) Notwithstanding the foregoing, if such preferred shares are issued with upholding of the preferential subscription rights of the shareholders or by way of a free allocation to the shareholders of warrants exercisable for such shares, the new Conversion Ratio will be adjusted in accordance with paragraphs 1 or 5 above.

10. Distribution of a dividend

In the event of payment of any dividend or distribution, in cash or in kind, by the Company to its 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 or distribution) resulting in an adjustment to the Conversion Ratio pursuant to paragraphs 1 to 9 above 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 shareholders of the Company (including but not limited to pursuant to articles L.232- 18 et seq. of the French Commercial Code (Code de commerce)): the amount of such cash payable per Share, or
 - (C) in the case of a Dividend payable solely in kind: the value of such Dividend per Share determined in the same way as that of the distribution of securities pursuant to paragraph 4 above,

the new Conversion Ratio will be calculated as follows:

$$\text{NCR} = \text{CR} \times \frac{\text{SP}}{\text{SP} - \text{ADD}}$$

where:

- NCR means the new Conversion Ratio;
- CR means the last Conversion Ratio previously applicable;
- ADD means the amount of Dividend distributed per share; and
- SP means the Share trading price, defined as being equal to the Volume-Weighted Average Price of the Share over the last three Trading Days preceding the Trading Day on which the Shares are traded for the first time ex-Dividend,

3. 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, or a public offer (tender, exchange, mixed, etc.) filed following a Change of Control, and that such public offer would be declared admissible by the AMF (or its successor), the Conversion 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 Ratio being rounded pursuant to Condition 17.7(2) “Preservation of Bondholders’ Rights” above):

$$\text{NCR} = \text{CR} \times [1 + \text{ICP} \times (\text{D} / \text{M})]$$

where:

“**NCR**” means the new Conversion Ratio applicable during the Adjustment Period in case of a Public Offer (as defined below);

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

“**ICP**” means [●]%, being the conversion premium (as set out in Condition 2 “*Nominal amount of the issuance – Par value of the Bonds – Issue price of the Bonds*”), expressed as a percentage;

“**D**” means the actual number of days left to run between the Offer Opening Date (inclusive) and the Option Expiry Date (exclusive) i.e. 1 January 2023; and

“**M**” means the actual number of days between [●] 2017 (being the Issue Date of the Bonds) (inclusive) and the Option Expiry Date (exclusive) i.e. 1 January 2023, [●] days.

The adjustment of the Conversion Ratio indicated above will benefit only to those Bondholders who will exercise their Conversion Right, between (and including):

- A. the first day on which the Shares may be tendered to the offer (the “**Offer Opening Date**”), and
- B. (i) if the offer is unconditional, the date that is fifteen 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 Business Days after the date of publication by the AMF (or its successor) of the 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 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 Business Days after the date of publication by the AMF (or its successor) of the 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.

This period will be referred to as the “Adjustment Period in case of a Public Offer”.

17.8 Calculation of adjustments of the Conversion Ratio and notice to Bondholders in the event of adjustment

Adjustments of the Conversion Ratio, 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.

In the event of an adjustment, the Company will inform the Bondholders through a notice published by the Company on its website (www.korian.com) no later than five Business Days following the new adjustment has taken effect. Any such notice shall be deemed to have been given to the Bondholders on the day on which such notice was published on the Company's website.

The adjustment will also be subject of a notice issued by Euronext Paris (or its successor or any substitute exchange to which trading in the Bonds has been relocated) within the same timeframe. A failure to publish any notices in accordance with the rules of Euronext Paris (or its successor or any substitute exchange to which trading in the Bonds has been relocated) shall not affect the effectiveness of notices issued in accordance with the previous paragraph.

In addition, the board of directors of the Company will report the calculations and results of all adjustments in the annual report following such adjustment.

17.9 Treatment of fractional entitlements

Each Bondholder exercising its Conversion Right in relation to the Bonds may receive, as the case may be, a number of Shares of the Company calculated in accordance with paragraph 17.3 "*Terms of allocation pursuant to the Conversion Right*".

If the number of Shares so calculated is not a whole number, the Bondholder will receive the whole number of Shares immediately below such number; in such case, the Bondholder will receive a cash amount equal to the product (rounded to the nearest cent (with €0.005 being rounded up to €0.01)) of the remaining fractional Share and the value of the Share, equal to the Closing Price of the Share on the Trading Day immediately preceding the Date of Request, all as determined by the Calculation Agent.

17.10 Calculation Agent / Centralising Agent / Independent Adviser

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 a European city.

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).

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 be liable nor shall they incur any liability as against, the Bondholders.

The Calculation Agent may, subject to the provisions of the Calculation Agency Agreement, 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 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.