



**Accor**

(a société anonyme incorporated in France)

**€500,000,000 Undated Deeply Subordinated Fixed to Reset Rate NC 5.25 Bonds  
(the "Bonds")**

**Issue Price: 99.445 per cent**

The Bonds of Accor (the "**Issuer**") will bear interest (i) from (and including) 31 January 2019 (the "**Issue Date**"), to (but excluding) 30 April 2024 (the "**First Step-up Date**"), at a fixed rate of 4.375 per cent. per annum, payable annually in arrear on 30 April in each year with the first interest payment date on 30 April 2019 (short first coupon), and (ii) thereafter in respect of each successive five year period, the first successive five year period commencing on (and including) the First Step-up Date, at a reset rate calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus a margin, payable annually in arrear on or about 30 April in each year with the first such interest payment date on 30 April 2025 as further described in "*Terms and Conditions of the Bonds - Interest and deferral of interest – General*".

Payment of interest on the Bonds may, at the option of the Issuer, be deferred, as set out in "*Terms and Conditions of the Bonds - Interest and deferral of interest - Interest Deferral*".

The Bonds do not contain events of default nor cross default.

The Bonds are undated obligations of the Issuer and have no fixed maturity date. However, the Issuer will have the right to redeem the Bonds in whole, but not in part, on any day in the period commencing on (and including) 31 January 2024 (being the date falling three months prior to the First Step-up Date) and ending on (and including) the First Step-up Date, and on any Interest Payment Date thereafter, as defined and further described in "*Terms and Conditions of the Bonds - Redemption and Purchase- Optional Redemption*".

The Issuer may also redeem the Bonds upon the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deduction Event, an Accounting Event, an Equity Credit Rating Event, a Substantial Repurchase Event or a Change of Control Call Event, as further described in "*Terms and Conditions of the Bonds – Redemption and Purchase*".

Payments of principal and interest on the Bonds will be made without withholding or deduction for or on account of taxes of the Republic of France, unless required by law (See "*Terms and Conditions of the Bonds— Taxation*").

The Bonds will, upon issue on the Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "*Terms and Conditions of the Bonds—Form, Denomination and Title*") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, S.A. ("**Clearstream**").

The Bonds will be in dematerialised bearer form (*au porteur*) in the denomination of €100,000. The Bonds will at all times be represented in book entry form (*inscription en compte*) in the books of the Account Holders in compliance with Article L.211-3 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

Application has been made to the *Autorité des marchés financiers* (the "**AMF**"), in its capacity as competent authority pursuant to Article 212-2 of its *Règlement général*, implementing Article 13 of Directive 2003/71/EC (as amended) (the "**Prospectus Directive**"), for the approval of this Prospectus as a prospectus for the purposes of Article 5.3 of the Prospectus Directive. Application has also been made to Euronext Paris for the Bonds to be admitted to trading. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive, Directive 2014/65/EU as amended (a "**Regulated Market**").

The Bonds are expected to be rated BB by S&P Global Ratings Europe Limited ("**S&P**") and BB by Fitch Ratings Limited ("**Fitch**"). The Issuer's long-term senior unsecured debt is rated BBB- (stable outlook) by S&P and BBB- (positive outlook) by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 as amended (the "**CRA Regulation**") and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (the "**ESMA**") ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).

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

**Structuring Advisors, Global Coordinators, Joint Bookrunners and Joint Lead Managers**  
**BNP PARIBAS** **CITIGROUP**

**Joint Bookrunners and Joint Lead Managers**  
**BofA MERRILL LYNCH** **COMMERZBANK**  
**CREDIT AGRICOLE CIB** **HSBC**  
**MUFG** **NATWEST MARKETS**  
**SANTANDER CORPORATE & INVESTMENT BANKING**

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive, and has been prepared for the purpose of giving information with regard to Accor (the "**Issuer**"), the Issuer and its subsidiaries and affiliates taken as a whole (the "**Group**") and the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "*Subscription and Sale*" below) to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of certain restrictions on offers and sales of Bonds and on distribution of this Prospectus, see "*Subscription and Sale*".

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

To the extent permitted by law, each of the Joint Lead Managers accepts no responsibility whatsoever for the content of this Prospectus (including the documents which are incorporated herein by reference) or for any other statement in connection with the Issuer.

The Joint Lead Managers have not separately verified the information or representations contained or incorporated by reference in this Prospectus in connection with the Issuer. None of the Joint Lead Managers makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or completeness of any of the information in this Prospectus in connection with the Issuer. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. Potential investors should, in particular, read carefully the section entitled "*Risk Factors*" of this Prospectus before making a decision to invest in the Bonds. None of the Joint Lead Managers has reviewed or undertakes to review the financial condition or affairs of the Issuer prior to or during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers.

**PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these

purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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## **RISK FACTORS**

*The following are certain risk factors of the offering of the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the risk factors detailed below. This description is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus.*

*The terms defined in “Terms and Conditions of the Bonds” shall have the same meaning where used below.*

### **Risks related to the Issuer**

The risk factors relating to the Issuer and its activity are set out in particular in pages 54 to 67 and pages 321 and 322 of the reference document (*document de référence*) of the Issuer for the year ended 31 December 2017 incorporated by reference into this Prospectus, as set out in the section “Documents Incorporated by Reference” of this Prospectus and include the following:

- risks related to the business environment, including (i) risks related to the legislative and regulatory environment, (ii) risks related to the geopolitical, health and social environment, (iii) risks related to the competitive environment, (iv) risks related to the economic environment, (v) risks related to the natural environment, (vi) risks related to the social environment;
- operational risks specific to the Group's business and organization, including (i) legal and regulatory risks, (ii) industrial and environmental risks, (iii) data risks, (iv) talent risks (v) risks concerning relations with business partners, (vi) ethics and corporate social responsibility risk; and
- financial risks, including (i) liquidity risk, (ii) counterparty and country risk (iii) currency and interest rate risk.

### **Risks related to the Bonds**

*The Bonds are complex financial instruments that may not be a suitable investment for all investors*

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, monetary, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Prospective purchasers should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Bonds.

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

#### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

##### *The secondary market generally*

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

##### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

##### ***Credit risk***

An investment in the Bonds involves taking credit risk on the Issuer. If the credit worthiness of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Bonds, and investors may lose all or part of their investment.

##### ***Market value of the Bonds***

The value of the Bonds depends on a number of interrelated factors, including the creditworthiness of the Issuer, economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### ***Change of law***

The Terms and Conditions of the Bonds are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

### ***Legality of purchase.***

None of the Issuer, the Joint Lead Managers, nor any of their respective affiliates, has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor in the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### ***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to investment laws and regulations, or to review and/or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

### ***French insolvency law***

Under French insolvency law, in the case of the opening in France of a safeguard procedure (*procédure de sauvegarde*, *procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*), a judicial reorganisation procedure (*procédure de redressement judiciaire*) or a judicial liquidation (*liquidation judiciaire*) of the Issuer, all creditors of the Issuer (including Bondholders through the Representative of the Masse) must file their proof of claims<sup>1</sup> with the creditors' representative or liquidator, as the case may be, within two months (or within four months in the case of creditors domiciled outside metropolitan France) of the publication of the opening of the procedure against the Issuer in the BODACC (*Bulletin officiel des annonces civiles et commerciales*).

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*, *procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds), regardless of their governing law.

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

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling and/or writing-off debts;

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<sup>1</sup> Subject to specific rules applying in case of *procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*.

- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the hybrid debt securities cast by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Bondholders described in the Terms and Conditions of the Bonds set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

### ***Modification***

The Terms and Conditions of the Bonds contain provisions for collective decisions of Bondholders to consider matters affecting their interests generally to be adopted either through a general meeting or by consent following a written consultation. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote or were not represented at the relevant meeting or did not consent to the written decision and Bondholders who voted in a manner contrary to the majority.

It should be noted that Condition 9(e) allows the Issuer to change its corporate form or proceed with a merger or demerger within the current group perimeter without being required to seek the approval of the Bondholders.

### ***Potential Conflicts of Interest***

Certain of the Joint Lead Managers (as defined under "Subscription and Sale" below) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such positions could adversely affect future trading prices of the Bonds. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### ***Taxation***

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

the potential investor. This investment consideration has to be read in connection with the taxation section of this Prospectus.

### ***Financial Transaction Tax ("FTT")***

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating Member States may decide to withdraw.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

### **Risks related to the structure of the Bonds**

#### ***The Bonds are lowest ranking subordinated obligations of the Issuer***

The Issuer's obligations under the Bonds are direct, unconditional, unsecured and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Parity Securities of the Issuer (as defined in the Terms and Conditions of the Bonds). In the event of any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Bonds), the rights of Bondholders to payment under the Bonds will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including holders of Unsubordinated Obligations), of the ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Obligations), of lenders in relation to *prêts participatifs* granted to or to be granted to the Issuer and *titres participatifs* issued or to be issued by the Issuer, if and to the extent that there is still cash available for those payments. Thus, the Bondholders face a higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer.

The claims of the Bondholders under the Bonds are intended to be senior only to claims of any holders of Junior Securities. There are currently no other instruments of the Issuer that rank junior to the Bonds other than the ordinary shares of the Issuer.

### ***The Bonds are undated securities***

The Bonds are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Bonds at any time and the Bondholders have no right to require redemption of the Bonds, except if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all the cases above, other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Bonds).

Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Bonds for an indefinite period and may not recover their investment in a foreseeable future.

### ***There are no events of default or cross default under the Bonds***

The Terms and Conditions of the Bonds do not provide for events of default allowing acceleration of the Bonds if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Bonds, including the payment of any interest, investors will not have the right to require the early redemption of principal. Upon a payment default, the sole remedy available to Bondholders for recovery of amounts owing in respect of any payment of principal or interest on the Bonds will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

### ***Deferral of interest payments***

On any applicable Interest Payment Date (as defined in the Terms and Conditions of the Bonds), the Issuer may elect to defer payment of all or part of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest not paid on an applicable Interest Payment Date and deferred shall constitute Arrears of Interest and may be paid in whole or in part, at any time, provided that all Arrears of Interest (together with any Additional Interest Amounts thereon) in respect of all Bonds for the time being outstanding shall become due and payable in whole, but not in part, on the date which is the earliest of:

- i. the tenth (10<sup>th</sup>) Business Day following the date on which a Mandatory Payment Event occurs;
- ii. the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- iii. the date on which the Bonds are redeemed; or
- iv. the date upon which a judgment is made for the judicial liquidation of the Issuer (*liquidation judiciaire*), or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Bonds).

Any deferral of interest payments or the perception that the Issuer will need to exercise its optional deferral right will be likely to have an adverse effect on the market price of the Bonds. In addition, as a result of the above provisions of the Bonds, the market price of the Bonds may be more volatile than the market prices

of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

***Changes in rating methodologies may lead to the early redemption of the Bonds***

S&P or Fitch may change their rating methodology and as a result the Bonds may no longer be assigned the same or higher category of equity credit at the date of their issue, in which case the Issuer may redeem all of the relevant Bonds (but not some only), as provided in Condition 5.5 of the Terms and Conditions of the Bonds.

***Any decline in the credit ratings of the Issuer or the Bonds may affect the market value of the Bonds***

The Bonds have been assigned a rating by S&P and Fitch. The rating granted by each of S&P and Fitch or any other rating assigned to the Bonds may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, each of S&P and Fitch or any other rating agency may change its methodologies or their application for rating securities with features similar to the Bonds in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Bonds, sometimes called "notching". If the rating agencies were to change their practices or their application for rating such securities in the future and the ratings of the Bonds were to be subsequently lowered, this may have a negative impact on the trading price of the Bonds.

***Early redemption risk***

The Issuer may redeem the Bonds in whole, but not in part, on any day in the period commencing on (and including) 31 January 2024 (being the date falling three months prior to the First Step-up Date) and ending on (and including) the First Step-up Date, and on any Interest Payment Date thereafter.

The Issuer may, at its option, redeem all, but not some only, of the Bonds, upon the occurrence of a Gross-Up Event, Withholding Tax Event, a Tax Deduction Event, an Accounting Event, an Equity Credit Rating Event, a Substantial Repurchase Event or a Change of Control Call Event, as further described in Condition 5 of the Terms and Conditions of the Bonds.

Such redemption options will be exercised at (a) 100 per cent. of the principal amount of the Bonds together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the date of redemption of the Bonds, or (b) in the case where the redemption of such Bonds occurs on or before 31 January 2024 (being the date falling three months prior to the First Step-up Date), as a result of any Accounting Event, Tax Deduction Event or Equity Credit Rating Event, 101 per cent. of the principal amount of the Bonds together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the date of redemption of the Bonds.

The redemption at the option of the Issuer may affect the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to 31 January 2024 (being the date falling three months prior to the First Step-up Date).

The Issuer may also be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. There can be no assurance that, at the relevant time, Bondholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Bonds. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Bondholders have no voting rights in shareholders' meeting.***

The Bonds do not grant voting rights in the Issuer's shareholders' meeting. Therefore, Bondholders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle Arrears of Interest or any other decisions by the Issuer's shareholders' meeting concerning the capital structure or any other matters relating to the Issuer.

***The current IFRS accounting classification of financial instruments such as the Bonds as equity instruments may change which may result in the occurrence of an Accounting Event***

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the "**DP/2018/1 Paper**"). While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented, the IFRS equity classification of financial instruments such as the Bonds may change. If such a change leads to an Accounting Event, the Issuer will have the option to redeem, in whole but not in part, the Bonds pursuant to Condition 5.4 (*Redemption following an Accounting Event*).

The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Bonds from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Bonds pursuant to Condition 5.4 (*Redemption following an Accounting Event*). For a description of the risks related to the early redemption of the Bonds, see the risk factor "*Early redemption risk*" above.

***Interest rate risk***

Interest on the Bonds before the First Step-up Date which are calculated at a fixed rate, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. A Bondholder is exposed to the risk that the value of the Bonds could fall as a result of changes in the market interest rate. While the nominal interest rate of the Bonds specified herein is fixed up to (but excluding) the First Step-up Date, the current interest rate on the capital markets ("**market interest rate**") typically varies on a daily basis. As the market interest rate changes, the value of the Bonds would typically change in the opposite direction. If the market interest rate increases, the value of the Bonds would typically fall, until the yield of such Bonds is approximately equal to the market interest rate. If the market interest rate falls, the value of the Bonds would typically increase, until the yield of such Bonds is approximately equal to the market interest rate. There can be no assurance regarding the future level of market interest rates.

Following the First Step-up Date, interest on the Bonds for each relevant Reset Period shall be calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus the applicable margin. These mid swap rates are not pre-defined for the lifespan of the Bonds. Higher mid swap rates for Euro swap transactions mean a higher interest and lower mid swap rates for Euro swap transactions with a maturity of five years mean a lower interest.

Finally, the interest rates of the Bonds will be reset as from, the First Step-up Date and then every five year period (in respect of the Bonds). Each reset interest rate is not pre-defined at the date of issue of the Bonds. The interest rates of the Bonds may be different from the interest rates prior to, the First Step-up Date and may adversely affect the yield of the Bonds.

***No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Bonds***

There is no restriction in the Terms and Conditions of the Bonds on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the Bonds. The issue of any such securities or the incurrence of any such other

liabilities may reduce the amount (if any) recoverable by Bondholders on a winding-up of the Issuer and/or may increase the likelihood of a deferral of interest payments under the relevant Bonds.

If the Issuer's financial condition were to deteriorate, the Bondholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or not), the Bondholders could suffer loss of their entire investment.

***Regulation and reform of “benchmarks” may adversely affect the value of the Bonds***

Rates and indices which are deemed to be “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted.

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

The Euro Interbank Offered Rate ("**EURIBOR**") is used for the purposes of determining the Euro 5 Year Swap Rate in order to calculate the rate of interest on the Bonds on each Interest Payment Date from (and including) the First Step-up Date. Accordingly, the Benchmarks Regulation could have a material impact on the Bonds and a material adverse effect on their value and return if the methodology or other terms of EURIBOR as a “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

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

Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to such “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmarks” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on the Bonds.

Pursuant to the Terms and Conditions of the Bonds, if the Issuer or the Calculation Agent determines at any time that the Euro 5 Year Swap Rate has been discontinued, the Issuer will appoint an independent agent (the "**Rate Determination Agent**") to determine a substitute or successor rate (the "**Replacement Rate**"). The Rate Determination Agent must determine the Replacement Rate in good faith and in a commercially reasonable manner, if there is one. If the Rate Determination Agent determines that the Euro 5-Year Swap Rate has been discontinued but for any reason a Replacement Rate has not been determined, the Euro 5-Year Swap Rate will be equal to the last quoted Euro 5 Year Swap Rate, effectively converting the Bonds into fixed rate securities.

The Replacement Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the replacement rate may perform differently from the discontinued benchmark. This could significantly affect the performance of an alternative rate compared to the historical and expected performance the relevant benchmark. There can be no assurance that any adjustment factor applied to the

Bonds will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the Bonds. Moreover, any Bondholders that enter into hedging instruments based on the Screen Page (as defined in the Terms and Conditions of the Bonds) may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the Replacement Rate.

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

## GENERAL DESCRIPTION OF THE BONDS

*This overview is a general description of the Bonds and is qualified in its entirety by the remainder of this Prospectus. For a more complete description of the Bonds, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Bonds".*

|                              |   |
|------------------------------|---|
| <b>Issuer</b>                | Accor   |
| <b>Securities</b>            | €500,000,000 Undated Deeply Subordinated Fixed to Reset Rate NC 5.25 Bonds (the " <b>Bonds</b> ").  |
| <b>Maturity</b>              | Undated.  |
| <b>Form and Denomination</b> | The Bonds will be issued in dematerialised bearer form ( <i>au porteur</i> ) and in the denomination of €100,000.   |
| <b>Issue Date</b>            | 31 January 2019.  |
| <b>Status/Ranking</b>        | The Bonds (which constitute <i>obligations</i> ) are deeply subordinated bonds. The subordination provisions of the Bonds are governed by the provisions of Article L. 228-97 of the French <i>Code de commerce</i> . The obligations of the Issuer under the Bonds in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest (as defined below)) constitute direct, unconditional, unsecured and deeply subordinated obligations ( <i>titres subordonnés de dernier rang</i> ) of the Issuer and rank and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future Parity Securities (as defined below) of the Issuer, but shall be subordinated to present and future <i>prêts participatifs</i> granted to the Issuer and <i>titres participatifs</i> issued by the Issuer and to Ordinary Subordinated Obligations (as defined below) and Unsubordinated Obligations (as defined below) of the Issuer. The Bonds shall rank in priority to any Junior Securities (as defined below). |

"**2014 Bonds**" means the Euro 900,000,000 Undated 6 Year Non-Call Deeply Subordinated Fixed to Reset Rate Bonds with ISIN FR0012005924 issued by the Issuer on 30 June 2014.

"**Junior Securities**" means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

"**Ordinary Subordinated Obligations**" means obligations, whether in the form of bonds or otherwise, which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and *pari passu* with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs* and *titres participatifs*, if any, and deeply subordinated obligations of the Issuer, including the Bonds.

"**Parity Securities**" means (a) any securities or other similar instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* with (i) the Issuer's obligations under the Bonds and (ii) any deeply subordinated securities or other similar instruments or deeply subordinated obligations of the Issuer (including the 2014 Bonds) and (b) any securities or other similar instruments issued by a Subsidiary of the Issuer which have the benefit of a guarantee (or similar instrument) from the Issuer, which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds.

"**Unsubordinated Obligations**" means obligations, whether in the form of bonds or otherwise, which constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present or future

unsecured and unsubordinated obligations of the Issuer.

"**Subsidiary**" means any entity controlled by the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

## Interest

Unless previously redeemed in accordance with Condition 5 and subject to the further provisions of Condition 4 (in particular, but not limited to Condition 4.6), the Bonds shall bear interest on their principal amount:

(i) from and including the Issue Date to, but excluding, 30 April 2024 (the "**First Step-up Date**"), at an interest rate *per annum* of 4.375 per cent (the "**Fixed Interest Rate**"), payable annually in arrear on 30 April of each year, commencing on 30 April 2019 (the "**First Interest Payment Date**") and ending on the First Step-up Date. The first payment of interest, to be made on the First Interest Payment Date, will correspond to Euro 1,066.78 per Euro 100,000 in principal amount of the Bonds (short first coupon);

(ii) from and including the First Step-up Date to, but excluding, 30 April 2044 (the "**Second Step-up Date**"), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Relevant Margin (the "**First Step-up Rate**"), payable annually in arrear on 30 April of each year, commencing on 30 April 2025 and ending on the Second Step-up Date; and

(iii) from and including the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Relevant Margin (the "**Second Step-up Interest Rate**"), payable annually in arrear on 30 April of each year, commencing on 30 April 2045;

where the "**Relevant Margin**" means, (i) from and including the First Step-up Date, to (but excluding) the Second Step-up Date, 4.561 per cent. *per annum* and (ii) from and including the Second Step-up Date, 7.311 per cent. *per annum*, in each case subject to Condition 4.2 and provided that each of the First Step-up Interest Rate and the Second Step-up Interest Rate shall never be less than zero.

Each Interest Amount shall be payable annually in arrear on 30 April of each year (each an "**Interest Payment Date**"), commencing on 30 April 2019 (short first coupon).

"**Interest Rate**" means any of the Fixed Interest Rate, First Step-up Rate or Second Step-up Rate, as applicable.

"**Reset Period**" means each period from (and including) a Reset Date to (but excluding) (i) with respect to a Reset Period other than the last Reset Period, the next succeeding Reset Date, and (ii) with respect to the last Reset Period, the date on which the Bonds are finally redeemed.

"**Reset Date**" means the First Step-up Date and every fifth Interest Payment Date, thereafter.

"**Reference Rate**" means the 5-year mid-swap rate in euros determined by the Calculation Agent on the calendar day falling two (2) Business Days prior to the first day of the relevant Reset Period (each a "**Reset Interest Determination Date**").

If the Issuer or the Calculation Agent determines at any time that the 5-year mid-swap rate in euros has been discontinued, the Issuer will appoint an independent agent (the "**Rate Determination Agent**") to determine a substitute or successor rate (the "**Replacement Rate**"). The Rate Determination Agent must determine the Replacement Rate in good faith and in a commercially reasonable manner, if there is one. If the Rate Determination Agent determines that the 5 year mid-

swap rate in euros has been discontinued but for any reason a Replacement Rate has not been determined, the 5-year mid-swap rate in euros will be equal to the last quoted 5-year mid-swap rate in euros, effectively converting the Bonds into fixed rate securities.

**Rate of Interest following a Change of Control**

Further to the occurrence of a Change of Control Call Event (as defined below), (i) if the Call Event Notice (as defined below) specifies that the Issuer has elected not to exercise the Change of Control Call Option, the interest rate payable on the Bonds will be increased by an additional margin of 5 per cent, *per annum* which is applicable retroactively as from the date which is the later of (x) the immediately preceding Interest Payment Date and (y) the date of the Change of Control Call Event, to, but excluding, the redemption of the Bonds or (ii) if the Call Event Notice specifies that the Issuer has elected to exercise the Change of Control Call Option, the interest rate payable on the Bonds will be increased by an additional margin of 5 per cent. *per annum* from and including the date of the Call Event Notice to, but excluding, the redemption of the Bonds.

**Interest Deferral**

*Optional Interest Payment*

The Issuer may, at any time and at its sole discretion, by giving notice to the Bondholders, elect to defer all or part of the payment of interest accrued on the Bonds in respect of any Interest Period, except in relation to a payment of interest to be made on an Interest Payment Date falling on the date of redemption of the Bonds. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment or partial payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Bonds.

Any interest in respect of the Bonds which has not been paid at the election of the Issuer in accordance with this paragraph will be deferred and shall constitute "**Arrears of Interest**" and shall be payable as outlined below.

*Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole or in part, at any time, **provided that** all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Bonds for the time being outstanding shall become due and payable in whole, but not in part, on whichever is the earliest of:

- (i) ten (10) Business Days following the date on which a Mandatory Payment Event occurs;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Bonds are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer, or in the event the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the remaining entity assumes all obligations of the Issuer under the Bonds.

Each amount of Arrears of Interest shall bear interest, in accordance with applicable law, as if it constituted the principal of the Bonds at a rate which corresponds to the rate of interest from time to time applicable to the Bonds (the "**Arrears Interest Rate**") and the amount of such interest (the "**Additional Interest Amount**") with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent

applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Terms and Conditions of the Bonds.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with and to the extent permitted by applicable law to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest for the purpose only of calculating the Additional Interest Amount accruing thereafter.

*Partial Payment of Arrears of Interest and Additional Interest Amounts:*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Bonds in respect of any period, shall be pro rata to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Bonds in respect of that period to the date of payment.

For the purpose hereof:

A "**Mandatory Payment Event**" means that:

- (i) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Securities, except where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities or Parity Securities, or
- (ii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed, or otherwise acquired any Junior Securities, except where (x) such repurchase, purchase, redemption or acquisition was undertaken in connection with the satisfaction by the Issuer or any Subsidiary of the Issuer of its respective obligations under any share buyback programme in force and duly approved by its shareholder's general meeting or any stock option plan or free share allocation plan reserved for directors, officers, and/or employees of the Issuer's group, any existing or future liquidity agreement (*contrat de liquidité*) or any associated hedging transaction or the hedging of convertible securities or other equity-linked securities or (y) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or
- (iii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed, or otherwise acquired any Parity Securities or any Bonds, except where (x) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Securities or (y) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value.

**Taxation**

All payments by or on behalf of the Issuer in respect of the Bonds shall be made

free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

|   |   |
|---|---|
| <b>Additional Amounts</b>   | If French law should require that payments of principal, interest or other revenues made by the Issuer in respect of any Bond be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature levied by the Republic of France, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (" <b>Additional Amounts</b> ") as shall result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Bond in certain circumstances as more fully described in the Terms and Conditions of the Bonds.  |
| <b>Final Redemption</b>   | Subject to any early redemption described below, the Bonds are undated securities with no specified maturity date.  |
| <b>Optional Redemption at the option of the Issuer</b>                      | The Issuer will have the right to redeem all of the Bonds (but not some only) on any day in the period commencing on (and including) 31 January 2024 (being the date falling three months prior to the First Step-up Date) and ending on (and including) the First Step-up Date, and on any Interest Payment Date thereafter and, subject to having given not more than sixty (60) nor less than thirty (30), calendar days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 10. Such early redemption of the Bonds will be made at 100 per cent. of their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).  |
| <b>Early Redemption following a Gross-Up Event or Withholding Tax Event</b> | <p>If by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after 29 January 2019, the Issuer would on the occasion of the next payment due in respect of the Bonds, not be able to make such payment without having to pay Additional Amounts (a "<b>Gross-Up Event</b>"), the Issuer may, at its option, at any time, redeem all, but not some only, of the Bonds then outstanding at 100 per cent. of their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) <b>provided that</b> the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.</p> <p>If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law or regulation from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts (a "<b>Withholding Tax Event</b>"), then the Issuer may, at its option, at any time, redeem all, but not some only, of the Bonds then outstanding at 100 per cent. of their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding or deduction for French taxes, or, if such date has passed, as soon as practicable thereafter.</p> |
| <b>Early Redemption following a Tax Deduction Event</b>                     | If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after 29 January 2019, the tax regime of any payments under the Bonds is modified and such modification results in the part of the interest payable by the Issuer in respect of the Bonds that is tax-deductible being reduced (a " <b>Tax Deduction Event</b> "), the Issuer may, at its option, at any time redeem all, but not some only, of the Bonds   |

then outstanding at (i) 101 per cent. of their principal amount where such redemption occurs prior to 31 January 2024 (being the date falling three months prior to the First Step-up Date), or (ii) 100 per cent. of their principal amount, in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after 31 January 2024 (being the date falling three months prior to the First Step-up Date), **provided that** the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Bonds is modified.

**Early Redemption following an Accounting Event**

If an Accounting Event has occurred, the Issuer may, at its option, redeem all, but not some only, of the Bonds at any time, at (i) 101 per cent. of their principal amount where such redemption occurs prior to 31 January 2024 (being the date falling three months prior to the First Step-up Date), or (ii) 100 per cent. of their principal amount, in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after 31 January 2024 (being the date falling three months prior to the First Step-up Date), **provided that** the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the proceeds of the Bonds must not or must no longer be recorded as "equity" pursuant to IFRS (as defined below) or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of the Issuer.

"**Accounting Event**" means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that, as a result of a change in the accounting rules or methodology (or the application thereof) effective since 29 January 2019, the Bonds cannot or can no longer be recorded as "equity" pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of the annual or the semi-annual consolidated financial statements of the Issuer.

**Early Redemption following an Equity Credit Rating Event**

If an Equity Credit Rating Event has occurred, then the Issuer may redeem all, but not some only, of the Bonds at any time, at (i) 101 per cent. of their principal amount where such redemption occurs prior to 31 January 2024 (being the date falling three months prior to the First Step-up Date), or (ii) 100 per cent. of their principal amount where such redemption occurs on or after 31 January 2024 (being the date falling three months prior to the First Step-up Date), in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), **provided that** the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which the Bonds are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Bonds by the relevant Rating Agency on 29 January 2019, or if such equity credit was not assigned on 29 January 2019, at the date when the equity credit was assigned for the first time.

For the purpose hereof:

"**Equity Credit Rating Event**" means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effective after 29 January 2019 (or effective after the date when the equity credit is assigned for the first time, as applicable), which amendment, clarification or change results in a lower equity credit for the Bonds than the then respective equity credit assigned on 29 January 2019, or if equity credit is not assigned on 29 January 2019, at the date when the equity credit is assigned for the first time.

**Early Redemption**

If a Substantial Repurchase Event shall occur after the Issue Date, the Issuer may

**following a  
Substantial  
Repurchase Event**

at its option, at any time, redeem all, but not some only, of the Bonds at 100% of their principal amount.

**"Substantial Repurchase Event"** means that prior to the giving of the relevant notice of redemption, at least 75 per cent of the initial aggregate principal amount of the Bonds issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary of the Issuer.

**Early Redemption  
following a Change of  
Control Call Event**

If at any time while any Bond remains outstanding, there occurs (i) a Change of Control (as defined below) and (ii) within the Change of Control Period, a Rating Downgrade (as defined below) occurs or has occurred as a result of such Change of Control or as the result of a Potential Change of Control (in either case a **"Change of Control Call Event"**), the Issuer may, at its option (the **"Change of Control Call Option"**), but in no circumstances before the expiry of the Senior Bonds Put Period (as defined below), redeem or procure the purchase of all, but not some only, of the Bonds at 100 per cent. of their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

A **"Change of Control"** shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to legally or beneficially own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying more than 50 per cent of the voting rights exercisable at a general meeting of the Issuer.

**"Change of Control Period"** means the period commencing on the date that is the earlier of (1) the first public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* ("**AMF**") or by the Issuer of the relevant Change of Control and (2) the date of the Potential Change of Control and ending on the date which is 90 days after the date of the first public announcement of the result.

A **"Potential Change of Control"** means any public announcement or statement by the Issuer, or by any actual or potential bidder(s) relating to any potential Change of Control of the Issuer.

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control or of a Potential Change of Control if within the Change of Control Period, the rating previously assigned to the long-term credit of the Issuer by any Rating Agency (as defined below) solicited by the Issuer is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (z) if the rating previously assigned to the long-term credit of the Issuer by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB; or their respective equivalents), provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the Rating Agency does not publicly announce or publicly confirm that the reduction was the result, in whole or in part, of the Change of Control or the Potential Change of Control, as the case may be, and (ii) any Rating Downgrade must have been confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed. If the long-term credit of the Issuer is rated by more than one Rating Agency and such rating has been solicited by the Issuer, the rating to be taken into account to determine whether a Rating Downgrade has occurred shall be the lower rating assigned by any such Rating Agency.

If the long-term credit of the Issuer ceases at any time to have a rating assigned to it by at least one Rating Agency, the Issuer shall use its best endeavours to obtain a rating of its long-term credit from a Rating Agency as soon as practicable.

**"Rating Agency"** means S&P Global Ratings Europe Limited ("**S&P**"), Fitch Ratings Limited ("**Fitch**") or any other rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

**"Senior Bonds Put Option"** means the option given to the holder of any Unsubordinated Obligation pursuant to the terms and conditions thereof, to require the Issuer to redeem such Unsubordinated Obligation as a result of a Change of Control.

**"Senior Bonds Put Period"** means the period given to the holder of any Unsubordinated Obligation pursuant to the terms and conditions thereof, as a result of a Change of Control, during which the holder of such Unsubordinated Obligation may exercise the Senior Bonds Put Option.

If a Change of Control Call Event has occurred, the Issuer shall, as soon as practicable after the expiry of the Senior Bonds Put Period, give notice (a "**Call Event Notice**") to the Bondholders in accordance with Condition 10 specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption of the Bonds will take place or the Issuer's election not to redeem the Bonds.

If the Issuer elects to redeem the Bonds, such redemption or purchase will take place not less than thirty (30), nor more than sixty (60) calendar days after a Call Event Notice is given

**Purchase** The Issuer may, at any time, purchase the Bonds together with rights to interest and any other amounts relating thereto in the open market or otherwise at any price subject to applicable laws and regulations. All Bonds so purchased may be cancelled.

**Negative Pledge** There will be no negative pledge in respect of the Bonds.

**Enforcement Events, no Events of Default and no Cross Default** There will be no events of default in respect of the Bonds. There will be no cross default under the Bonds.

However, each Bond shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgement is rendered by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of a voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Bonds). No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Bondholders have been paid by the Issuer.

**Representation of Bondholders** The Bondholders will be grouped automatically for the defence of their respective common interests in a masse governed by the provisions of the French *Code de commerce* as amended by the Terms and Conditions of the Bonds (the "**Masse**"). The Masse will be a separate legal entity, and will be acting in part through one representative and in part through a General Meeting, a Written Unanimous Decision or a Written Majority Decision of the Bondholders.

**Admission to trading** Application will be made for the Bonds to be admitted to trading on Euronext

Paris. Such admission to trading are expected to occur as of the Issue Date or as soon as practicable thereafter.

|   |  |
|---|--|
| <b>Selling Restrictions</b>                                       | There are restrictions on the offer and sale of the Bonds and the distribution of offering material, including in the European Economic Area, the United States of America, the United Kingdom and France.                             |
| <b>Rating of the Bonds</b>  | The Bonds are expected to be rated BB by S&P and BB by Fitch.  |
| <b>Use of proceeds</b>  | The net proceeds from the issue of the Bonds will be used for the general corporate purposes of the Issuer including repaying existing debt.   |
| <b>Governing law and Jurisdiction</b>                             | <p>The Bonds will be governed by, and construed in accordance with, French law.</p> <p>Any claim against the Issuer in connection with any Bonds will be submitted to the exclusive jurisdiction of the competent courts in Paris.</p> |
| <b>Settlement</b>   | Euroclear France.  |
| <b>ISIN</b>   | The International Securities Identification Number (ISIN) for the Bonds is FR0013399177.   |
| <b>Fiscal Agent, Principal Paying Agent and Calculation Agent</b> | BNP Paribas Securities Services  |

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with the Prospectus and that have been filed with the AMF:

- (a) the Issuer's 2017 reference document (*document de référence*) (the "**2017 Registration Document**") in the French language filed with the AMF under registration N° D.18-0227, dated 29 March 2018; except for (i) the third paragraph of the section "Person responsible for the Registration Document" on page 386 and (ii) the cross-reference table and the section on information incorporated by reference (such excluded parts are not relevant for investors);
- (b) the Issuer's 2016 reference document (*document de référence*) (the "**2016 Registration Document**") in the French language filed with the AMF under registration N° D.17-0284, dated 31 March 2017; except for (i) the third paragraph of the section "Person responsible for the Registration Document" on page 328 and (ii) the cross-reference table and the section on information incorporated by reference (such excluded parts are not relevant for investors); and
- (c) the Issuer's interim financial report for the period ended 30 June 2018 (the "**2018 Interim Financial Report**") in the French language.

Such documents shall be incorporated in and form part of this Prospectus, save that:

- (i) in relation to paragraphs (a) to (c) above, the information incorporated by reference that is not included in the cross-reference list and that is not expressly excluded under paragraphs (a) and (b) above is considered as additional information and is not required by the relevant schedules of the Commission Regulation No. 809/2004 as amended or is covered elsewhere in the Prospectus; and
- (ii) any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus may be obtained without charge (i) from the primary business office of the Issuer, (ii) on the website of the Issuer (<http://www.accorhotels-group.com/fr/finance.html>) and (iii) (with the exception of the 2018 Interim Financial Report) on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). The Prospectus and any supplement thereto will also be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). Non-official English translations of the 2017 Registration Document, the 2016 Registration Document and the 2018 Interim Financial Report are available on the website of the Issuer (<http://www.accorhotels-group.com/en/finance.html>). These documents are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions filed with the AMF.

The following table cross-references the pages of this Prospectus to the documents incorporated by reference with the main heading required under Annex IX of the Commission Regulation No. 809/2004, as amended implementing the Prospectus Directive.

| <b>Annex IX</b>  | <b>2017 Registration Document (page number)</b> | <b>2016 Registration Document (page number)</b> | <b>2018 Interim Financial Report (page number)</b> |
|--|---|---|--|
| 2. STATUTORY AUDITORS  | 386   | -   | -  |
| 3. RISK FACTORS RELATED TO THE ISSUER  | 54-67; 321-322                                  | -   | -  |
| 4. INFORMATION ABOUT THE ISSUER  |   |   |  |
| 4.1. <u>History and development of the issuer</u>  | 7-10  | -   |  |
| 4.1.1. Legal and commercial name of the issuer   | 372   | -   | -  |
| 4.1.2. Place of registration and registration number of the issuer   | 372   | -   | -  |
| 4.1.3. Date of incorporation and length of life of the issuer  | 372   | -   | -  |
| 4.1.4. Domicile, legal form, legislation, country of incorporation, address and telephone number   | 372-386   | -   | -  |
| 4.1.5. Recent events material to evaluation of issuer's solvency   | 275-279   | -   | 38-39  |
| 5. BUSINESS OVERVIEW   |   |   |  |
| 5.1. <u>Principal activities</u>   |   |   | -  |
| 5.1.1. Description of the issuer's principal activities  | 11-27; 248-250; 283-286                         | -   | -  |
| 5.1.2. Basis for any statements made by the Issuer on its competitive position.  | 26-27   | -   | -  |
| 6. ORGANISATIONAL STRUCTURE  |   |   |  |
| 6.1. Description of the group and of the issuer's position within it   | 258-260 324-325; 360-363                        | -   | -  |
| 6.2. Dependence relationships within the group   | 258-260 324-325; 360-363                        | -   | -  |
| 7. TREND INFORMATION   |   |   |  |
| 7.1. Statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements | 275-279   |   | 38-39  |

| <b>Annex IX</b>   | <b>2017 Registration Document (page number)</b> | <b>2016 Registration Document (page number)</b> | <b>2018 Interim Financial Report (page number)</b> |
|---|---|---|--|
| 9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES  |   |   |  |
| 9.1. Information concerning the administrative and management bodies and their names and functions of their members in the issuer | 164-190   | -   | -  |
| 9.2. Conflicts of interest  | 164-188; 237-239                                | -   | -  |
| 10. MAJOR SHAREHOLDERS  |   |   |  |
| 10.1. Information concerning control  | 377-380   | -   | 74   |
| 11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES              |   |   |  |
| 11.1. <u>Historical financial information</u>   | 263-368   | 211-309   | 41-78  |
| - Consolidated balance sheet  | 265-266   | 214-215   | 45-46  |
| - Parent company balance sheet  | 330-331   | 276-277   | -  |
| - Consolidated income statement   | 264   | 213   | 43   |
| - Parent company income statement   | 332-333   | 278-279   | -  |
| - Cash flow statement   | 267   | 216   | 47   |
| - Accounting policies and explanatory notes to the consolidated financial statements  | 269-329   | 218-274   | 49-84  |
| - Accounting policies and explanatory notes to the parent company financial statements  | 334-364   | 280-307   | -  |
| 11.2. <u>Financial statements</u>   | 263-368   | 211-309   | 41-78  |
| 11.3. <u>Auditing of historical annual financial information</u>  | 326-329; 365-368                                | 212; 275  | 85-87  |
| 11.5. <u>Legal and arbitration proceedings</u>  | 59; 321-322                                     | -   | 77   |
| 12. MATERIAL CONTRACTS  | 261; 273-279; 296; 320-322; 308-313; 358-359    | -   | 17-18; 77  |

## TERMS AND CONDITIONS OF THE BONDS

*The terms and conditions of the Bonds will be as follows:*

The issue of the Euro 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate NC 5.25 Bonds (the "**Bonds**") of Accor (the "**Issuer**") has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer held on 20 December 2018 and a decision of the Deputy Chief Executive Officer responsible for Finance, Communication and Strategy (*Directeur général adjoint en charge des finances, de la communication et de la stratégie*) of the Issuer dated 24 January 2019. The Issuer has entered into a fiscal agency agreement (the "**Agency Agreement**") dated 29 January 2019 with BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent. The fiscal agent and principal paying agent, the calculation agent and the paying agents for the time being are respectively referred to in these Conditions as the "**Fiscal Agent**", the "**Principal Paying Agent**", the "**Calculation Agent**" and the "**Paying Agents**" (which expression shall include the Principal Paying Agent and the Fiscal Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the "**Agents**". Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agents. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

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

The Bonds are issued on 31 January 2019 (the "**Issue Date**") in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Bonds will be evidenced by book-entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* in the books of the Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holder**" shall mean any authorised intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**").

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of the Bonds may only be effected through, registration of the transfer in such books.

### 2. **Status of the Bonds**

#### 2.1 **Deeply Subordinated Bonds**

The Bonds (which constitute *obligations*) are deeply subordinated bonds. The subordination provisions of the Bonds are governed by the provisions of Article L. 228-97 of the French *Code de commerce*. The obligations of the Issuer under the Bonds in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest (as defined below)) constitute direct, unconditional, unsecured and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Parity Securities (as defined below) of the Issuer, but shall be subordinated to present and future *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer and to Ordinary Subordinated Obligations (as defined below) and Unsubordinated Obligations (as defined below) of the Issuer. The Bonds shall rank in priority to any Junior Securities (as defined below).

"**2014 Bonds**" means the Euro 900,000,000 Undated 6 Year Non Call Deeply Subordinated Fixed to Reset Rate Bonds with ISIN FR0012005924 issued by the Issuer on 30 June 2014.

"**Junior Securities**" means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

"**Ordinary Subordinated Obligations**" means obligations, whether in the form of bonds or otherwise, which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and *pari passu* with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs* and *titres participatifs*, if any, and deeply subordinated obligations of the Issuer, including the Bonds.

"**Parity Securities**" means (a) any securities or other similar instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* with (i) the Issuer's obligations under the Bonds and (ii) any deeply subordinated securities or other similar instruments or deeply subordinated obligations of the Issuer (including the 2014 Bonds) and (b) any securities or other similar instruments issued by a Subsidiary of the Issuer which have the benefit of a guarantee (or similar instrument) from the Issuer, which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds.

"**Unsubordinated Obligations**" means obligations, whether in the form of bonds or otherwise, which constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.

"**Subsidiary**" means any entity controlled by the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

## 2.2 ***Payment on the Bonds in the event of the liquidation of the Issuer***

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Bonds), each Bond shall become immediately due and payable and the rights of the Bondholders will be calculated on the basis of the principal amount of the Bonds together with any accrued interest on such principal amount and any Arrears of Interest (including any Additional Interest Amount thereon) and to the extent that all other creditors of the Issuer (including creditors in respect of Unsubordinated Obligations, Ordinary Subordinated Obligations and *prêts participatifs* granted to the Issuer) ranking in priority to the Bondholders have been or will be fully reimbursed, as ascertained by the liquidator. In the event of liquidation of the Issuer, no payments will be made to holders of Junior Securities before all amounts due, but unpaid, to all Bondholders under the Bonds have been paid by the Issuer.

## 2.3 ***Prohibition of set-off***

Subject to applicable law, no Bondholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Bonds and each Bondholder shall, by virtue of its holding of any Bond, be deemed to have waived all such rights of set-off, compensation or retention.

### 3. Negative Pledge

There will be no negative pledge in respect of the Bonds.

### 4. Interest and deferral of interest

#### 4.1 General

Unless previously redeemed in accordance with Condition 5 and subject to the further provisions of this Condition (in particular, but not limited to Condition 4.6), the Bonds shall bear interest on their principal amount:

- (i) from and including the Issue Date to, but excluding, 30 April 2024 (the "**First Step-up Date**"), at an interest rate *per annum* of 4.375 per cent. (the "**Fixed Interest Rate**"), payable annually in arrear on 30 April of each year, commencing on 30 April 2019 (the "**First Interest Payment Date**") and ending on the First Step-up Date. The first payment of interest, to be made on the First Interest Payment Date, will correspond to Euro 1,066.78 per Euro 100,000 in principal amount of the Bonds (short first coupon);
- (ii) from and including the First Step-up Date to, but excluding, 30 April 2044 (the "**Second Step-up Date**"), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Relevant Margin (the "**First Step-up Interest Rate**"), payable annually in arrear on 30 April of each year, commencing on 30 April 2025 and ending on the Second Step-up Date; and
- (iii) from and including the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Relevant Margin (the "**Second Step-up Interest Rate**"), payable annually in arrear on 30 April of each year, commencing on 30 April 2045;

where the "**Relevant Margin**" means, (i) from and including the First Step-up Date, to (but excluding) the Second Step-up Date, 4.561 per cent. *per annum* and (ii) from and including the Second Step-up Date, 7.311 per cent. *per annum*, in each case subject to Condition 4.2 and provided that each of the First Step-up Interest Rate and the Second Step-up Interest Rate shall never be less than zero.

Each Interest Amount (as defined below) shall be payable annually in arrear on 30 April of each year (each an "**Interest Payment Date**"), commencing on 30 April 2019 (short first coupon).

For the purpose hereof:

"**Business Day**" means any calendar day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

"**Euro 5 Year Swap Rate**" means the mid-swap rate in euros for a term of five (5) years as displayed on Reuters screen "ICESWAP2/EURSFIXA" (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro) (the "**Screen Page**") as at 11:00 a.m. (Central European time) on any calendar day. In the event that the Euro 5 Year Swap Rate does not appear on the Screen Page on a Reset Interest Determination Date, the Euro 5 Year Swap Rate will be the Reference Bank Rate on such Reset Interest Determination Date.

"**Euro 5 Year Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of five (5) years commencing on the first calendar day of the relevant Reset

Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

**"Interest Rate"** means any of the Fixed Interest Rate, First Step-up Interest Rate or Second Step-up Interest Rate, as applicable.

**"Reference Bank Rate"** means the percentage rate determined on the basis of the Euro 5 Year Swap Rate Quotations provided by at least five (5) leading swap dealers in the interbank market (the **"Reference Banks"**) to the Calculation Agent at its request at approximately 11:00 a.m. (Central European time), on the relevant Reset Interest Determination Date. If one (1) quotation is provided, the Reference Bank Rate will be such quotation. If two (2) or more quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the Euro 5 Year Swap Rate last quoted on the Screen Page as obtained by the Calculation Agent.

**"Reference Rate"** means the Euro 5 Year Swap Rate on the calendar day falling two (2) Business Days prior to the first calendar day of the relevant Reset Period (each a **"Reset Interest Determination Date"**).

**"Reset Date"** means the First Step-up Date and every fifth Interest Payment Date thereafter.

**"Reset Period"** means each period from (and including) a Reset Date to (but excluding) (i) with respect to a Reset Period other than the last Reset Period, the next succeeding Reset Date, and (ii) with respect to the last Reset Period, the date on which the Bonds are finally redeemed.

**"TARGET 2 Settlement Day"** means any calendar day on which the TARGET 2 System is operating.

**"TARGET 2 System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

Promptly after the determination of the Reference Rate by it or the Rate Determination Agent, as the case may be (see below), the Calculation Agent shall determine the Interest Rate for each Bond and calculate the relevant Interest Amount (as defined in Condition 4.3 below).

If the Issuer or the Calculation Agent determines at any time that the Euro 5-Year Swap Rate has been discontinued, the Issuer will as soon as reasonably practicable (and in any event prior to the next Reset Interest Determination Date) appoint an independent agent (the **"Rate Determination Agent"**), which will determine in its sole discretion (but in consultation with the Issuer), acting in good faith and in a commercially reasonable manner, whether a substitute or successor rate for the purposes of determining the Euro 5-Year Swap Rate on each Reset Interest Determination Date falling on such date or thereafter that is substantially comparable to the Euro 5-Year Swap Rate is available, provided that if the Rate Determination Agent determines that there is a substitute or successor rate, the Calculation Agent will use such substitute or successor rate to determine the Euro 5-Year Swap Rate (for the avoidance of doubt the Issuer's consultation referred to above shall not give any discretionary power to the Issuer and the Rate Determination Agent will act alone in determining whether a substitute or successor rate for the purposes stated above is available). If the Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the **"Replacement Rate"**), for the purposes of determining the Euro 5-Year Swap Rate on each Reset Interest Determination Date falling on or after such determination, (i) the Rate Determination Agent

will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction, and any method for obtaining the Replacement Rate, including any adjustment needed to make such Replacement Rate comparable to the Euro 5-Year Swap Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Rate; (ii) the Rate Determination Agent will also determine whether an Adjustment Spread is required to be applied to such Replacement Rate; (iii) references to the Euro 5-Year Swap Rate in these Conditions will be deemed to be references to the Replacement Rate, including any alternative method for determining such rate as described in (i) above and any Adjustment Spread (as applicable); (iv) the Rate Determination Agent will notify the Issuer and the Calculation Agent of the foregoing as soon as reasonably practicable, and (v) the Issuer will give notice as soon as reasonably practicable to the Bondholders (in accordance with Condition 10) and the Fiscal Agent specifying the Replacement Rate, as well as the details described in (i) above. The determination of the Replacement Rate and the other matters referred to above by the Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Fiscal Agent and the Bondholders. If the Rate Determination Agent determines that the Euro 5-Year Swap Rate has been discontinued but for any reason a Replacement Rate has not been determined or cannot be applied, the Euro 5-Year Swap Rate will be equal to the last Euro 5 Year Swap Rate available on the Screen Page as determined by the Calculation Agent. The Rate Determination Agent may be a leading bank or broker-dealer active in the Euro-zone or London interbank market as appointed by the Issuer.

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount (as defined below) payable per Bond to be notified to the Issuer, each of the Paying Agents and, if required by the rules of Euronext Paris or any other stock exchange on which the Bonds are listed or admitted to trading from time to time, to such stock exchange, and to holders of Bonds (the "**Bondholders**" and each a "**Bondholder**") in accordance with Condition 10 without undue delay, but, in any case, not later than on the fourth (4<sup>th</sup>) Business Day after its determination.

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Rate Determination Agent determines is required to be applied to a Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Bondholders as a result of the determination of a Replacement Rate and is the spread, formula or methodology which the Rate Determination Agent determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Replacement Rate or if no such customary market usage is recognised or acknowledged, the Rate Determination Agent in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

#### 4.2 ***Rate of Interest following a Change of Control Call Event***

Further to the occurrence of a Change of Control Call Event as defined in Condition 5.7 below, (i) if the Call Event Notice (as defined below) specifies that the Issuer has elected not to exercise the Change of Control Call Option, the interest rate payable on the Bonds will be increased by an additional margin of 5 per cent. *per annum* which is applicable retroactively as from the date which is the later of (x) the immediately preceding Interest Payment Date and (y) the date of the Change of Control Call Event, to, but excluding, the redemption of the Bonds or (ii) if the Call Event Notice specifies that the Issuer has elected to exercise the Change of Control Call Option, the interest rate payable on the Bonds will be increased by an additional margin of 5 per cent. *per annum* from and including the date of the Call Event Notice to, but excluding, the redemption of the Bonds.

#### 4.3 *Calculation of the Interest Amount*

The amount of interest (the "**Interest Amount**") payable on each Bond and on each Interest Payment Date will be the product of the principal amount of such Bond and the applicable Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

"**Actual/Actual (ICMA)**" means:

- if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Period in which the relevant period falls;
- if interest is required to be calculated for a period of more than one year, the sum of (a) the number of calendar days of the relevant period falling in the Interest Period in which it begins divided by the total number of calendar days in such Interest Period and (b) the number of calendar days of the relevant period falling in the next Interest Period divided by the total number of calendar days in such next Interest Period (including the first such calendar day but excluding the last).

"**Interest Period**" means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date (or the first Interest Payment Date, as the case may be).

#### 4.4 *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Reference Banks (or any of them), the Calculation Agent or the Rate Determination Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Rate Determination Agent, the Fiscal Agent and all Bondholders.

#### 4.5 *Calculation Agent*

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent **provided that** so long as any of the Bonds remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Bonds having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Bondholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Bondholders in accordance with Condition 10 and, so long as the Bonds are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

#### 4.6 *Interest Deferral*

Interest payments shall only be due and payable if the Issuer so elects, in accordance with the provisions of the following paragraphs.

(a) *Optional Interest Payment*

The Issuer may, at any time and at its sole discretion, by giving notice to the Bondholders in accordance with sub-paragraph (d) below, elect to defer all or part of the payment of interest accrued on the Bonds in respect of any Interest Period, except in relation to a payment of interest to be made on an Interest Payment Date falling on the date of redemption of the Bonds. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment or partial payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Bonds.

Any interest in respect of the Bonds which has not been paid at the election of the Issuer in accordance with this paragraph will be deferred and shall constitute "**Arrears of Interest**" and shall be payable as outlined below.

(b) *Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole or in part, at any time, **provided that** all Arrears of Interest (together with any Additional Interest Amounts thereon) in respect of all Bonds for the time being outstanding shall become due and payable in whole, but not in part, on the date (the "**Mandatory Settlement Date**") which is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Day following the date on which a Mandatory Payment Event occurs;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Bonds are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer, or in the event the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the remaining entity assumes all obligations of the Issuer under the Bonds).

Each amount of Arrears of Interest shall bear interest, in accordance with applicable law, as if it constituted the principal of the Bonds at a rate which corresponds to the rate of interest from time to time applicable to such Bonds (the "**Arrears Interest Rate**") and the amount of such interest (the "**Additional Interest Amount**") with respect to Arrears of Interest shall be due and payable pursuant to this paragraph (b) and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with and to the extent permitted by applicable law to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest, for the purpose only of calculating the Additional Interest Amount accruing thereafter.

(c) *Optional Partial Payment of Arrears of Interest and Additional Interest Amounts:*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;

- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Bonds in respect of any period, shall be pro rata to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Bonds in respect of that period to the date of payment.

(d) *Notice of Deferral and Payment of Arrears of Interest*

Notice of (i) deferral of any interest under the Bonds on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Bondholders in accordance with Condition 10, and the Paying Agents and the Calculation Agent at least five (5) business days in Paris, but no more than thirty (30) business days in Paris, prior to such Interest Payment Date (in the case of (i) above) or date (in the case of (ii) above) which notice shall be irrevocable. So long as the Bonds are listed on Euronext Paris and the rules applicable to such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

For the purpose hereof:

A "**Mandatory Payment Event**" means that:

- (i) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Securities, except where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities or Parity Securities, or
- (ii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed, or otherwise acquired any Junior Securities, except where (x) such repurchase, purchase, redemption or acquisition was undertaken in connection with the satisfaction by the Issuer or any Subsidiary of the Issuer of its respective obligations under any share buyback programme in force and duly approved by its shareholder's general meeting or any stock option plan or free share allocation plan in each case reserved for directors, officers, and/or employees of the Issuer's group, any existing or future liquidity agreement (*contrat de liquidité*) or any associated hedging transaction or the hedging of convertible securities or hedging of other equity-linked securities or (y) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or
- (iii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed, or otherwise acquired any Parity Securities or any Bonds, except where (x) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Securities or (y) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value.

5. **Redemption and Purchase**

The Bonds may not be redeemed otherwise than in accordance with this Condition.

5.1 ***Final Redemption***

Subject to any early redemption described below, the Bonds are undated securities with no specified maturity date.

## 5.2 *Optional Redemption*

The Issuer will have the right to redeem all of the Bonds (but not some only) on any day in the period commencing on (and including) 31 January 2024 (being the date falling three months prior to the First Step-up Date) and ending on (and including) the First Step-up Date, and on any Interest Payment Date thereafter, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 10. Such early redemption of the Bonds will be made at 100 *per cent.* of their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

## 5.3 *Redemption for Taxation Reasons*

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after 29 January 2019 the Issuer would on the occasion of the next payment due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 7 below (a "**Gross-Up Event**"), the Issuer may, at its option, at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the Bonds then outstanding at 100 per cent. of their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) **provided that** the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law or regulation from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below (a "**Withholding Tax Event**"), then the Issuer may, at its option, at any time, subject to having given not less than seven (7) calendar days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 10, redeem all, but not some only, of the Bonds then outstanding at 100 per cent. of their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding or deduction for French taxes, or, if such date has passed, as soon as practicable thereafter.
- (iii) If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after 29 January 2019, the tax regime of any payments under the Bonds is modified and such modification results in the part of the interest payable by the Issuer in respect of the Bonds that is tax-deductible being reduced (a "**Tax Deduction Event**"), the Issuer may, at its option, at any time (subject to having given not more than sixty (60) nor less than thirty (30) calendar days' notice to Bondholders (which notice shall be irrevocable) in accordance with Condition 10), redeem all, but not some only, of the Bonds then outstanding at (i) 101 per cent. of their principal amount where such redemption occurs prior to 31 January 2024 (being the date falling three months prior to the First Step-up Date), or (ii) 100 *per cent.* of their principal amount where such

redemption occurs on or after 31 January 2024 (being the date falling three months prior to the First Step-up Date), in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), **provided that** the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Bonds is modified.

#### 5.4 *Redemption following an Accounting Event*

If an Accounting Event has occurred, the Issuer may, at its option, redeem all, but not some only, of the Bonds at any time, subject to the Issuer having given the Bondholders not less than thirty (30), or more than sixty (60), calendar days' prior notice (which notice shall be irrevocable) in accordance with Condition 10, at (i) 101 *per cent.* of their principal amount where such redemption occurs prior to 31 January 2024 (being the date falling three months prior to the First Step-up Date), or (ii) 100 *per cent.* of their principal amount where such redemption occurs on or after 31 January 2024 (being the date falling three months prior to the First Step-up Date), in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), **provided that** the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which the proceeds of the Bonds must not or must no longer be recorded as "equity" pursuant to IFRS (as defined below) or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of the Issuer.

Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Bondholders, (i) a certificate signed by two duly authorised representatives of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) a copy of the letter or report referred to in the definition "Accounting Event".

"**Accounting Event**" means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that, as a result of a change in the accounting rules or methodology (or the application thereof) effective since 29 January 2019, the Bonds cannot or can no longer be recorded as "equity" pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of the annual or the semi-annual consolidated financial statements of the Issuer.

#### 5.5 *Redemption following an Equity Credit Rating Event*

If an Equity Credit Rating Event has occurred, then the Issuer may, at its option, subject to having given not less than thirty (30) nor more than sixty (60) calendar days' notice to the Fiscal Agent and, in accordance with Condition 10, the Bondholders (which notice shall be irrevocable), redeem all, but not some only, of the Bonds at any time, at (i) 101 *per cent.* of their principal amount where such redemption occurs prior to 31 January 2024 (being the date falling three months prior to the First Step-up Date), or (ii) 100 *per cent.* of their principal amount where such redemption occurs on or after 31 January 2024 (being the date falling three months prior to the First Step-up Date), in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), **provided that** the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which the Bonds are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Bonds by the relevant Rating Agency on 29 January 2019, or if such equity credit was not assigned on 29 January 2019, at the date when the equity credit was assigned for the first time.

Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Bondholders, (i) a certificate signed by two duly authorised representatives of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) evidence of the written confirmation referred to in the definition of "Equity Credit Rating Event".

**"Equity Credit Rating Event"** means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency (as defined below) effective after 29 January 2019 (or effective after the date when the equity credit is assigned for the first time, as applicable), which amendment, clarification or change results in a lower equity credit for the Bonds than the then respective equity credit assigned on 29 January 2019, or if equity credit is not assigned on 29 January 2019, at the date when the equity credit is assigned for the first time.

#### 5.6 *Redemption following Substantial Repurchase Event*

If a Substantial Repurchase Event has occurred, the Issuer may at its option, at any time, redeem all, but not some only, of the outstanding Bonds at 100 per cent. of their principal amount, subject to the Issuer having given the Bondholders not less than thirty (30), or more than sixty (60), Business Days' prior notice (which notice shall be irrevocable) in accordance with Condition 10.

**"Substantial Repurchase Event"** means that prior to the giving of the relevant notice of redemption, at least 75 *per cent.* of the initial aggregate principal amount of the Bonds issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary of the Issuer and has been cancelled.

#### 5.7 *Redemption following a Change of Control Call Event*

If at any time while any Bond remains outstanding, there occurs (i) a Change of Control (as defined below) and (ii) within the Change of Control Period, a Rating Downgrade (as defined below) occurs or has occurred as a result of such Change of Control or as the result of a Potential Change of Control (in either case a **"Change of Control Call Event"**), the Issuer may, at its option (the **"Change of Control Call Option"**), but in no circumstances before the expiry of the Senior Bonds Put Period (as defined below), redeem or procure the purchase of all, but not some only, of the Bonds at 100 *per cent.* of their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

A **"Change of Control"** shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to legally or beneficially own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying more than 50 *per cent.* of the voting rights exercisable at a general meeting of the Issuer.

**"Change of Control Period"** means the period commencing on the date that is the earlier of (1) the first public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* ("AMF") or by the Issuer of the relevant Change of Control and (2) the date of the Potential Change of Control and ending on the date which is 90 calendar days after the date of the first public announcement of the result.

A **"Potential Change of Control"** means any public announcement or statement by the Issuer, or by any actual or potential bidder(s) relating to any potential Change of Control of the Issuer.

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control or of a Potential Change of Control if within the Change of Control Period, the rating previously assigned to the long-term credit of the Issuer by any Rating Agency (as defined below) solicited by the Issuer is

(x) withdrawn or (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (z) if the rating previously assigned to the long-term credit of the Issuer by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB; or their respective equivalents), provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the Rating Agency does not publicly announce or publicly confirm that the reduction was the result, in whole or in part, of the Change of Control or the Potential Change of Control, as the case may be, and (ii) any Rating Downgrade must have been confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed. If the long-term credit of the Issuer is rated by more than one Rating Agency and such rating has been solicited by the Issuer, the rating to be taken into account to determine whether a Rating Downgrade has occurred shall be the lower rating assigned by any such Rating Agency.

If the long-term credit of the Issuer ceases at any time to have a rating assigned to it by at least one Rating Agency, the Issuer shall use its best endeavours to obtain a rating of its long-term credit from a Rating Agency as soon as practicable.

**"Rating Agency"** means S&P Global Ratings Europe Limited ("**S&P**"), Fitch Ratings Limited or any other rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

**"Senior Bonds Put Option"** means the option given to the holder of any Unsubordinated Obligation pursuant to the terms and conditions thereof, to require the Issuer to redeem such Unsubordinated Obligation as a result of a Change of Control.

**"Senior Bonds Put Period"** means the period given to the holder of any Unsubordinated Obligation pursuant to the terms and conditions thereof, as a result of a Change of Control, during which the holder of such Unsubordinated Obligation may exercise the Senior Bonds Put Option.

If a Change of Control Call Event has occurred, the Issuer shall, as soon as practicable after the expiry of the Senior Bonds Put Period, give notice (a "**Call Event Notice**") to the Bondholders in accordance with Condition 10 specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption of the Bonds will take place or the Issuer's election not to redeem the Bonds.

If the Issuer elects to redeem the Bonds, such redemption or purchase will take place not less than thirty (30), nor more than sixty (60) calendar days after a Call Event Notice is given.

#### 5.8 **Purchases**

The Issuer may, at any time, purchase the Bonds together with rights to interest and any other amounts relating thereto in the open market or otherwise (including by way of tender or exchange offers) at any price subject to applicable laws and regulations.

All Bonds purchased by, or for the account of, the Issuer, may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

#### 5.9 **Cancellation**

All Bonds which are purchased by the Issuer pursuant to this Condition 5 may be cancelled or held (together with rights to interest and any other amounts relating thereto) in accordance with applicable laws and regulations. Any Bonds so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

## 6. Payments

### 6.1 *Method of Payment*

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Bonds will be made in euro by credit or transfer to a euro-denominated account (or any other account to which euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET2 System.

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, but without prejudice to the provisions of Condition 7 be subject to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and, as the case may be, (ii) any withholding or deduction imposed or required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (any such withholding or deduction, a "**FATCA Withholding**").

### 6.2 *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Bond is not a Business Day, then the Bondholder shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Bondholder shall not be entitled to any interest or other sum in respect of such postponed payment.

No commission or expenses shall be charged to the Bondholders in respect of such payments.

### 6.3 *Fiscal Agent, Paying Agent and Calculation Agent*

The names of the initial Agents and their specified offices are set out below:

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

**BNP Paribas Securities Services**  
3, 5, 7 rue de Général Compans  
93500 Pantin  
France

Attn: Debt Solutions France

E-mail: paris\_bp2s\_gct\_debt\_france@bnpparibas.com

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, **provided that** there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city.

#### 7. **Taxation**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If, pursuant to French law, payments of principal, interest or other revenues in respect of any Bond become subject to withholding or deduction in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the holder of each Bond, after such withholding or deduction will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any Bond to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Bonds and all other amounts in the nature of principal payable pursuant to Condition 5, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, if any, all Arrears of Interest and all Additional Interest Amount) payable pursuant to Condition 4 and (iii) "**principal**" and/or "**interest**" and/or "**or other revenues**" shall be deemed to include any Additional Amounts that may be payable under this Condition.

Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

#### 8. **Enforcement Events, no Events of Default and no Cross Default**

There are no events of default in respect of the Bonds. There is no cross default under the Bonds.

However, each Bond shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgement is rendered by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) or in the event of a voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Bonds). No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Bondholders have been paid by the Issuer.

#### 9. **Representation of the Bondholders**

The Bondholders will be grouped automatically for the defence of their common interests in a masse (the "**Masse**") which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 9.

(a) *Representation of the Bondholders*

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

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

(b) *Representative:*

The following person is designated as Representative of the Masse:

MASSQUOTE S.A.S.U.  
RCS 529 065 880 Nanterre  
7bis rue de Neuilly  
F-92110 Clichy  
France

Mailing address:  
33, rue Anna Jacquin  
92100 Boulogne Billancourt  
France

The Issuer shall pay to the Representative of the Masse an amount equal to €500 per annum (excluding taxes), payable annually on the anniversary date of the issue.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, another Representative may be appointed.

(c) *Powers of the Representatives:*

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

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

(d) *Collective Decisions*

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**"), or (ii) by unanimous consent of the Bondholders following a written consultation (the "**Written Unanimous Decision**"), or (iii) by the consent of one or more Bondholders holding together at least 66<sup>2/3</sup> per cent. of the principal amount of the Bonds outstanding, following a written consultation (the "**Written Majority Decision**").

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

Collective Decisions must be published in accordance with Condition 9(h).

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

(i) General Meetings

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth (1/30) of the principal amount of Bonds outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Bondholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Bondholders present or represented hold at least one-fifth (1/5) of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions of the General Meetings shall be taken by a simple majority of votes cast by the Bondholders attending such meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 9(g) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

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

Each Bondholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Bondholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

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

(ii) Written Decisions

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

(a) Written Unanimous Decision

Written Unanimous Decisions shall be signed by or on behalf of all the Bondholders. Approval of a Written Unanimous Decision may also be given by way of electronic communication allowing the identification of Bondholders in accordance with Article L.228-46-1 of the French *Code de commerce* ("**Electronic Consent**"). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Bondholders. Such Written Unanimous Decision may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Bondholders and shall be published in accordance with Condition 9(h).

(b) Written Majority Decision

Notices seeking the approval of a Written Majority Decision will be published as provided under Condition 9(h) no less than 15 calendar days prior to the date fixed for the passing of such Written Majority Decision (the "**Written Majority Decision Date**"). Notices seeking the approval of a Written Majority Decision will contain the conditions of form and time limits to be complied with by the Bondholders who wish to express their approval or rejection of such proposed Written Majority Decision. Bondholders expressing their approval or rejection before the Written Majority Decision Date will undertake not to dispose of their Bonds until after the Written Majority Decision Date.

Written Majority Decisions shall be signed by one or more Bondholders holding together at least 66<sup>2/3</sup> per cent. of the principal amount of the Bonds outstanding. Approval of a Written Majority Decision may also be given by Electronic Consent. Any Written Majority Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of the Bondholders. Such Written Majority Decisions may be contained in one document, or in several documents in like form each signed by or on one behalf of one or more of the Bondholders and shall be published in accordance with Condition 9(h).

(e) *Exclusion of certain provisions of the French Code de commerce*

Changes in the corporate form of the Issuer or merger or demerger of the Issuer relating to intra-group reorganisation within the current group perimeter ("**Intra-Group Reorganisation**"), will not require prior approval by the General Meeting of the Bondholders and consequently, the provisions of Article L.228-65 I. 1°, in relation to proposed changes in the corporate form of the Issuer only, and 3°, in relation to proposed Intra-Group Reorganisation of the Issuer, of the French *Code de commerce*, and the related provisions of the French *Code de commerce*, shall not apply to the Bonds.

(f) *Expenses*

The Issuer shall pay all expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Bonds.

(g) *Sole Bondholder*

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

(h) *Notices to Bondholders for the purposes of this Condition 9*

Any notice to be given to Bondholders in accordance with this Condition 9 shall be published in accordance with Condition 10.

Any decision to proceed with a transaction, notwithstanding the failure to obtain Bondholders' approval, as contemplated by Article L.228-72 of the French *Code de commerce* (subject to Condition 9(e)) will be notified to Bondholders in accordance with Condition 10. Any Bondholder will then have the right to request redemption of its Bonds at par within thirty (30) days of the date of notification, in which case the Issuer shall redeem such Bondholder within thirty (30) days of the Bondholder's request for redemption.

If a merger or a spin-off is contemplated by the Issuer, the Issuer will have the option to submit the proposal for approval by a Collective Decision of the Masse or to offer redemption at par to Bondholders pursuant to Article L. 228-73 of the French *Code de commerce* (subject to Condition 9(e)). Such redemption offer shall be notified to Bondholders in accordance with this Condition 10. If the Masse does not approve the merger or spin-off proposal, any decision to proceed with the transaction will be notified to Bondholders in accordance with Condition 10.

#### 10. Notices

Any notice to the Bondholders will be valid if delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, for so long as the Bonds are cleared through such clearing systems and published on the website of the Issuer (<http://www.accorhotels-group.com>). Any such notice shall be deemed to have been given on the date of delivery of such notice to Euroclear France, Euroclear or Clearstream or, if delivered more than once or on different dates, on the first date of which such delivery is made, and if later, the date of such publication on the website of the Issuer.

#### 11. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall be prescribed and become void unless made within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

#### 12. Further Issues

The Issuer may, from time to time without the consent of the Bondholders, issue further bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, **provided that** such further bonds and the Bonds shall carry rights identical in all respects (or in all respects save for the first payment of interest thereon) and that the terms of such further bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated bonds will, for the defence of their common interests, be grouped in a single Masse having legal personality.

#### 13. Governing Law and Jurisdiction

The Bonds are governed by, and construed in accordance with, the laws of France.

Any claim against the Issuer in connection with any Bonds will be submitted to the exclusive jurisdiction of the competent courts in Paris.

The following paragraph in italics does not form part of the Conditions.

*The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Bonds only to the extent that such part of the aggregate principal amount of the Bonds to be redeemed or repurchased which was assigned "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the Bonds does not exceed such part of the net proceeds received by the Issuer or any subsidiary of the Issuer from the sale or issuance of securities by the Issuer or such subsidiary to third party purchasers (other than group entities of the Issuer) which is assigned by S&P "equity credit" (or such similar nomenclature used by S&P from time to time), at the time of sale or issuance of such securities (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Bonds) unless:*

- (i) *the long-term corporate credit rating assigned by S&P to the Issuer is the same as or higher than the long-term corporate credit rating assigned to the Issuer on 31 January 2019 and the Issuer is of the view that such a rating would not fall below this level as a result of such redemption or repurchase, or*

- (ii) *in the case of a repurchase only, such repurchase is of less than (a) 10 per cent. of the aggregate principal amount of the Bonds originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Bonds originally issued in any period of 10 consecutive years, or*
- (iii) *if, in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology; or*
- (iv) *the Bonds are redeemed pursuant to a Tax Deduction Event or a Gross-Up Event, Withholding Tax Event, an Accounting Event, an Equity Credit Rating Event or a Change of Control Call Event, or*
- (v) *if the Bonds are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase, or*
- (vi) *such redemption or repurchase occurs on or after the Reset Date falling in 30 April 2044.*

## **USE OF PROCEEDS**

The net proceeds from the issue of the Bonds will be used for the general corporate purposes of the Issuer including the refinancing of existing debt (including the bonds to be purchased in the context of the Tender Offer referred to in the section *Recent Developments* below).

## RECENT DEVELOPMENTS

- **AccorHotels acquires Mövenpick Hotels & Resorts**

The following is an extract from a press release dated 30 April 2018.

"AccorHotels has today announced that it has signed an agreement with Mövenpick Holding and Kingdom Holding to acquire Mövenpick Hotels & Resorts, for a cash amount of CHF560 million (€482 million). The transaction implies a 14.9X 2019e EBITDA multiple before synergies (including transaction costs), and less than 10X pro forma 2019e EBITDA after run rate synergies and committed development pipeline. The transaction will have an accretive impact on Group earnings from the first year.

Founded in 1973 in Switzerland, Mövenpick Hotels & Resorts operates in 27 countries with 84 hotels (more than 20,000 rooms) and a particularly strong presence in Europe and the Middle East. Mövenpick Hotels & Resorts also plans to open 42 additional hotels by 2021, representing almost 11,000 rooms, with significant expansion in Middle East, Africa and Asia-Pacific. The Group, which has high-end expertise in the main hotel-related services, employs more than 16,000 people worldwide.

Sébastien Bazin, Chairman and CEO of AccorHotels, said, *"With the acquisition of Mövenpick, we are consolidating our leadership in the European market and are further accelerating our growth in emerging markets, in particular in Middle East, Africa and Asia-Pacific. The Mövenpick brand is the perfect combination of modernity and authenticity and ideally complements our portfolio. Its European-Swiss heritage is a perfect fit with AccorHotels. By joining the Group, it will benefit from AccorHotels' power, particularly in terms of distribution, loyalty-building and development. This transaction illustrates the strategy we intend to pursue with the opening up of AccorInvest's capital: to seize tactical opportunities to strengthen our positions and consolidate our leaderships, as well as leverage our growth."*

Mövenpick Hotels & Resorts will benefit from AccorHotels' loyalty program, distribution channels and operating systems, which will help optimize their performance.

This acquisition further consolidates the current footprint in Europe and in the Middle East and accelerates growth notably in key regions where the Group has been established for many years, such as Africa and Asia.

The transaction is subject to regulatory approvals. It should be completed during the second half of 2018."

- **AccorHotels and sbe Entertainment Group Announce Strategic Partnership**

The following is an extract from a press release dated 29 June 2018.

"AccorHotels and sbe Entertainment Group ("sbe") have signed a Letter of Intent and entered into exclusive negotiations for AccorHotels to acquire a 50% stake in sbe, further illustrating AccorHotels' strategy to expand its offering in the luxury lifestyle hospitality segment.

This partnership will combine the expertise and savoir-faire of the two groups; AccorHotels will acquire the 50% of sbe's common equity held in part by Cain International for \$125 million. Sam Nazarian will continue to own the remaining 50% of sbe. In addition, AccorHotels will invest \$194 million in a new preferred debt instrument that will be used to redeem all existing preferred units, also held in part by Cain International. AccorHotels' total investment in sbe will be \$319 million.

This long-term investment will allow sbe to leverage AccorHotels' leading global hospitality platform while remaining an independent luxury lifestyle operator. Sbe will continue to be led by its Founder and CEO Sam Nazarian as well as its expert management team while retaining its global headquarters in New York.

Sam Nazarian, Founder and CEO of sbe: *"This partnership with AccorHotels marks a new milestone in sbe's history. This long-term investment by AccorHotels provides sbe, its customers and hotel owners with*

*greater depth and breadth around the world and supports our collective ambition to be the best lifestyle hospitality company in the market. Building on our acquisition of Morgans Hotel Group in 2016, this investment will further accelerate our growth both domestically in the United States and in new markets internationally, particularly in Europe. Myself and the over 7,000 associates at sbe are thrilled and honored to partner with AccorHotels and be part of the amazing, innovative and pioneering culture that my dear friend, Chairman and CEO Sébastien Bazin and his team have implemented. Moving forward, sbe and AccorHotels together are committed to bringing our unique lifestyle experiential offering to more destinations and serving our discerning guests with unforgettable memories.”*

Sébastien Bazin, Chairman & CEO, AccorHotels: *“I am delighted to announce this strategic partnership with one of the most innovative Groups in the luxury lifestyle space worldwide. It marks a new step in expanding AccorHotels’ footprint in this fast growing segment in key US cities such as Miami, Los Angeles or Las Vegas, and in other international destinations. “The new luxury” is all about exclusive experiences and incredible lifestyle concepts and sbe brands have the perfect know-how that will complete perfectly the AccorHotels portfolio. We remain committed to providing all our guests with unparalleled service and always renewed experiences around the world”.*

Jonathan Goldstein, Chief Executive of Cain International, commented: *“Cain International became partners to sbe in 2016 providing the investment required at that time to enable the group to expand its footprint of some of the leading luxury lifestyle hospitality assets in the world. We are confident that sbe will continue to go from strength to strength with its new partners, AccorHotels; we wish them every success in the future and are proud of the role we have played in their exciting growth story.”*

Founded in 2002 by Sam Nazarian, sbe is a leading lifestyle hospitality company that develops, manages and operates award-winning global properties and brands. It is renowned for its unique 360-degree approach to lifestyle hospitality that includes branded luxury residences and serviced apartments, wellness and spa platforms and dining & entertainment experiences.

sbe’s leading hospitality and residential brands include SLS, Delano, Mondrian, Hyde, The Originals (Sanderson, St. Martin Lane, Hudson, 10 Karakoy, Shore Club) and the Redbury Hotels. Through its Disruptive Restaurant Group platform, sbe has created global award-winning culinary brands Katsuya, Umami Burger, Cleo, Leynia, Diez & Siez and Filia and innovative entertainment brands including Hyde nightclub and dayclub, Nightingale, Privilege dayclub Black Orchid, S Bar, Skybar and the Doheny Room. Landmark destinations in its portfolio include, Delano South Beach in Miami, SLS Baha Mar in the Bahamas, Mondrian Doha in Qatar, Hyde Bellagio in Las Vegas, Mondrian Park Avenue in New York City and the newly-opened 57 story SLS LUX Brickell in Miami. Upcoming opening includes Delano Rio de Janeiro, Delano Dubai at the Palm and Hyde Midtown in Miami.

Through this investment, sbe will accelerate its international growth with expansion into new markets outside of the US, including priority growth markets in the Middle East and Latin America. sbe’s pipeline includes projects in some of the most important global gateway cities such as Atlanta, Chicago, Washington D.C., Dubai, Rio de Janeiro, Mexico City, Cancun, Tokyo and Los Cabos.

By the end of 2018 sbe will operate 25 hotels, comprising 7,498 keys with a majority in North America, 170 award winning restaurants and entertainment venues in global destinations as well as new properties in the Middle East, Asia and Latin America. It currently has a further 20 hotels and residences around the world in its pipeline, as well as 59 standalone restaurants and nightlife venues. In addition, sbe has sold 1,500 branded residential units valued at \$2 billion with over 2,500 units valued at \$2.5 billion in its pipeline.

Through this partnership, AccorHotels will expand its current geographic footprint in gateway North American cities such Los Angeles, Miami, Las Vegas and New York with iconic hotels. Additionally, sbe’s core millennial customer base will gain access to the AccorHotels platform.

With its global hotel development platform and presence in 100 countries, AccorHotels will play a key role in developing sbe’s luxury lifestyle hotel, restaurant and entertainment brands globally. sbe hotels will also be distributed on the AccorHotels distribution platform, be featured on Accorhotels.com and will be part of the AccorHotels loyalty programme.

The transaction is subject to regulatory approvals. It should be completed by July 31, 2018.”

- **Launch of the Share Buy Back Program**

The following is an extract from a press release dated 27 July 2018.

"Accor S.A. has announced on February 27, 2018 that it intended to implement, over a two-year period, a share buyback program that would cover up to 10% of its share capital, i.e. 1,350 million euros based on the market capitalization as of end of February 2018.

In this context, the Group has signed today with an investment services provider a share buy-back agreement to implement a first tranche of this share buyback program.

According to this agreement, Accor undertakes to acquire Accor shares for a maximum amount of 350 million euros.

The purchase period provided in the agreement shall start on July 30, 2018 and end on January 31, 2019, without being shorter than 3 months. The average price per share shall be determined on the basis of the arithmetic mean of the volume-weighted average prices during the duration of the agreement. This price shall not exceed the maximum price of 70 euros set by the Combined Ordinary and Extraordinary Shareholders' Meeting of April 20, 2018.

In this context, the Group has decided to suspend the execution of its liquidity agreement for the duration of the program."

- **AccorHotels signs agreement to acquire 21c Museum Hotels**

The following is an extract from a press release dated 31 July 2018.

" AccorHotels today announced that it has signed an agreement to acquire 85% of 21c Museum Hotels, an award-winning hospitality management company pushing the boundaries of the museum and hotel worlds to create a new kind of travel experience. 21c combines a multi-venue contemporary art museum, boutique hotels and chef-driven restaurants, with 11 properties currently open and under development across the United States.

21c Museum Hotels was founded in 2006 in Louisville by philanthropists and contemporary art collectors Laura Lee Brown and Steve Wilson. The pair had seen the region's farmland and rural landscapes fall to development while the historic buildings of Louisville's downtown sat vacant. Inspired by the idea that art can ignite urban revitalization and catalyze civic connection, Brown and Wilson rehabilitated a series of 19th century warehouses in Louisville's downtown arts and theater district to open the first 21c Museum Hotel.

The success of the Louisville flagship created opportunities for expansion; today the company operates eight 21c properties in Bentonville, Cincinnati, Durham, Kansas City, Lexington, Louisville, Nashville and Oklahoma City, with 3 more in development in Des Moines, Miami and Chicago. 21c Museum is one of the largest contemporary art museums in the United States, and North America's only collecting museum dedicated solely to art of the 21st century. Open and accessible 24 hours a day, 7 days a week, 21c's exhibitions and programs are free to the public. Each property remains an innovative union of genuine hospitality, thoughtful design, artistic expression and culinary creativity.

21c Museum Hotels will join AccorHotels' MGallery collection of boutique hotels, marking the introduction of the MGallery brand into the North American market. Each MGallery property has its own unique design and story to tell, from Hotel Molitor Paris - MGallery and INK Hotel Amsterdam - MGallery to Hotel Muse Bangkok Langsuan – MGallery and Harbour Rocks Hotel Sydney - MGallery. 21c Museum Hotels will benefit from AccorHotels' support in terms of development opportunities, increased sales and marketing exposure, and access to one of the largest distribution networks in the industry.

This agreement will allow 21c Museum Hotels to leverage AccorHotels' leading global hospitality platform while retaining its independent spirit. Co-founders Laura Lee Brown & Steve Wilson will retain a 15% stake in the company, and will remain closely involved in providing creative guidance and support of the unique combination of art, design and hospitality that defines the 21c experience. 21c Museum Hotels will continue to be led by President & CEO Craig Greenberg. Corporate headquarters for 21c will remain in Louisville, Kentucky.

The purchase price for the 85% stake is \$51 million, including a potential earn out payment. No real estate is included in this acquisition. The transaction should be completed during the third quarter of 2018.

Kevin Frid, Chief Operating Officer, North & Central America, AccorHotels, said: *"We are delighted to welcome 21c Museum Hotels as part of the AccorHotels family of brands, hence strengthening the Group's footprint in North America in a very unique and promising niche. Together, we have a tremendous opportunity to grow the 21c brand, as well as introduce MGallery into the North American market, building both brand equities and further expanding the full range of unparalleled experiences for our guests. This strategic acquisition marks a new step in AccorHotels' strategy of being the leading player in the Luxury and Lifestyle segment in North America."*

21c founder, Steve Wilson, said: *"21c Museum Hotels is proud to announce our entry into the AccorHotels family. AccorHotels is one of the world's leading hotel operators and will be a perfect partner and catalyst for 21c's continued growth. We are confident that the unique spirit of 21c will not only be preserved, but will flourish within the MGallery collection of boutique hotels. 21c will continue to bring the work of today's most dynamic and engaging contemporary artists to the public, and this partnership will be a tremendous boost for 21c's continued development in North America and abroad. We are extremely excited to see what the future holds."*

- **AccorHotels completes the acquisition of Mövenpick Hotels & Resorts**

The following is an extract from a press release dated 4 September 2018.

"AccorHotels announces that the acquisition of Mövenpick Hotels & Resorts has been completed on September 3<sup>rd</sup>, 2018."

- **Appointments of Chris Cahill and Jean-Jacques Morin as Deputy Chief Executive Officers of AccorHotels**

The following is an extract from a press release dated 20 September 2018.

"Chris Cahill and Jean-Jacques Morin have been appointed as Deputy Chief Executive Officers of AccorHotels and their respective remits have been extended accordingly.

Chris Cahill, until now CEO Luxury Brands and CEO North America, Central America and Caribbean Region, assumes the role of Deputy CEO responsible for Hotel Operations.

Jean-Jacques Morin, until now Chief Financial Officer, has been appointed Deputy CEO responsible for Finance, Communications and Strategy.

Sébastien Bazin, Chairman and CEO of AccorHotels, said, *"The appointments of Chris Cahill and Jean-Jacques Morin as Group Deputy CEOs alongside Deputy CEO Sven Boinet are intended to further improve our operational efficiency and the quality of delivery of the Group's strategy. Following the disposal of the majority of our real estate assets, our organization now mirrors the challenges of an asset-light model serving the Group's customers and partners and our drive to continue the roll-out of the Group's growth drivers."*

The composition of the Group's Executive Committee and Shadow Comex remains unchanged.

#### About Chris Cahill

Chris J. Cahill, a Canadian, holds two Bachelor's Degrees, in Education and Political Science, from the University of Ottawa, and an MBA from the University of Toronto.

Prior to joining AccorHotels, Chris worked as Executive Vice-President Global Operations for Las Vegas Sands Corp, a publicly traded casino operator with activities in the US, China and Singapore. Previously, from 1993 to 2012, Chris served in various capacities at Fairmont Raffles Hotels International (FRHI) and its predecessor companies, including as President and Chief Operating Officer responsible for the operational performance of all brands worldwide.

He joined AccorHotels' Executive Committee in July 2016 as CEO Luxury Brands when the Group finalized the acquisition of FRHI. Chris also serves as Chairman of the Board of Directors of Temple Hotels Inc. and sits on the Board of Directors of Morguard Corporation.

#### About Jean-Jacques Morin

Jean-Jacques Morin holds an engineering Degree from the École Nationale Supérieure de l'Aéronautique et de l'Espace, a CPA (Certified Public Accountant) and an MBA from the Arizona State University.

He began his career at Deloitte, where he spent 5 years conducting audits and consulting assignments in Paris then Montreal. He then spent 13 years in the international high-tech sector, first with Motorola and then with ON Semiconductor in the US, where he worked on the company's NASDAQ listing. He went on to work as CFO for Communicant AG in Berlin. He joined Alstom in 2005 and notably served as CFO for the Power Service sector, and subsequently the Transport sector, before his promotion as Group CFO.

He was appointed to the AccorHotels Executive Committee as Chief Financial Officer in 2015.

He also sits on the Board of Directors of Vallourec Group where he chairs the Audit Committee."

- **AccorHotels completes its acquisition of a 50% stake in sbe Entertainment Group. Founder & CEO Sam Nazarin will control the remaining 50%**

The following is an extract from a press release dated 9 October 2018.

"AccorHotels and sbe Entertainment Group ("sbe") announced today the completion of AccorHotels' acquisition of a 50% stake in sbe.

Through this partnership, AccorHotels' will pursue its strategy to expand its offering in the luxury lifestyle hospitality segment and its footprint in gateway cities across North America.

This long-term investment will allow sbe to leverage AccorHotels' leading global hospitality platform while remaining an independent luxury lifestyle operator. sbe will continue to be led by its Founder and CEO Sam Nazarian as well as its expert management team while retaining its global headquarters in New York.

Sébastien Bazin, Chairman & CEO, AccorHotels: Sébastien Bazin, Chairman & CEO, AccorHotels: *"I am very proud of this unique partnership. It combines the best of both groups by offering all our guests lifestyle concepts in the luxury segment. With sbe's brand portfolio, AccorHotels is also taking a significant step forward in its group's expansion in key gateway cities in the US. Sam Nazarian is an innovator with an inborn sense of creating unique experiences and groundbreaking hotels and F&B concepts. We are delighted to join forces and mutualize our skills for the benefits of our guests".*

Sam Nazarian, Founder and CEO of sbe: *"This partnership with AccorHotels marks the beginning of a new chapter in sbe's history and I'm thrilled that this strategic partnership has now been completed. sbe has grown rapidly since the acquisition of Morgans Hotel Group in 2016. The sbe portfolio will grow to over 50 hotels by 2020, paired with tremendous expansion in the residential, culinary and entertainment segment of the 360 lifestyle experience, including over 50 global venues in the pipeline. The partnership with AccorHotels is only going to accelerate this growth both in the US and in international markets. Sébastien Bazin has built an incredibly successful global platform in an ecosystem and digital market. Everyone at sbe is hugely excited to combine the unique offerings of both groups to provide our guests with unparalleled lifestyle experiences."*

sbe hotels, culinary and entertainment venues will be distributed on the AccorHotels platform, be featured on Accorhotels.com and will be part of the AccorHotels loyalty program. With its global hotel development platform and its presence in 100 countries, AccorHotels will play a key role in developing sbe's iconic luxury lifestyle hotel, restaurant and entertainment brands globally including SLS, Delano, Mondrian, Hyde and The Originals (Sanderson, St. Martin Lane, 10 Karakoy, Shore Club and Redbury).

Renowned for its unique 360-degree approach to lifestyle hospitality sbe develops, manages and operates award-winning global properties and brands that includes luxury residences, serviced apartments, wellness and spa platforms and dining & entertainment experiences.

Through this investment, sbe will accelerate its international growth with expansion into new markets outside of the US, including priority growth markets in the Middle East and Latin America. sbe's pipeline includes projects in some of the most important global gateway cities such as Atlanta, Chicago, Washington D.C., Dubai, Rio de Janeiro, Mexico City, Cancun, Tokyo and Los Cabos.

sbe's leading hospitality and residential brands include SLS, Delano, Mondrian, Hyde, The Originals (Sanderson, St. Martin Lane, Hudson, 10 Karakoy, Shore Club and Redbury Hotels). Through its Disruptive Restaurant Group platform, sbe has created global award-winning culinary brands Katsuya, Umami Burger, Cleo, Leynia, Diez & Siez and Fili'a and innovative entertainment brands including Hyde nightclub and dayclub, Nightingale, Privilege dayclub Black Orchid, S Bar, Skybar and the Doheny Room. Landmark destinations in its portfolio include, Delano South Beach in Miami, SLS Baha Mar in the Bahamas, Mondrian Doha in Qatar, Hyde Bellagio in Las Vegas, Mondrian Park Avenue in New York City and the newly-opened 57 story SLS LUX Brickell and Hyde midtown both in Miami. Upcoming openings include Delano Dubai at the Palm and Hyde Beach House in Hollywood Florida.

By the end of 2018 sbe will operate 25 hotels, comprising 7,498 keys with a majority in North America, 170 award winning restaurants and entertainment venues in global destinations as well as new properties in the Middle East, Asia and Latin America. It currently has a further 20 hotels and residences around the world in its pipeline, as well as 59 standalone restaurants and nightlife venues. In addition, sbe has sold 1,300 branded residential units valued at \$2 billion with over 2,500 units valued at \$2.5 billion in its pipeline.

Dakota Development is a division of sbe that is responsible for the design and development of sbe properties around the world. Dakota Development will remain at the forefront of the design and development process as our pipeline continues to grow with the support of AccorHotels."

- **Third-quarter 2018 revenue: up 7.6 like for like for €1,033 billion; Full-year EBITDA target between €700 million and €720 million**

The following is an extract from a press release dated 18 October 2018.

"Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, said: "AccorHotels turned in a solid performance in the third quarter, reflecting positive operating trends in the majority of our markets as well as the Group's strong growth as a result of acquisitions made since the start of the year. In addition to these operations, which enable us to cement our international leadership, our organic growth continued at a fast pace and our pipeline rose above the 1,000 hotel mark, underlining the strength of our brand portfolio. Despite contrasting conditions across our geographies, this strong operating momentum enables us to narrow our EBITDA target to the upper range of the guidance announced in July."

In the third quarter of 2018, **revenue** came in at **€1,033 billion**, up 22.3% as reported and **7.6% like for like**.

**RevPAR climbed 5.9%**, reflecting positive performances in all regions – particularly in Europe (+7.1%) and Asia-Pacific (+3.1%) – primarily as a result of a strong price effect (76%).

**Changes in the scope of consolidation** (acquisitions and disposals) had a positive impact of €144 million (+17.0%), thanks in particular to the addition of Mantra, Mövenpick and Gekko.

**Currency effects** had a negative impact of €20 million, attributable to the euro's substantial appreciation against a number of currencies, and despite a fall in value versus the US dollar (1.0%).

During the period, AccorHotels opened **73 hotels**, adding **nearly 11,000 rooms**. At end-September 2018, **the Group's pipeline** had risen above the symbolic 1,000 hotel mark with **1,031 units** in planning, representing record volumes of around **184,000 rooms**.

| <i>In € millions</i> | Q3 2017 <sup>(1)</sup> | Q3 2018      | Change (as reported) | Change (LFL) <sup>(2)</sup> |
|----------------------|------------------------|--------------|----------------------|-----------------------------|
| HotelServices        | 628                    | 679          | +8.1%                | +9.1%                       |
| New Businesses       | 32                     | 40           | +27.1%               | (5.8%)                      |
| Hotel Assets         | 203                    | 333          | +64.1%               | +6.3%                       |
| Holding & Intercos   | (19)                   | (20)         | N/A                  | N/A                         |
| <b>Total</b>         | <b>844</b>             | <b>1,033</b> | <b>+22.3%</b>        | <b>+7.6%</b>                |

(1) Pro forma financial information.

(2) Like for like: at constant scope of consolidation and exchange rates.

### POSITIVE MOMENTUM FOR HOTELSERVICES

**HotelServices**, which operated 4,681 hotels (684,836 rooms) under franchise agreements and management contracts at the end of September 2018, reported a **9.1% like-for-like increase in revenue to €679 million**. This growth resulted from very strong activity in all regions.

Within the division, **Management & Franchise (M&F)** posted like-for-like revenue growth of 8.5%, supported by a solid RevPAR performance and expansion of the hotel portfolio:

| <i>In € millions</i>                            | Q3 2017 <sup>(1)</sup> | Q3 2018    | Change (LFL) <sup>(2)</sup> |
|---|------------------------|------------|-----------------------------|
| Europe  | 133                    | 139        | +10.2%                      |
| Asia-Pacific                                    | 48                     | 50         | +6.1%                       |
| Middle East & Africa                            | 16                     | 18         | +1.5%                       |
| North America, Central America & the Caribbean  | 31                     | 34         | +7.1%                       |
| South America                                   | 12                     | 11         | +13.4%                      |
| <b>HotelServices Management &amp; Franchise</b> | <b>239</b>             | <b>251</b> | <b>+8.5%</b>                |

(1) Pro forma financial information.

(2) Like for like: at constant scope of consolidation and exchange rates.

### Systemwide RevPAR system was up 5.9% overall.

In **Europe**, M&F posted strong like-for-like revenue growth (+10.2%), driven by RevPAR growth of 7.1%.

- In France, RevPAR was up 8.3% like for like. This good performance was driven essentially by Paris (+16.5%), where conditions were favorable thanks to a busy trade fair and sporting calendar. Activity was also strong outside Paris, with RevPAR up 3.5%.
- In the United Kingdom, RevPAR growth during the quarter (+3.4%) reflected a particularly favorable summer period. Unlike in the first half, activity was up sharply in London (+5.8%), where the occupancy rate reached a record high of over 90% in the third quarter. Outside London, RevPAR also increased, albeit at a more modest rate (+1.4%).
- RevPAR growth was +3.7% in Germany thanks to a busy trade fair calendar during the quarter, particularly in September.
- Spain was impacted by the complex political situation in Catalonia, recording a 1.4% decline in RevPAR.

In **Asia-Pacific**, RevPAR growth slowed slightly to +3.1% while M&F revenue rose 6.1% on a like-for-like basis. In Australia, RevPAR (+0.6%) was affected by political uncertainty as well as the overcapacity of

hotel rooms in some major towns and cities. In China, RevPAR remains solid at +6.0%, following growth of +8.1% in the first half of the year.

In the **Middle East & Africa region**, RevPAR climbed 5.4% during the third quarter, up sharply compared with the first half of the year. The increase was driven by the implementation of a sound pricing strategy during the Hajj celebration in the Middle East. M&F revenue grew by 1.5% on a like-for-like basis during the period.

**North America, Central America & the Caribbean** delivered a 4.6% increase in RevPAR, with healthy business in Canada (+8.6%). M&F Revenue for the region advanced 7.1% like for like.

Lastly, the recovery in **South America** continued apace, with RevPAR up 11.2% and M&F revenue up 13.4%. In Brazil, RevPAR rose 10.1%, with a very pronounced acceleration across the entire country, except in Rio, where overcapacity and socio-economic difficulties continued to dampen demand.

The Group's **development** continues at a rapid pace. During the third quarter, AccorHotels opened 73 hotels, representing nearly 11,000 rooms. At the end of September 2018, the Group's pipeline comprised 1,031 hotels and over 184,000 rooms, of which 80% in emerging markets and 49% in the Asia-Pacific region.

#### MIXED PERFORMANCES IN NEW BUSINESSES

In third-quarter 2018, **revenue** for the **New Businesses** division came in at €40 million, reflecting mixed performances across the different businesses. AvailPro, FastBooking and VeryChic posted strong growth, as did recent acquisitions such as Gekko, ResDiary and Adoria, while onefinestay and John Paul turned in negative performances, in part due to the strategic review launched this summer. Overall, the segment grew by 27.1% as reported, and contracted by 5.8% like for like.

#### HOTEL ASSETS: A SOLID PERFORMANCE IN EASTERN EUROPE AND BRAZIL

**Revenue** from the **Hotel Assets** division grew by 6.3% at constant scope of consolidation during the third quarter. The increase reflects brisk business, with 6.2% growth in RevPAR driven by Brazil and Turkey.

At September 30, 2018, the division's hotel base comprised 242 hotels and 45,291 rooms.

#### FULL-YEAR 2018 EBITDA TARGET

In light of these factors and the expected continuation of the trends observed since the beginning of the year in its different markets, the Group expects **full-year 2018 EBITDA** to come out in the upper range of the target disclosed in July, i.e., **between €700 million and €720 million**.

#### SHARE BUYBACK PROGRAM

As part of the share buyback program announced on July 27, 2018, the Group has bought back 5.7 million shares to date, representing a total of €243 million.

#### HIGHLIGHTS OF THE PERIOD FROM JULY 1, 2018 to SEPTEMBER 30, 2018

On July 2, the Group announced it had established a new €1.2 billion revolving credit facility for which the Group's environmental, social and governance (ESG) performance would be taken into account in calculating the margin.

On July 23, Katara Hospitality and AccorHotels created an investment fund with an investment capacity of over USD 1 billion dedicated to hospitality in Sub-Saharan African countries.

On July 31, the Group signed an agreement to acquire 21c Museum Hotels. The transaction was completed at the end of September.

On September 4, AccorHotels completed the acquisition of Mövenpick.

On September 20, Chris Cahill, until that date CEO Luxury Brands and CEO North America, Central America and Caribbean Region, assumed the role of Deputy CEO responsible for Hotel Operations. Jean-Jacques Morin, until that date Chief Financial Officer, was appointed Deputy CEO responsible for Finance, Communications and Strategy.

On October 5, AccorHotels completes the acquisition of a 50% stake in sbe Entertainment Group.

#### SHARP GROWTH IN REVENUE

In third-quarter 2018, the Group posted a sharp 22.3% rise in revenue, mainly reflecting the impact of consolidating Mantra and Mövenpick. Like-for-like growth came in at a solid 7.6%, driven by HotelServices (+9.1%) and Hotel Assets (+6.3%). Revenue from New Businesses contracted by 5.8% like for like."

- **AccorHotels completes the acquisition of its Paris head office building**

The following is an extract from a press release dated 25 October 2018.

"AccorHotels announced today the successful closing of the acquisition of the "Tour Sequana" building, its head office since 2016 located near Paris in Issy Les Moulineaux, for an amount of EUR 363 million. This amount had been determined in 2015, at the signing of the lease contract, which included a call option. The building is currently valued at more than EUR 500 million.

The transaction is financed by a EUR 300 million 8-year Green Mortgage Loan, which carries an annual coupon of 1.8%. Established in line with Green Loan Principles, the Green Mortgage Loan benefits from a Second Opinion by the extra-financial rating agency Sustainalytics. The Sequana Tower benefits from a high level of HQE™ certification.

The balance of the acquisition price was paid in cash. The acquisition will notably translate into savings of about EUR 20 million per annum in rental charge."

- **AccorHotels announces the launch of a Tender Offer for 100% of Orbis shares**

The following is an extract from a press release dated 26 November 2018.

"AccorHotels announces that today it filed with the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) a notification concerning the intention to launch a Tender Offer together with a tender offer circular for the acquisition in cash of the 21,800,593 shares of Orbis it does not already own today, representing 47.31% of the share capital (the "Offer").

Orbis, which is headquartered in Warsaw, Poland, is the largest hotel operator in Central & Eastern Europe and the exclusive master franchisee of certain AccorHotels brands in the region. Its portfolio comprises 128 hotels (21,000 rooms) in 16 countries (Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia) operated under the Sofitel, Pullman, MGallery, Novotel, Mercure, ibis, ibis Styles and ibis budget brands.

The Offer, at a price of 87.0 zlotys per share, is unconditional. In accordance with the Offer, the subscription period of the Offer will be opened from December 17, 2018 to January 18, 2019. The offer price represents:

- a 20% premium over the closing price of the day prior to the announcement,
- a 11% premium over the volume-weighted average price of the last 3 months,
- a 3% premium over the volume weighted average price of the last 6 months.

Assuming AccorHotels acquires 100% of the shares it does not currently own, the overall cash consideration would amount to EUR442m (PLN1.9bn).

Sebastien Bazin, Chairman and CEO of AccorHotels said: "AccorHotels and Orbis have built a long-term partnership since their first business agreement 45 years ago. As its largest shareholder since 2000, AccorHotels has fully supported Orbis' growth in Poland, then across Central Europe since 2014, where Orbis has become today a formidable leader. The proposed transaction will enable AccorHotels to accelerate its development in the region. In addition, it will enable AccorHotels to further implement its active asset management policy."

Through this transaction, AccorHotels intends to consolidate its leadership in Central Europe and improve optionality on Orbis' asset portfolio management, including replication of the active asset management strategy implemented by AccorHotels for several years.

AccorHotels has decided to launch the Offer to initiate the delisting of Orbis' shares from the Warsaw Stock Exchange. In accordance with the Offer, if upon the completion of the Offer AccorHotels holds shares in the share capital of the Company constituting at least 90% of the share capital of Orbis, AccorHotels intends to proceed with a squeeze-out of the minority shareholders of the Company."

- **AccorHotels reaffirms its ambitions and targets the doubling of its EBITDA by 2022**

The following is an extract from a press release dated 27 November 2018.

"In the context of its Capital Market Day to be held in Paris today, AccorHotels reaffirms the key components of its strategy and presents its midterm targets for value creation. As the Group's transformation into an asset-light model comes to completion, AccorHotels now builds on many strengths:

- The richest portfolio of iconic brands in the industry, covering all segments & niches,
- Leading positions in the highest-potential markets, with number one position in Europe, Asia-Pacific, Middle-East & Africa and Latin America,
- Accelerating development pattern, with an increasing share of upscale and luxury hotels, delivering a continuous 5% net system addition per annum, among the industry highest.
- State-of-the-art distribution tools, with emphasis on personalization, usage and loyalty.

The execution of this strategy will be fostered by two initiatives:

- The public tender offer for 47% of the share Capital of the Polish company Orbis that AccorHotels does not own today, with a view to replicate of the active asset management strategy implemented by AccorHotels for several years;
- The alignment of the Group's support functions with its new economic model, notably in Europe, in order to better serve partners and clients, while optimizing central costs, expected to remain stable over the midterm.

Sebastien Bazin, Chairman and CEO of AccorHotels said: *"AccorHotels has gone through a major transformation over the last few years. This was evidenced by numerous acquisitions of brands and new ancillary business activities, the strengthening of our digital platforms, and the shift to an asset-light model with the sale of a majority stake in AccorInvest. These major steps behind us, we are now focused on executing on our strategy to unleash the Group's full potential. Our targets are ambitious yet achievable. AccorHotels is more agile, more profitable, and more global, with a well-balanced brand portfolio. These assets are unique in the industry. Combined with a rigorous management, this will enable the Group's to create sustainable value for our shareholders, our clients and our employees."*

Based on the above, AccorHotels targets the doubling of its EBITDA between 2017 and 2022, to reach €1.2bn, driven by:

- The integration and ramp-up of recent acquisitions,
- Solid revenue growth, reflecting both sound business levels in the Group's key markets and the continued increase in development, supported by the upscaling of its brand portfolio,
- Operating margin improvement, thanks to strict control of central costs.

Operating performance enhancement, combined with stable CAPEX will lead to sharp increase in recurring cash-flows, and hence the Group's dividend per share."

- **Launch of a second tranche of the Share Buy-Back program for 500 million euros**

The following is an extract from a press release dated 19 December 2018.

"After completing the initial tranche of its share buyback program for 350 million euros in November 2018, AccorHotels announces today the launch of a second tranche for an amount of 500 million euros.

The purchase period will start on December 20th, 2018 and end on June 20th, 2019, without being shorter than 3 months.

The Group will maintain the suspension of its liquidity agreement for the duration of this program."

- **AccorHotels raises the price offered in its tender offer for Orbis shares to a final PLN 95.0 per share**

The following is an extract from a press release dated 10 January 2019.

"On November 26, 2018, AccorHotels launched a Tender Offer for the acquisition of the 21,800,593 shares of Orbis it did not own on the day of the announcement, representing 47.31% of the share capital (the "Offer"), at a price of PLN 87.0.

AccorHotels announces today a final increase of the offered price from PLN 87.0 to PLN 95.0. Other terms and conditions of the Offer remain unchanged.

PLN 95.0 represent:

- a premium of 30.5% to the closing price of Orbis shares on November 23, 2018 (last close price before the Offer announcement),
- an increase of 9.2% above the previous offered price of PLN 87.0.

The Offer remains unconditional. In accordance with the Tender Offer circular, the subscription period of the Offer ends on January 18, 2019."

- **Tender Offer on Existing Bonds**

The Issuer launched on 18 January 2019 an offer to purchase for cash its Euro 900,000,000 Undated 6-Year Non Call Deeply Subordinated Fixed to Reset Rate Bonds (ISIN FR0012005924) up to a maximum amount of Euro 500,000,000, subject to adjustment (the "**Tender Offer**"). Such bonds have an aggregate principal amount outstanding of Euro 900,000,000. The Tender Offer is being made by the Issuer in anticipation of the need to refinance existing hybrid debt of the Issuer, whilst taking advantage of favourable market conditions.

- **AccorHotels announces the preliminary results of the tender offer for Orbis S.A. shares**

The following is an extract from a press release dated 18 January 2019.

"Following today's end of the subscription period for the tender offer (the "Offer") announced by AccorHotels on 26 November 2018 for the acquisition of 21,800,593 shares in Orbis S.A. constituting all of the shares AccorHotels did not already own in Orbis, AccorHotels received today the preliminary results of the Offer.

In accordance with the preliminary results of the Offer, investors submitted subscription for approximately 15.3 million shares in Orbis at an offer price of PLN95.0, for a total consideration of PLN1,450 million (i.e. EUR337 million) constituting approximately 33.1% of the share capital of Orbis.

The final number of shares in Orbis subscribed for in the Offer will be confirmed on the date of the share purchase transaction by AccorHotels, which will take place on Wednesday, 23 January 2019. The settlement of the shares by AccorHotels will take place on Monday, 28 January 2019.

Following the settlement of the Offer and subject to the final confirmation of the number of shares submitted by the investors in the Offer, AccorHotels will own, directly and indirectly, 85.8% of Orbis' share capital.

AccorHotels strengthens the control on Orbis and consolidate its leadership in Central Europe. As announced on 26 November, the Group shall explore options to crystallize the value of Orbis' asset portfolio."

- **AccorHotels confirms the results of the tender offer for Orbis shares**

The following is an extract from a press release dated 23 January 2019.

"AccorHotels confirms today the final number of shares in Orbis subscribed for in the tender offer following the completion today of the share purchase transaction.

Investors have submitted 15.3 million shares in Orbis at an offer price of PLN95.0, for a total consideration of PLN1,451 million (i.e. EUR338 million) constituting 33.15% of the share capital of Orbis.

Following the settlement of the Offer, which will take place on Monday 28 January 2019, AccorHotels will own, directly and indirectly, 85.84% of Orbis' share capital."

## TAXATION

*The following is an overview of certain French withholding tax considerations relating to the holding of the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. It is based upon the law as in force in France on the date of this Prospectus and is subject to any change in law and/or interpretation thereof that may take effect after such date (potentially with a retroactive effect).*

*Prospective purchasers of Bonds should consult their own tax advisers as to the consequences, under the tax laws of the country of which they are resident for tax purposes and the tax laws of France, of acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds.*

*The following may be relevant to holders of Bonds who do not concurrently hold shares of the Issuer.*

Payments of interest and other revenues made by the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in certain non-cooperative States or territories (*Etats ou territoires non coopératifs*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**" or "**Non-Cooperative States**"). The list of Non-Cooperative States is published by a ministerial executive order. If such payments under the Bonds are made outside France in certain Non-Cooperative States, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Bonds are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account opened in a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 75 per cent. for payments made outside France in certain Non-Cooperative States, (ii) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 12.8 per cent. for payments benefiting individuals who are not French tax residents (in each case subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent that the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion (and therefore the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of the Deductibility Exclusion) will apply in respect of the Bonds if the Issuer can prove that the main purpose and effect of the issue of the Bonds were not that of allowing the payments of interest and other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (BOI-INT-DG-20-50-20140211, n°550 and n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70 and n°80 and BOI-IR-DOMIC-10-20-20-60-20150320, n°10), the Bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Bonds if the Bonds are *inter alia*:

- (i) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider or any other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (ii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L. 561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depositories or operators are not located in a Non-Cooperative State.

Since the Bonds will *inter alia* be admitted, at the time of their issue, to the operations of Euroclear France, the Bonds will benefit from the Exception and are therefore exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*. In addition, they will be subject neither to the Deductibility Exclusion nor to the withholding tax set out under Article 119 *bis* 2 of the same Code solely on account of their being paid to an account opened in a financial institution established in a Non-Cooperative State or accrued or paid to persons domiciled or established in a Non-Cooperative State.

Pursuant to Article 125 A I of the French *Code général des impôts* (i.e. where the paying agent is established in France) and subject to certain exceptions, interest and other similar revenues received by individuals who are fiscally domiciled in France are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) on such interest and other similar revenues are also withheld at source at an aggregate rate of 17.2 per cent., subject to certain limited exceptions.

## SUBSCRIPTION AND SALE

### Subscription Agreement

Banco Santander, S.A., BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Merrill Lynch International, MUFG Securities EMEA plc and NatWest Markets Plc (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 29 January 2019 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Bonds at an issue price equal to 99.445 *per cent.* of the principal amount of the Bonds, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Bonds.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Bonds.

### General Restrictions

Each Joint Lead Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Bonds or have in its possession or distribute this Prospectus or any other offering material relating to the Bonds. No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Bonds, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

### Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Bonds to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or both) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II and/or (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### France

Each of the Joint Lead Managers has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

### United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### **United States**

The Bonds have not been and will not be registered under the Securities Act or the securities law of any U.S. State or other jurisdiction, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Bonds are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will have sent to each distributor or dealer to which it sells Bonds during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **Republic of Italy**

The offering of the Bonds has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Joint Lead Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Bonds or any copy of this Prospectus or any other offer document in the Republic of Italy ("**Italy**") except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998, as amended from time to time (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**") and any other applicable laws and regulations; or
- (ii) in other circumstances which are exempt from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Bonds or distribution of copies of this Offering Memorandum or any other document relating to the Bonds in Italy under (i) or (ii) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No.20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016) as amended from time to time) and/or any other Italian authority.

### ***Belgium***

No Bonds shall be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

The offering may not be advertised and each of the Joint Lead Managers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Bonds and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Bonds, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time.

## GENERAL INFORMATION

1. The Legal Entity Identifier (LEI) of the Issuer is: 969500QZC2Q0TK11NV07.
2. The Bonds have been accepted for clearance through Euroclear France, Clearstream and Euroclear. The International Securities Identification Number (ISIN) for the Bonds is FR0013399177 and the Common Code is 194441568.
3. Application has been made for the Bonds to be admitted to trading on Euronext Paris on or about 31 January 2019.
4. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was authorised by resolution of the Board of Directors (*conseil d'administration*) of the Issuer dated 20 December 2018 and a decision of Jean-Jacques Morin, Deputy CEO responsible for Finance, Communications and Strategy of the Issuer dated 24 January 2019. The share capital of the Issuer, as at 31 December 2018, is EUR 847,823,400.
5. Copies of:
  - (i) the *statuts* of the Issuer;
  - (ii) the Agency Agreement;
  - (iii) this Prospectus together with any supplement to this Prospectus; and
  - (iv) the documents incorporated by reference, including:
    - (a) the Issuer's 2017 reference document (*document de référence*) in the French language filed with the *Autorité des marchés financiers* under registration N° D.18-0227, dated 29 March 2018;
    - (b) the Issuer's 2016 reference document (*document de référence*) in the French language filed with the *Autorité des marchés financiers* under registration N° D.17-0284, dated 31 March 2017; and
    - (c) the Issuer's interim financial report in the French language for the period ended 30 June 2018,

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the primary business office of the Issuer.

The Prospectus, any supplement thereto and the documents incorporated by reference in the Prospectus will be published (i) on the website of the Issuer (<http://www.accorhotels-group.com/fr/finance.html>) and (ii) (with the exception of the 2018 Interim Financial Report) on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). Non-official English translations of the 2017 Registration Document, the 2016 Registration Document and the 2018 Interim Financial Report are available on the website of the Issuer (<http://www.accorhotels-group.com/en/finance.html>). These documents are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions filed with the AMF.

6. Save as disclosed in the Recent Developments section herein on pages 51 to 61 and in the 2018 Interim Financial Report on pages 38-39, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2018 and save as disclosed in the 2017 Registration Document on pages 275 to 276, in the Recent Developments section herein on pages 51 to 61 and in the 2018 Interim Financial Report on pages 38-39, there has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2017.

7. Save as disclosed in the 2017 Registration Document on pages 54 and 59 and in the 2018 Interim Financial Report on page 77 neither the Issuer nor any of its consolidated subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer or the Group's financial position or profitability.
8. Save as disclosed in the 2018 Interim Financial Report on pages 77, the Issuer has not entered into contracts outside the ordinary course of its business, which could result in the Issuer or any of its consolidated subsidiaries being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Bonds in respect of the Bonds being issued.
9. This Prospectus contains or incorporates by reference certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.
10. The business address of the members of the administrative and management bodies of the Issuer is located at 82 rue Henri Farman, 92130 Issy-Les-Moulineaux, France.
11. There are no potential conflicts of interest between the duties of the members of the Board of Directors (*conseil d'administration*) of the Issuer to the Issuer and their private interests or other duties.
12. Ernst & Young et Autres and Deloitte & Associés are the statutory auditors of the Issuer. Ernst & Young et Autres and Deloitte & Associés have audited or reviewed, and rendered unqualified reports on, the consolidated financial statements of the Issuer as at, and for the two years ended, 31 December 2017 and 31 December 2016, and the interim financial statements of the Issuer for the period ended 30 June 2018. Ernst & Young et Autres and Deloitte & Associés are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.
13. Save for any fees payable to the Joint Lead Managers, as far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the issue.
14. The estimated costs for the admission to trading of the Bonds are EUR 15,000.
15. The yield of the Bonds to the First Step-up Date, as calculated as at the Issue Date on the basis of the issue price of the Bonds, is 4.50 per cent. per annum. It is not an indication of future yield.
16. Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a

lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds issued. Any such positions could adversely affect future trading prices of the Bonds issued. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" includes also parent company.

17. The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.
18. The Bonds are expected to be rated BB by S&P and BB by Fitch. The Issuer's long-term senior unsecured debt is rated BBB- (stable outlook) by S&P and BBB- (positive outlook) by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 as amended (the "**CRA Regulation**") and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).
19. In connection with the issue of the Bonds, BNP Paribas (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the Issue Date and sixty (60) days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and regulations.
20. The 5-year Euro Mid-Swaps is administered by ICE Benchmark Administration (the "**Mid-Swap Administrator**"). EURIBOR is used for the purposes of determining the 5-Year Euro Mid-Swaps in order to calculate the rate of interest on the Bonds on each Interest Payment Date from (and including) the First Step-up Date. EURIBOR is administered by the European Money Markets Institute (the "**EURIBOR Administrator**"). The Mid-Swap Administrator appears on the list of administrators and critical benchmarks established and maintained by the European Commission pursuant to Article 20 (1) of the Benchmarks Regulation. As at the date of this Base Prospectus, the EURIBOR Administrator does not appear on the list of administrators and critical benchmarks established and maintained by the European Commission pursuant to Article 20 (1) of the Benchmarks Regulation. As far as the Issuer and the Guarantor are aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the EURIBOR Administrator is not currently required to obtain authorisation or registration.

## PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

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

### ACCOR

82 rue Henri Farman  
92130 Issy-Les-Moulineaux  
France

Tel: +33.(0)1.45.38.86.00

Duly represented by Mr. Pierre Boisselier

signed in Issy-Les-Moulineaux

dated 29 January 2019



In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement Général*), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa n°19-031 on 29 January 2019. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out herein or the appropriateness of the issue of the Bonds.

**REGISTERED OFFICE OF ACCOR**

82 rue Henri Farman  
92130 Issy-Les-Moulineaux  
France

**STRUCTURING ADVISORS, GLOBAL COORDINATORS, JOINT BOOKRUNNERS AND JOINT  
LEAD MANAGERS**

**BNP PARIBAS**

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United Kingdom

**Citigroup Global Markets Limited**

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Canada Square  
Canary Wharf  
E14 5LB London  
United Kingdom

**JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS**

**Banco Santander, S.A.**

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Avenida de Cantabria  
28660, Boadilla del Monte  
Madrid  
Spain

**Commerzbank Aktiengesellschaft**

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60311 Frankfurt am Main  
Germany

**Crédit Agricole Corporate and Investment Bank**

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France

**HSBC Bank plc**

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United Kingdom

**Merrill Lynch International**

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United Kingdom

**MUFG Securities EMEA plc**

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United Kingdom

**NatWest Markets Plc**

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United Kingdom

**STATUTORY AUDITORS OF THE ISSUER**

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*To the Issuer*

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*To the Joint Lead Managers*

**Allen & Overy LLP**

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**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

**BNP Paribas Securities Services**

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