

€499,999,923.94 net share settle bonds convertible into new shares and/or exchangeable for existing shares (*obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes*) due 1st January 2022 issued on 15 April 2015
ISIN: FR0012658094

4 DESCRIPTION OF THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING ON EURONEXT PARIS

The following amended section 4 of the Offering Memorandum will be effective from the date of completion of the acquisition by Unibail-Rodamco (the "**Company**") of Westfield Corporation ("**Westfield**"), as acknowledged by decision of the Management Board (the "**Completion of the Transaction**", which corresponds to the "**Date of Entry into Force of the Modified of Terms and Conditions**").

4.1 Description of the Bonds for which application for admission to listing and trading has been made

The Bonds ~~to be~~ issued constitute financial instruments which provide access to share capital within the meaning of Articles L.228-91 *et seq.* of the French *Code de commerce*.

Listing of the Bonds ~~is expected to take~~took place on April 15, 2015 under ISIN code FR0012658094. ~~Application has been made for the~~The Bonds ~~to be~~are admitted to trading on Euronext Paris, as well as to the operations of Euroclear France, Euroclear Bank S.A./N.V. and/or Clearstream Banking S.A. (Luxembourg). No application has been made to list the Bonds on another market as of the date hereof.

4.2 Nominal amount per Bond – Issue price of the Bonds – Stapled Shares

The nominal amount of each Bond (the Par Value) has been set at the time of the issuance, at €46.87, which includes a premium of 37% over the reference share price for shares of Unibail-Rodamco, corresponding to the volume-weighted average trading price of Unibail-Rodamco shares ~~recorded~~listed on Euronext Paris ~~on~~since the ~~day of the~~ announcement of the ~~transaction~~operation (i.e. ~~on~~8 April ~~8,~~ 2015).

The issue price per Bond (the Subscription Price) ~~will be~~is equal to €48.60, representing 100.5% ~~of~~comparing to the Par Value.

The Unibail-Rodamco shares (the "**Unibail-Rodamco Shares**") are ~~listed as of the date hereof~~now stapled (stapling) (the "**Stapled Shares**") with the class A shares of a company WFD Unibail-Rodamco N.V. ("**Newco**") newly incorporated in the Netherlands (the "**Newco Shares**"). The Stapled Shares will be listed on Compartment A of Euronext Paris and Euronext Amsterdam under ISIN code FR0000124711. ~~They each have a par value of €0013326246; the Par Value of the Unibail-Rodamco Shares and the Newco Shares forming the Stapled Shares is respectively five (5) euros and zero point five (0.5) euro.~~

4.3 Governing law and jurisdiction

The Bonds ~~will be~~are governed by French Law.

The courts having jurisdiction in the event of a dispute are the French courts as set out in the *Code de procédure civile*.

4.4 Form and registration of the Bonds

The Bonds ~~may~~can be in either registered (*nominative*) or bearer (*au porteur*) form, at the option of the Bondholders. The Bonds ~~will~~be~~are~~ required to be recorded as book-entries (*inscrits en compte*) in accounts held, as the case may be, by:

- • CACEIS Corporate Trust, acting on behalf of Unibail-Rodamco in respect of fully registered Bonds (*titres nominatifs purs*);
- • an authorised financial intermediary (*intermédiaire financier habilité*) selected by the Bondholder and CACEIS Corporate Trust, acting on behalf of Unibail-Rodamco, in respect of Bonds in registered form (*titres nominatifs administrés*); and
- • an authorised financial intermediary (*intermédiaire financier habilité*) selected by the Bondholder in respect of Bonds in bearer form (*titres au porteur*).

No document evidencing ownership of the Bonds ~~will~~be~~has been~~ issued (including the representative certificates referred to in article R. 211-7 of the French *Code monétaire et financier*).

The Bonds ~~will~~be~~are~~ accepted for clearance through Euroclear France, which ~~will~~ensure~~ensures~~ the clearing of Bonds between account holders. The Bonds ~~will~~are also ~~be~~ accepted for clearance through Euroclear Bank S.A./N.V. and/or Clearstream Banking, S.A. Luxembourg.

~~According to the indicative timetable of the issue, the Bonds will be~~The Bonds are recorded as book-entries (*inscrits en compte*) and negotiable as of the settlement and delivery date of the Bonds, which ~~is expected to take~~took place on April 15, 2015.

4.5 Currency of the issue

The Bonds ~~will~~be~~are~~ denominated in euros.

4.6 Ranking of the Bonds

4.6.1 Credit ranking

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations (*engagements chirographaires*) of Unibail-Rodamco, and rank *pari passu* without any preference amongst themselves with all other unsecured and unsubordinated debts and guarantees (subject to exceptions imposed by French law), present or future, of Unibail-Rodamco, without preference or priority linked to their issue date, currency or other.

The payment of principal, taxes, costs and ancillary amounts relating to the Bonds is not subject to any specific guarantee as of the Issue Date (as defined below).

4.6.2 Negative pledge

While any of the Bonds remain outstanding, Unibail-Rodamco will not, and will ensure that none of its Principal Subsidiaries (as defined in ~~section~~paragraph 4.9.5 ("Early Repayment Events")) will create or permit to subsist any Security Interest (as defined below) upon the whole or any part of their respective assets or revenues, present or future, to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee in respect of any Relevant Debt unless, at the same time or prior thereto, either Unibail-Rodamco's obligations under the Bonds are rateably and equally secured therewith, except for Security Interest already existing prior to the Bonds issue and, in the case of any entity which

becomes a Principal Subsidiary of Unibail-Rodamco (through any means) or which is merged into Unibail-Rodamco or into any Principal Subsidiary, for any Security Interest (x) existing on or over any assets (and its future renewal) or revenues, existing or future, of such entity on the date on which it becomes a Principal Subsidiary or is merged into Unibail-Rodamco or a Principal Subsidiary or (y) in respect of which a binding agreement to create such Security Interest exists, provided such Security Interest was not created in contemplation of or in connection with the merger transaction or the operation leading to the creation of that Principal Subsidiary.

"**Relevant Debt**" means any present or future indebtedness in the form of or represented by:

- notes (*obligations*),
- any other security referred to in Article L.211-1 II 1° and 2° of the French *Code monétaire et financier*, or
- or any security equivalent to those referred to in such article issued pursuant to foreign laws,

which are or are capable of being quoted, admitted to trading or ordinarily dealt in on a Regulated Market (as defined in [section paragraph 4.9.3](#) ("Early redemption at the option of Unibail-Rodamco"))).

"**Security Interest**" means any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*), within the meaning of Articles 2323 *et seq.* of the French *Code civil*.

4.6.3 **Fungibility/Further Issues**

If Unibail-Rodamco subsequently issues further bonds which offer in all respects the same rights as the Bonds, Unibail-Rodamco may, without the consent of the Bondholders and provided that the terms and conditions of such bonds so permit, consolidate (*procéder à l'assimilation*) bonds of any such further issues with the Bonds, thereby treating such bonds as the same issuance for the purposes of trading and financial agency servicing. In such case, all holders of these bonds would be grouped into a single *masse*.

4.7 **Rights and restrictions attached to the Bonds and exercise of rights**

Upon the exercise of the Conversion Right, as defined in [section paragraph 4.16.1](#) ("Nature of the Conversion Right"), the Bondholders may receive at the Company's option either (i) a sum in cash and, if applicable, new and/or existing [Stapled](#) Shares, or (ii) new and/or existing [Stapled](#) Shares only. The terms and conditions of the Conversion Right are described in [section paragraph 4.16.3](#) ("Terms of allocation pursuant to the Conversion Right").

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

Bonds whose Conversion Right has not been exercised in accordance with [section paragraph 4.16](#) ("Conversion Rights") will be redeemed in cash in accordance with the conditions set out in [section paragraph 4.9](#) ("Maturity date, redemption of the Bonds at the option of Unibail-Rodamco and early redemption of the Bonds at the option of the Bondholders").

The Bonds ~~will~~ bear no interest.

There are no restrictions attached to the Bonds.

4.8 Nominal interest rate and provisions in respect of interest due

4.8.1 Date of settlement-delivery and attachment of full rights of the Bonds

April 15, 2015 (the "**Issue Date**").

4.8.2 Interest

The Bonds ~~will~~ bear no interest.

4.9 Maturity date, redemption of the Bonds at the option of Unibail-Rodamco and early redemption of the Bonds at the option of the Bondholders

4.9.1 Normal redemption

Unless they have been previously redeemed or repaid pursuant to the terms set out below and in the absence of the exercise of the Conversion Right, the Bonds will be redeemed in full at Par Value on January 1, 2022 (the "**Maturity Date**") (or, if that date is not a Business Day, the next following Business Day), i.e. €346.87 per Bond.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for business in Paris and Euroclear France is operating.

Claims against the Company in respect of redemption of the Bonds will be barred after a period of ten years from the normal or early redemption date. Furthermore, any principal payment in respect of the Bonds that has not been claimed within a period of ten years from the normal or early redemption date will lapse and become the property of the French State.

4.9.2 Early redemption by repurchase or public offering at the option of Unibail-Rodamco

Unibail-Rodamco reserves the right to redeem the Bonds early in whole or in part at any time, without limitation on price or quantity, by repurchasing Bonds, either on or off-market or by means of a public tender or exchange offer. Any such transaction will not affect the normal due date for redemption of any Bonds still outstanding. Bonds acquired in this manner will be cancelled.

4.9.3 Early redemption at the option of Unibail-Rodamco

1. Unibail-Rodamco may, at its discretion, ~~at any time from January 1, 2018 up to, and including,~~ the Maturity Date, with at least 40 calendar days' notice as set out in ~~section paragraph~~ [4.9.6](#) ("Publication of information on redemption at maturity or on early redemption or upon exercise of the Conversion Right") ~~redeem~~ [proceed to early redemption of](#) all outstanding Bonds (regardless of their number) at Par Value (being €346.87 per Bond). This early redemption provision will be exercisable only where the arithmetic mean, calculated over a period of 20 consecutive Trading Days during which the [Stapled](#) Shares are traded, chosen by Unibail-Rodamco from a period of 40 consecutive Trading Days preceding publication of the above-mentioned notice, of the product of:
 - (i) the opening trading price of the [Stapled](#) Shares on Euronext Paris or, in the absence of trading on Euronext Paris, any other regulated market within the meaning of Directive ~~2004/39/EC of April 21, 2004~~ [2014/65/EU of May 15, 2014, as amended](#), on financial instruments markets on which Unibail-Rodamco has its principal listing (a "**Regulated Market**"); and
 - (ii) the Conversion Ratio, ~~(as defined in section 4.16.2 ("Conversion Events"~~ [below](#)), in use on each such date,

exceeds 130% of the Par Value of the Bonds.

For the purposes hereof, "Conversion Ratio" equals, on the Date of Entry into Force of the Modified of Terms and Conditions, 1 Stapled Share per Bond and is subject to further adjustment in accordance with paragraph 4.16.7 ("Maintenance of Bondholders' Rights")

2. Unibail-Rodamco may, at any time and at its discretion, with 40 calendar days' notice as set out in ~~section~~paragraph 4.9.6 ("Publication of information on redemption at maturity or on early redemption or upon the exercise of the Conversion Right") redeem all of the Bonds outstanding at Par Value if the total number of Bonds outstanding is less than 15% of the number of Bonds originally issued.
3. Upon the occurrence of any of the events described in paragraphs 1. and 2. above, the Bondholders will retain their right to exercise their Conversion Right pursuant to ~~section~~paragraph 4.16.3 ("Terms of allocation pursuant to the Conversion Right").

4.9.4 Early redemption at the Bondholders' option upon Change of Control

1. In case of a Hostile Change of Control (as defined below), each Bondholder may, during the 30 calendar days following the first date on which the notice described below is published, require Unibail-Rodamco to redeem all or part of their Bonds within 90 calendar days following such request.

As soon as possible after becoming aware thereof, Unibail-Rodamco shall notify Bondholders of any Hostile Change of Control and of the Bondholders' right to early redemption of their Bonds by means of a notice published in the *Journal Officiel* (to the extent required by applicable regulation), a notice published in a financial newspaper with national circulation in France, and a notice published by Euronext or, if applicable, by the company operating any other Regulated Market on which the Bonds are listed.

Each Bondholder seeking early redemption of all or part of its Bonds must make such request to the financial intermediary on whose books the securities are held, which will then notify the paying and securities services agent (see ~~section~~paragraph 5.4.2 ("Paying and securities services agent/Calculation Agent/Centralising Agent")).

Once presented to the financial intermediary on whose books the Bonds are held, the redemption request will be irrevocable and Unibail-Rodamco will be bound to redeem all of the Bonds referred to in such demand transmitted in accordance with the provisions above.

Each Bond shall be redeemed at Par Value (i.e. €346.87).

2. In case of a Friendly Change of Control (as defined below) which has become effective, all of the Bonds will, on demand under the conditions set below, become redeemable at Par Value if:
 - (a) (i) the Rating (as defined below) is downgraded by more than two notches (a) by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. and its successors or any other rating agency with international reputation replacing it or whose rating is requested by the Company, and (b) by FitchRatings and its successors, ~~and~~ or any other rating agency with international reputation replacing it or whose rating is requested by the Company, and (ii) such downgrade is made public in the 90 calendar days following the date of the potential Friendly Change of Control and (iii) this downgrade is explicitly due to such potential Friendly Change of Control; or

- (b) there is no Rating of Unibail-Rodamco provided by an internationally reputable rating agency within the 30 calendar days following the date when such Friendly Change of Control becomes effective.

The representative of the *masse*, pursuant to a decision of the Bondholders' general meeting, may demand that Unibail-Rodamco redeem all of the Bonds within 90 calendar days of written request of the representative of the *masse* and forwarded to both Unibail-Rodamco and servicing centralisation agent for the Bonds.

Unibail-Rodamco shall inform the Bondholders of the occurrence of one of the events set forth in clauses (a) or (b) above, as appropriate, of the effective date of such Friendly Change of Control and of their right to redeem their Bonds as soon as possible by means of a notice published in the *Journal Officiel* (to the extent required by applicable regulation), a notice published in a financial newspaper with national circulation in France and a notice published by Euronext or, if applicable, by the company operating any other Regulated Market on which the Bonds are listed.

Each Bond shall be redeemed at Par Value (*i.e.* 346.87 euros per Bond).

"Rating" means a rating assigned to the long-term unsubordinated debt of Unibail-Rodamco by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. and its successors [or any other rating agency with international reputation replacing it or whose rating is requested by the Company](#), and FitchRatings and its successors [or any other rating agency with international reputation replacing it or whose rating is requested by the Company](#).

"Change of Control" means the event by which a person or several persons acting in concert become holders of more than 50% of the share capital or voting rights of Unibail-Rodamco.

"Hostile Change of Control" means a Change of Control that is neither recommended nor approved by the Supervisory Board of Unibail-Rodamco.

"Friendly Change of Control" means a Change of Control that is recommended or approved by the Supervisory Board of Unibail-Rodamco.

4.9.5 Early Repayment Events

1. The representative of the *masse* of Bondholders may demand, in writing addressed to Unibail-Rodamco and with a copy to the paying and securities services agent for the Bonds, redemption of all of the Bonds at Par Value, on the occurrence of any of the following events, unless such event has been remedied by Unibail-Rodamco on the date such notice is received:
 - (a) any amount due in respect of any Bond is not paid by Unibail-Rodamco on the due date for payment thereof and such default is not remedied by Unibail-Rodamco within a period of 5 Business Days from such due date;
 - (b) any other obligation under the Bonds is not complied with or performed by Unibail-Rodamco within a period of 15 Business Days after receipt by Unibail-Rodamco of written notice of such default sent by the representative of the *masse* of Bondholders;
 - (c) any other present or future indebtedness of Unibail-Rodamco or any of its Principal

Subsidiaries (as defined below) (other than Non-Recourse Subsidiaries (as defined below) which are not Excluded Subsidiaries (as defined below)) for borrowed moneys in excess of €40 million (or its equivalent in any other currency) whether individually or in the aggregate, (i) becomes due and payable prior to its stated maturity as a result of a default at the expiry of any applicable grace period therefore or, in such case, if enforcement of any Security Interest in respect of any such indebtedness is commenced by appropriate legal proceedings (unless contested in good faith and by appropriate legal proceedings), or (ii) any such indebtedness is not paid when due or, as the case may be, at the expiry of any applicable grace period therefore or, in such case, if enforcement of any Security Interest in respect of any such indebtedness is commenced by appropriate legal proceedings (unless contested in good faith and by appropriate legal proceedings), or (iii) any guarantee or indemnity given by Unibail-Rodamco or any of its

Principal Subsidiaries (other than Non-Recourse Subsidiaries which are not Excluded Subsidiaries) for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon (unless contested in good faith and by appropriate legal proceedings);

- (d) Unibail-Rodamco or any of its Principal Subsidiaries (other than Non-Recourse Subsidiaries which are not Excluded Subsidiaries) makes any proposal to its creditors for a general moratorium in relation to its debt or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of its business (*cession totale de l'entreprise*) or becomes a party or is subject to any similar proceeding or any similar measure;
- (e) Unibail-Rodamco ceases to carry on, directly or indirectly, all or a material part of its business or other operations, except for the purposes of and followed by a merger (*fusion*) or reorganisation (*cession, scission or apport partiel d'actifs*); or
- (f) the Stapled Shares are no longer ~~listed and~~ admitted to trading on Euronext or on a Regulated Market, for a duration exceeding 5 consecutive trading days except in the case of
 - (i) a legal merger or acquisition of 100% of the outstanding share capital of Newco into or by Unibail-Rodamco or any of its Subsidiaries or vice-versa, provided that the shares of the surviving entity are admitted to trading on Euronext or a Regulated Market, or
 - (ii) a takeover or acquisition of 100% of the outstanding share capital of Unibail-Rodamco and/or Newco by a third party entity, provided that the shares of the entity distributed in exchange to former shareholders of Unibail-Rodamco and/or Newco are also admitted to trading on Euronext or a Regulated Market,

in each case subject to provisions referred to in paragraph 4.11. ("Representation of Bondholders");

2. For the purposes of this ~~section~~paragraph 4.9.5:

"**Subsidiary**" means any legal person or entity (whether or not existing as of the date of this Securities Note) as defined in Articles L. 233-1 and L. 233-3 of the French *Code de commerce*.

"**Excluded Subsidiary**" means any Non-Recourse Subsidiary which is the object of a default set out in clause (c) above or to any of the insolvency events set out in clause (d) above and whose Value (as defined below), together with the total Value of all Principal Subsidiaries subject to such a default set out in clause (c) above or, as the case may be, any such insolvency events set out in clause (d) above, exceeds 40% of the total Value of Unibail-Rodamco's assets.

"**Non-Recourse Subsidiaries**" means any Principal Subsidiary whose Non-Recourse Indebtedness (as defined below) represents at any relevant time (i) more than 50% of its aggregate indebtedness in borrowed money (*dette d'emprunt*) and (ii) more than €40 million (or its equivalent in any currency) as appearing in its latest published financial statements.

"**Non-Recourse Indebtedness**" means any present or future indebtedness of any Principal Subsidiary with respect to which there is no contractual recourse against Unibail-Rodamco or [Newco](#) or any other Subsidiary of Unibail-Rodamco [or Newco](#) other than:

- [recourse resulting from a pledge of shares of such Principal Subsidiary held by Unibail-Rodamco or Newco, or any Subsidiary of Unibail-Rodamco or Newco in order to secure such indebtedness;](#)

~~Unibail Rodamco or any of its Subsidiaries in order to secure such indebtedness;~~

- [recourse resulting from commitments entered into by Unibail-Rodamco prior to the Bonds issue date; or](#)

- [recourse against any Subsidiary of such Principal Subsidiary to secure such indebtedness.](#)

"**Principal Subsidiary**" means, at any relevant time, a Subsidiary of Unibail-Rodamco [or of Newco](#):

- (1) whose Value represents not less than 7% of the total Value of Unibail-Rodamco's assets.

For the purposes of this definition and the definition of "**Excluded Subsidiary**", "**Value**" means (a) with respect to any entity fully or proportionally consolidated by Unibail-Rodamco, the Revalued Value (as defined below) of such entity's assets (in proportion to the stake held by Unibail-Rodamco in such entity's assets), (b) with respect to any entity consolidated under the equity method by Unibail-Rodamco, the value of such entity's equity, calculated on the basis of the Revalued Value of such entity's assets in accordance with the accounting principles adopted by Unibail-Rodamco for its consolidated financial statements for the most recent financial year, and in proportion to the stake held by Unibail-Rodamco in the entity considered, [and](#) (c) with respect to Unibail-Rodamco, the total Value of the assets, determined in accordance with (a) and (b) above, of all assets and of all entities in which Unibail-Rodamco holds, directly or indirectly, an equity interest as they appear in the latest published audited consolidated accounts of Unibail-Rodamco: [\(or, in relation to the period between the Completion of the Transaction and the date upon which the audited consolidated balance sheet of Unibail-Rodamco is available for the financial year ended 31 December 2018, as they appear in the Pro-Forma Financial Information \(as defined below\)\).](#)

"Revalued Value" of an asset for the purpose of this definition means the value of that asset determined by reference to valuations provided by independent appraisers for real estate assets and included in the latest published audited accounts (on a consolidated basis, if such accounts are prepared) of Unibail-Rodamco or the relevant Subsidiary, as the case may be, as the net asset value of that asset.

For the purpose of this definition, "Pro-Forma Financial Information" means the unaudited pro-forma consolidated financial information of the New Group (as defined below) based on (i) Unibail-Rodamco's audited consolidated financial statements for the financial year ended 31 December 2017 and (ii) Westfield's audited consolidated financial statements for the financial year ended 31 December 2017, and including the auditors' report thereupon, where "New Group" refers to Unibail-Rodamco and Newco and the group of companies owned and/or controlled by Unibail-Rodamco and Newco after Completion of the Transaction.

In the event that, for any reason, the calculations of the Value of a Subsidiary or Unibail-Rodamco are not available after the close of any financial year at a time when it is necessary to determine whether a Subsidiary is a Principal Subsidiary, "**Principal Subsidiary**" shall mean, with respect to such year, a Subsidiary of Unibail-Rodamco whose operating income (or, where the Subsidiary in question prepares consolidated accounts, whose consolidated operating income) attributable to the Subsidiary represents not less than 7% of the consolidated operating income of Unibail-Rodamco, all as calculated by reference to the then latest audited accounts (or audited consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of Unibail-Rodamco ~~and its consolidated Subsidiaries~~; or

- (2) to which is transferred all or substantially all of the assets and undertakings of a Subsidiary which, immediately prior to such transfer, is a Principal Subsidiary.

4.9.6 Publication of information on redemption at maturity or on early redemption, or upon exercise of the Conversion Right

In case of repurchase, redemption at maturity or early redemption of the Bonds or exercise of the Conversion Right, information concerning the number of Bonds repurchased, redeemed, or for which the Conversion Right has been exercised, and the number of Bonds still outstanding, will be provided on a yearly basis to Euronext to be made publicly available. This information will also be obtainable at any time from Unibail-Rodamco or the paying and security services agent for the Bonds as noted in [section paragraph 5.4.2](#) ("Paying and securities services agent/Calculation Agent/Centralising Agent").

If Unibail-Rodamco elects to redeem all outstanding Bonds upon or prior to the Maturity Date, it must publish a notice, no later than 40 calendar days prior to the possible or actual redemption, in the *Journal Officiel* (to the extent required by applicable regulation). This information shall also be published in a financial newspaper with national circulation in France and in a notice published by Euronext or, as the case may be, by the company operating any other Regulated Market on which the Bonds are listed.

4.9.7 Cancellation of Bonds

Bonds redeemed upon or prior to maturity or pursuant to [section paragraph 4.9](#) ("Maturity date, redemption of the Bonds at the option of Unibail-Rodamco and early redemption of the Bonds at the option of the Bondholders"), and Bonds repurchased on or off-market or by way of public tender or exchange offers, as well as Bonds for which the Conversion Right has been exercised in accordance with [section paragraph 4.16](#) ("Conversion Right"), will cease to be considered outstanding and will be cancelled in accordance with applicable law.

4.10 Gross annual yield

~~-0.070~~[.070](#)%.

On the French bond market, the gross annual yield is the annual interest rate which, on a given date and at such interest rate and with compounded interest, results in parity between the current value of the amounts to be paid and the amounts that will be received in return (as defined by the French Committee on Bond Standardisation (*Comité de normalisation obligataire*)).

4.11 Representation of Bondholders

In accordance with Article L. 228-103 of the French *Code de commerce*, the Bondholders are joined in collective group with legal personality (the *masse*) to defend their common interests. The Bondholders' general meeting is competent to authorise amendments to the terms and conditions of the Bonds and to vote on any issue which it is required to approve by law.

In accordance with Article L. 228-98 of the French *Code de commerce*, Unibail-Rodamco may not alter its corporate form or objects without consulting the Bondholders' general meeting, except (i) for changes to the corporate form of Unibail-Rodamco that will not lead to a change to its tax status or changes to its corporate form necessary to permit Unibail-Rodamco to be subject to a tax regime from which it may benefit, and (ii) changes to its corporate purpose that could be justified by changes to the tax regime to which Unibail-Rodamco is subject or under which Unibail-Rodamco could benefit.

Unibail-Rodamco will be permitted, without consulting the general meeting of the Bondholders, to repay its share capital, to modify the distribution of its profits or to issue preference [Shares shares](#), provided that, for as long as Bonds remain outstanding, it has taken the necessary measures described below to preserve the rights of Bondholders.

Before implementing any project of transactions on the share capital or any other project of ~~reorganization~~[reorganisation](#) or combination following which the [Stapled](#) Shares would no longer be admitted for trading on Euronext or on a Regulated Market, the Company may decide to consult the general meeting of the Bondholders in view of obtaining the authorization to implement such project.

If the general meeting of Bondholders is consulted and votes against the proposal, Unibail-Rodamco may elect to override such decision and to compensate Bondholders pursuant to Article L. 228-72 of the French *Code de commerce* at a price equal to Par Value. The same shall apply to voluntary consultation of the general meeting of the Bondholders, in particular pursuant to the previous paragraph. In this last case, the fact that the [Stapled](#) Shares are no longer admitted for trading on Euronext or on a Regulated Market will not be considered as an early repayment event pursuant to article 4.9.5.

Under current legislation, each Bond gives right to one vote. The deliberation at a general meeting of Bondholders is valid only if the attending or represented Bondholders hold at least one-quarter of the Bonds carrying voting rights when first convened or at least one-fifth when reconvened. A majority of two-thirds of the voting rights held by the attending or represented Bondholders is required for adoption of decisions.

4.11.1 Representative of the *masse*

In accordance with Article L. 228-47 of the French *Code de commerce*, the primary and substitute representatives of the *masse* shall be:

Primary representative of the *masse*:

CACEIS ~~CORPORATE TRUST~~CORPORATE TRUST (439 430 976 RCS PARIS)
Address: 14, rue Rouget de Lisle – 92130 ISSY LES MOULINEAUX
Represented by ~~Mr Jean-Michel Desmarest~~Mrs Carine Echelard
Function: ~~Chief Executive Officer (Directeur Général)~~CEO of CACEIS Corporate Trust

Substitute representative of the *masse*:

CACEIS ~~BANK FRANCE~~BANK (692 024 722 RCS PARIS)
Address: 1-3, place Valhubert – 75013 PARIS
Represented by ~~Mrs Carine Echelard~~Mr Jean-François Abadie
Function: ~~Chief Executive Officer (Directeur Général)~~CEO of CACEIS ~~BANK~~
FRANCEBANK

The substitute representative of the *masse* may be called to replace the primary representative of the *masse* where the primary representative has ceased to act.

The acting representative of the *masse* will have, in the absence of any resolution of the Bondholders' general meeting to the contrary, the power to carry out, on behalf of the *masse*, all management actions necessary to protect the common interests of the Bondholders.

The acting representative will exercise his duties until his resignation or dismissal by the Bondholders' general meeting or until he becomes incompatibly conflicted. His appointment will automatically cease on the date of final or total redemption, prior to maturity or otherwise, of the Bonds. The appointment of the representative will be automatically extended, where applicable, until the final conclusion of any legal proceedings in which the representative is involved and the enforcement of any judgments rendered or settlements made.

The representative of the *masse* will be paid €400 per year by Unibail-Rodamco. This compensation will be payable on January 1 of each year (or on the next following Business Day) from 2016 to 2022, inclusive, insofar as there are Bonds outstanding at such time.

4.11.2 General

Unibail-Rodamco will be responsible for the compensation of the representative of the masse and the costs of convening and holding general meetings of the Bondholders, the costs related to publishing the decisions of Bondholders, any expenses related to the designation of representatives of the masse pursuant to Article L. 228-50 of the French *Code de commerce*, as well as, more generally, all duly incurred and justified administrative and operational expenses of the *masse*.

General meetings of the Bondholders may be held at the registered office of Unibail-Rodamco or at any other location specified in the relevant notice of the meeting. Each Bondholder will have the right, during the 15 day period preceding the general meeting of the Bondholders, to review or procure a written copy, whether on his own or by proxy, at the registered office or head office of Unibail-Rodamco or any other location specified in the notice of the meeting, of the resolutions to be proposed and reports to be presented at such meeting.

In the event that a further issue of bonds has terms identical to the Bonds and if the relevant terms of such issue so permit, the holders of the new bonds shall be grouped with the Bondholders into a single masse.

Each Bondholder must evidence its right to participate in a given Bondholders' general meeting by midnight, Paris time, of the second Business Day preceding the relevant meeting by entry of its Bonds: (i) for fully registered Bonds (*titres nominatifs purs*), into the accounts held by CACEIS Corporate Trust; (ii) for Bonds in registered form (*titres nominatifs administrés*), in the accounts held by the financial intermediary selected at the Bondholders' discretion and into the accounts held by CACEIS Corporate Trust; or (iii) for Bonds in bearer form (*titres au porteur*), into the accounts held by the financial intermediary selected at the Bondholder's discretion.

4.12 Resolutions and decisions related to the issue of the Bonds

4.12.1 Shareholders' general meeting having authority over the Bond issue

- Sixteenth resolution adopted at the shareholders' general meeting on April 23, 2014:

Delegation of authority to the Management Board to decide, while cancelling pre-emptive subscription rights by public offer, (i) the increase of the share capital by the issuance of ordinary shares and/or securities giving access to the share capital or (ii) the issuance of securities giving the right to the allotment of debt instruments.

The General Meeting, acting in accordance with the quorum and majority requirements of Extraordinary General Meetings, having considered the report of the Management Board and the special report of the Company's Auditors, and in accordance with the provisions of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92 and seq.:

1. delegates to the Management Board its authority, which it may sub-delegate in accordance with applicable law, to (i) increase the share capital, in one or several tranches, in such proportions and at such times as it shall deem fit, on the French market and/or on foreign markets and/or on the international market, via a public offering, denominated in euros or in any other currency or in a monetary unit

consisting of a basket of several currencies, cancelling pre-emptive subscription rights, by the issue of ordinary shares, or of securities, issued either for valuable consideration or for free, governed by Article L. 225-149 and seq. and Article L. 228-91 and seq. of the French Commercial Code, giving access to the share capital of the Company (whether by way of new or existing shares in the Company) or giving access to the capital of a company in which it holds more than half the capital, whether directly or indirectly, subject to the authorisation of the company in which the rights are exercised, or (ii) in the same conditions, issue of securities giving the right to the allotment of debt instruments governed by Article L228-91 and seq. of the French Commercial Code. These shares and other securities may be subscribed for either in cash or by way of netting receivable. It being further specified that these shares and other securities could be issued as the consideration for securities contributed to the Company in relation to a public exchange offer by the Company (or any other transaction having the same effect), made in France or abroad in accordance with local rules in respect of securities satisfying the conditions set out in Article L. 225-148 of the French Commercial Code.

2. delegates to the Management Board, subject to authorization of the General Meeting of the company in which the rights are exercised, its authority (i) to authorise the issue of securities giving access to the share capital of the Company by companies in which the Company holds more than half the capital, whether directly or indirectly and (ii) to issue shares or securities giving access to the share capital of the Company resulting there from;
3. resolves to fix the maximum amounts on the exercise of the present delegation of authority by the Management Board as follows:
 - a) the maximum nominal amount of capital increases, present or future, which may be carried out pursuant to the authority hereby delegated is fixed at €45 million. This threshold will be increased, where applicable, by the nominal amount of any additional shares issued resulting from eventual future financial transactions in conformity with the relevant legislative and regulatory provisions, and, where applicable, the contractual provisions providing for the adjustment of rights of the bearers of financial instruments granting access to the share capital of the company, stock options, new shares or free shares;
 - b) the maximum total nominal amount of capital increases, present or future, which may be carried out pursuant to the authority hereby delegated will be charged to the amount of the total ceiling provided by paragraph 2(b) of the 15th resolution of this General Meeting;
 - c) the maximum nominal amount of the securities representing present or future claims against the Company which may be issued pursuant to this authority hereby delegated in accordance with Articles L. 228-91 and L. 228-92 of the French Commercial Code will not exceed a ceiling limit of €1.5 billion or the counter-value of that amount;
 - d) the maximum total nominal amount of the negotiable securities representing immediate and/or future claims against the Company that may be issued pursuant to this authority in accordance with Articles L. 228-91 and L. 228-92 of the French Commercial Code will be charged to the total ceiling provided by paragraph 2(e) of the 15th Resolution of this General Meeting;
4. fixes the validity period of the authority delegated in accordance with this resolution at 18 months from the date of this general meeting and notes that this

delegation of authority revokes, with effect as of the same date, the unused part of any authority previously delegated to the Management Board for the same purpose;

5. resolves to cancel shareholders' pre-emptive subscription rights in respect of the securities which are the subject of this Resolution, while allowing the Management Board the option, pursuant to Article L. 225-135 of the French *Code de commerce*, to grant to the shareholders a priority subscription period (which does not give rise to the creation of negotiable rights) in respect of all or part of an issue, of such duration and on such terms as it shall determine in accordance with applicable legal and regulatory provisions, which must be exercised in proportion to the number of shares owned by each shareholder, and which may be supplemented by a conditional subscription right, on the understanding that securities not subscribed for will be sold by way of a public placement in France and/or abroad and/or on the international market; in the event that the amount of the issue exceeds 10% of the Company's share capital on the date on which the issue is decided, the Management Board will be under an obligation to grant shareholders a priority subscription period in respect of any issue made, of such duration and on such terms as it shall determine in accordance with applicable legal and regulatory provisions;
6. notes that this delegation of authority automatically entails the waiver by shareholders of their pre-emptive subscription rights in respect of the shares to which the negotiable securities giving access to the share capital confer a right, in favour of the holders of such negotiable securities;
7. resolves that, in accordance with Article L. 225-136 of the French Commercial Code:
 - the issue price of shares issued directly will be at least equal to the minimum amount provided for by the laws and regulations in force at the time this authority is used;
 - the issue price of negotiable securities giving access to the share capital will be such that the sum received immediately by the Company, plus any sum that might be received subsequently by the Company, if any, will be at least equal to the minimum subscription price defined in the previous paragraph in respect of each share issued as a consequence of the issue of these negotiable securities;
 - any negotiable security giving access to the share capital will be converted, redeemed or generally transformed, taking into account the nominal value of the negotiable security in question, into such a number of shares that the sum received by the Company in respect of each share will be at least equal to the minimum subscription price specified for the issue of the shares in this Resolution;
8. resolves that if subscriptions by shareholders and the public do not absorb the entirety of an issue of negotiable securities, the Management Board may exercise one or both of the following powers, in such order as it shall determine:
 - to limit the issue to the amount of subscriptions received under the conditions provided by law at the time this authority is used; and
 - to allot all or part of the unsubscribed securities to persons of its choice.

9. notes that the provisions contained in paragraphs 7 and 8 will not apply to shares and negotiable securities issued in the context of this delegation of authority as consideration for securities contributed to the Company in the context of a public exchange offer pursuant to Article L. 225-148 of the French Commercial Code.
10. resolves that the Management Board shall have all necessary powers, which it may sub-delegate in accordance with applicable laws, to implement this authority, and in particular to determine the conditions of issue, subscription and payment, to record the resulting capital increases and to make the consequential amendments to the Articles of Association, and in particular:
 - to determine, where applicable, the terms of exercise of the rights attached to the shares, negotiable securities giving access to the share capital or debt instruments to be issued, and to determine, where applicable, the terms of exercise of rights, in particular of conversion, exchange or redemption, including by way of the transfer of Company assets such as negotiable securities already issued by the Company;
 - to decide, in the case of an issue of debt securities (including negotiable securities conferring a right to the allocation of debt instruments of the kind referred to in Article L. 228-91 of the French Commercial Code), whether or not such securities are to be subordinated (and, if so, their rank of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), to set their interest rate (and in particular whether fixed or variable, zero-coupon or indexed), their maturity (whether fixed or indefinite) and the other terms of the issue (including whether secured or guaranteed in any way) and amortisation (including repayment by way of the transfer of Company assets); it being possible to purchase such securities on the stock market or to make them the subject of a purchase or exchange offer by the Company; to determine the conditions in which such securities will give access to the share capital of the Company and/or of companies in which it holds more than half the capital, whether directly or indirectly, and/or to the allotment of debt instruments; and to alter these terms during the lifetime of the securities concerned, subject to compliance with the applicable formalities;
 - in the case of negotiable securities issued by way of consideration for securities issued in the context of a public exchange offer (PEO), to draw up a list of the negotiable securities contributed to the exchange, to determine the terms of the issue, the exchange parity, and, if necessary, the amount of the balancing payment to be made, and to determine the terms and conditions of the issue in the context of a PEO, combined tender or exchange offer, single offer proposing the purchase or exchange of the relevant securities against settlement in securities or in cash, public tender or exchange offer accompanied by a secondary public exchange or tender offer, or any other form of public offer in accordance with the law and regulations applicable thereto, to record the number of securities contributed to the exchange, and to enter the difference between the issue price of the new shares and their nominal value as liabilities in a “contribution premium” account subject to the rights of all shareholders;
 - in its sole discretion, to charge the expenses of the capital increases to the amount of the premiums arising there from, and to deduct from that amount the sums necessary to increase the statutory reserve to one tenth of the new share capital after each capital increase;

- to determine and carry out any adjustments necessary to take into account the impact of transactions in the Company's share capital, in particular in the case of a change in the nominal value of the shares, an increase in the share capital by the capitalisation of reserves, an issue of bonus shares, a sub-division or consolidation of securities, a distribution of reserves or any other assets, a redemption of capital, or any other transaction affecting shareholders' equity, and to determine, where necessary, the manner in which the rights of the holders of negotiable securities giving access to the share capital will be preserved;
- and in general, to enter into any contract, in particular for the purpose of ensuring the successful completion of the proposed issues, to take any measures and decisions and to carry out any formalities necessary for the issue, listing and servicing of the securities issued pursuant to this authority or for the exercise of the rights attached thereto or consequent upon the capital increases carried out.

4.12.2 **Resolutions of the Management Board and decisions of the Chief Financial Officer**

At its meeting held on April 7, 2015, the Management Board, having knowledge of the deliberations of the Supervisory Board at its meetings held on December 10, 2014 and after verifying the compliance with the limits set forth in the sixteenth resolution of the shareholders' general meeting dated April 23, 2014, authorised in principle the issue of net share-settled bonds convertible into new and/or exchangeable for existing shares (*obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes (ORNANE)*), and delegated to the Chief Financial Officer and to the Deputy Chief Financial Officer all powers necessary to approve and complete the issue of such bonds, and to set the issue price and the definitive terms and conditions of the offer.

The Chief Financial Officer has decided, in particular:

- 1) to issue 1,441,462 Bonds for a total amount of issuance of 502,493,653.20 euros;
- 2) that the ~~nominal amount~~ Par Value of a Bond ~~(the Par Value)~~, amounts to 346.87 euros representing an issue premium of 37% over the reference share price of Unibail-Rodamco;
- 3) ~~that~~ the Bonds are issued at the Subscription Price of 348.60 euros, representing 100.5% of ~~the~~ their Par Value;
- 4) that the Bonds will bear no interest;
- 5) that the Bonds will have a duration of 6 years and 261 days.

4.13 **Scheduled Issue date**

The Bonds ~~will be~~ were issued on the Issue Date, *i.e.* on April 15, 2015.

4.14 **Restrictions on the negotiability of the Bonds**

There is no limitation on the negotiability of the Bonds resulting from the terms and conditions of the Bond issue.

4.15 Withholding taxes with respect to the Bonds

The following summarises ~~the~~certain French tax consequences which should apply under current French laws and subject to possible application of ~~international tax conventions to~~double tax treaties to non-French tax resident investors who are not shareholders of the Company. ~~These~~Non-French tax resident investors should nevertheless consult their own tax advisors to determine the tax regime applicable to their particular situation.

The repayment of the principal of the Bonds will occur after deduction of the sole withholding taxes and taxes that the law charges or would charge to the Bondholders.

The repayment of the principal of the Bonds is currently not liable to any withholding tax in France. Should a withholding tax be charged, the Company will not be required to gross up its payments accordingly to compensate for such withholding. In the event where the French Republic would set up ~~in the future~~ a withholding tax on the repayment of bonds, Unibail-Rodamco will not be required to gross up its payments with respect to the Bonds to compensate for such withholding.

Under the current Dutch legislation and subject to the possible application of international tax treaties, the redemption of the Bonds will not give rise to any withholding tax in the Netherlands.

Non-French tax resident investors shall also comply with the tax laws of their country of residence, as may be modified pursuant to the relevant double taxation treaty signed between France and such country.

4.16 Conversion Right

4.16.1 Nature of the Conversion Right

The Bonds give the right (the “**Conversion Right**”) to their Bondholders to receive, prior to the maturity of the Bonds, during the time ~~periods~~period defined in ~~section~~paragraph 4.16.2 (“Conversion ~~events~~event”) and in accordance with the terms of ~~section~~paragraph 4.16.3 (2) (“Terms of allocation pursuant to the Conversion Right”), at the Company’s option:

1– either:

- (a) if the Conversion Value (as defined in ~~section~~paragraph 4.16.3 (“Terms of allocation pursuant to the Conversion Right”)) is less than or equal to the Par Value ~~of the Bond~~: an amount in cash equal to the product of the Conversion Value and the number of Bonds for which the Conversion Right has been exercised; or
- (b) if the Conversion Value is greater than the Par Value ~~of the Bond~~:
 - (i) an amount in cash equal to the product of the Par Value ~~of the Bond~~ and the number of Bonds for which the Conversion Right has been exercised; and

- (ii) an amount payable in new and/or existing Stapled Shares, at the option of the Company, equal to the product of the difference between the Conversion Value and the Par Value ~~of the Bond~~ and the number of Bonds for which the Conversion Right has been exercised, this amount being determined in accordance with the terms of ~~section~~paragraph 4.16.3 (“Terms of allocation pursuant to the Conversion Right”).

2 – or (whether the Conversion Value is lower, greater or equal to the Par Value ~~of the Bond~~): a number of new and/or existing Stapled Shares (at the option of the Company) equal to the Conversion Ratio multiplied by the number of Bonds for which the Conversion Right has been exercised.

Exercise of the Conversion Right will result in the cancellation of each Bond for which it has been exercised.

4.16.2 **Conversion ~~events~~event**

~~1. Bondholders may exercise their Conversion Right during the period from April 15, 2015 (inclusive) until December 31, 2017 (inclusive) in the following circumstances:~~

- ~~(a) from April 15, 2015 (inclusive) to December 31, 2017 (inclusive), at any time during a given quarter, if the arithmetic mean of the closing trading price of the Shares on Euronext Paris (or, absent trading on Euronext Paris, on any other Regulated Market on which the Unibail Rodameo shares are traded) calculated over a period of 20 consecutive Trading Days selected from the 30 Trading Days preceding the final Trading Day of the preceding quarter, as determined by the Calculation Agent, is greater than 130% of the Conversion Price (as defined below) applicable on the final Trading Day of the preceding quarter;~~
- ~~(b) in case of early redemption of all the Bonds at the option of Unibail Rodameo, at any time in accordance with section 4.9.3 (“Early redemption at the option of Unibail Rodameo”), from the date on which the notice of redemption is published in accordance with section 4.9.6 (“Publication of information on redemption at maturity or on early redemption or upon exercise of the Conversion Right”) and until the eighteenth Trading Day (exclusive) preceding the date of early redemption;~~
- ~~(c) pursuant to section 4.11 (“Representation of Bondholders”), during the 3 month period following publication of a notice in the *Bulletin des Annonces légales obligatoires* (“BALO”) informing Bondholders of the decision of the Management Board or Board of Directors, as the case may be, to override the decision of the general meeting of Bondholders;~~
- ~~(d) in the case of a public offer with respect to the Shares, that may lead to a Change of Control or filed following a Change of Control, and on which the AMF issued a statement of compliance, provided for in section 4.16.7(b) (“Maintenance of Bondholders’ rights”), during the period specified in the last paragraph of section 4.16.7(b) during which the Conversion Ratio is temporarily adjusted;~~
- ~~(e) in the case of an early repayment event as described in section 4.9.5 (“Early Repayment Events”), from the date of such event until the eighteenth Trading Day (exclusive) preceding the date of early redemption.~~

~~2. From January 1, 2018 (inclusive), the~~ Bondholders ~~will be able to~~ can exercise their Conversion Right at any time until the eighteenth Trading Day (exclusive) preceding the Maturity Date.

For the purposes of this ~~section 4.16.2~~ paragraph 4.16.1 ("Conversion ~~events~~ event"):

A "**Trading Day**" means a Business Day where (i) Euronext is open and there is trading in shares on Euronext Paris or (ii) if applicable, in the absence of listing on Euronext Paris, the company operating any other Regulated Market which serves as Unibail-Rodamco's principal place of trading is open and there is trading in shares on such Regulated Market, except in each case for days on which trading closes earlier than the regular time of closing.

~~"Conversion Price" means, for each Bond, the amount in euros calculated by the Calculation Agent equal to the Par Value of a Bond divided by the Conversion Ratio, calculated to two decimal places, rounded to the nearest euro cent (for example, 0.005 shall be rounded up to 0.01).~~

~~"Conversion Ratio" equals, on the Issue Date, 1 Share per Bond and is subject to further adjustment in accordance with section 4.16.7 ("Maintenance of Bondholders' Rights").~~

Any Bondholder who has not exercised its Conversion Right within the time periods indicated above will receive, on the Maturity Date, an amount equal to Par Value in accordance with ~~section~~ paragraph 4.9.1 ("Normal redemption").

~~The Bondholders will be informed by Unibail Rodameco of the satisfaction of the conditions set forth in clauses (1) (a) and (b) above and the opening of the period defined in clause (2) above through a notice published by Euronext.~~

4.16.3 **Terms of allocation pursuant to the Conversion Right**

1. A Bondholder who exercises its Conversion Right shall receive, at Unibail-Rodamco's option:

1- either:

(a) If the Conversion Value (as defined below) is less than or equal to the Par Value ~~of the Bonds~~: an amount in cash equal to the product of the Conversion Value and the number of Bonds transferred to the Centralising Agent and for which the Conversion Right has been exercised; or

(b) If the Conversion Value is greater than the Par Value ~~of the Bonds~~:

(i) an amount in cash equal to the product of the Par Value ~~of the Bond~~ and the number of Bonds transferred to the Centralising Agent and for which the Conversion Right has been exercised; and

(ii) an amount payable in new and/or existing Stapled Shares to be delivered (at the Company's option) corresponding to the product of (1) the difference between the Conversion Value and the Par Value ~~of the Bond~~ (the "**Payment in Stapled Shares**") and (2) the number of Bonds transferred to the Centralising Agent and for which the Conversion Right has been exercised (the "**Amount of Payment in Stapled Shares**").

The total number of new and/or existing Stapled Shares to be delivered (the "**Number of Stapled Shares**") to each Bondholder under the Bonds for which the Conversion Right has been exercised shall be equal to (i) the Amount of Payment in Stapled Shares (ii) divided by the arithmetic mean of the volume-weighted daily average trading price of the ~~Shares~~Stapled Share on Euronext Paris (or, absent trading on Euronext Paris, on any other Regulated Market on which the ~~Unibail-Rodameo shares are~~Stapled Share is traded) over a period of 10 consecutive Trading Days (the "**Calculation Period**") counting from the Trading Day following the end of the Notification Period (as defined below) (the "**Average Stapled Share Price**").

The Average Stapled Share Price shall be calculated to four decimal places, rounded to the nearest ten-thousandth (for example, 0.00005 shall be up rounded to 0.0001).

If the Conversion Right is exercised in the event of a public offer on the Unibail-Rodamco Shares and/or the Newco Shares that may result in a Change of Control (as ~~set out in section~~defined in paragraph 4.16.7(b) ("Maintenance of Bondholders'-Rights-Public Offers"), ~~whether or not such exercise of the Conversion Right occurs in the cases provided in section 4.16.2 (1) (d) ("Conversion events") or after December 31, 2017~~ (the "**Exercise of the Conversion Right in the Event of a Public Offer**"), the Calculation Period will begin on the first Trading Day following the end of the Notification Period and will be equal to 5 Trading Days~~;~~.

"**Conversion Value**" means, for each Bond, an amount calculated by the Calculation Agent equal to the product of the relevant Conversion Ratio and the Average Stapled Share Price.

- 2- or only new and/or existing Stapled Shares (at the Company's option).

The total number of new and/or existing Stapled Shares (at the Company's option) for each Bondholder shall be equal to the Conversion Ratio applicable on the last Trading Day of the Notification Period (as defined below) multiplied by the number of Bonds transferred to the Centralising Agent for which the Conversion Rights were exercised (subject to the stipulations contained in ~~section~~paragraph 4.16.8 ("Compensation for fractional Stapled Shares").

2. For each Bondholder having exercised its Conversion Right, the Company will inform the Centralising Agent by no later than on the second Trading Day following the Exercise Date if it intends to grant such Bondholder either (i) an amount in cash and, if applicable, new and/or existing Stapled Shares or (ii) only new and/or existing Stapled Shares.

The Centralising Agent shall in turn notify the financial intermediaries, which shall notify the relevant Bondholders of the Company's decision by no later than the second Trading Day following such decision. The period from the Exercise Date to the effective notification of such decision of the Company to such Bondholder (inclusive), through the Centralising Agent, is referred to herein as the "**Notification Period**").

- ~~3. The following examples are given for informational purposes only and are based on currently applicable laws and regulations. They do not take into account any changes in laws or regulations that may occur after the date hereof:~~

1) Exercise of the Conversion Right pursuant to paragraphs (1) (a), (b), (c) and (e) and paragraph (2) of section 4.16.2 ("Conversion events") (Calculation Period equal to 10 Trading Days)

Assumptions:

Number of Bonds held: 1,000

Par Value per Bond: €346.87

Average Share Price: €350

Conversion Ratio: 1 Share per Bond

Conversion Value per Bond: €350

Settlement for one Bond:

Payment in Shares per Bond: €3.13 (equal to $350 - 346.87$)

Number of Shares delivered per Bond: 0.0089 Share (equal to $3.13/350$ i.e. 0 Share and cash payment for a fractional share)

Amount received in cash per Bond: €346.87 (equal to 1×346.87) in respect of the repayment of principal and €3.13 (equal to 0.0089×350), in respect of fractional Shares remaining of the Payment in Shares.

Settlement for 1,000 Bonds:

Payment in Shares per Bond: €3.13 (equal to $350 - 346.87$)

Number of Shares delivered per 1,000 Bonds: 8.9429 Shares (equal to $3,130/350$), i.e. 8 Shares and cash payment for a fractional share

Amount received in cash per Bond: €346,870 ($1,000 \times 346.87$) in respect of the repayment of principal and €330 (equal to 0.9429×350), in respect of fractional Shares remaining of the Payment in Shares.

2) Exercise of the Conversion Right in the event of a Public Offer (Calculation Period equal to 5 Trading Days)

Assumptions:

Issue date of the Bonds: April 15, 2015

Maturity Date: January 1, 2022

Opening date of the public offer: June 25, 2018

Conversion Ratio before the public offer (CR): 1 Share per Bond

Bond premium (Pr%): 37%

Par Value of the Bond: €346.87

Exercise Date: June 27, 2018

Unibail Rodameco's decision concerning type of settlement (no later than 2 Trading Days after the Exercise Date pursuant to section 4.16.3 (2) ("Terms of allocation pursuant to the Conversion Right")): June 29, 2018

Beginning of the Calculation Period (the first Trading Day following the Notification Period (exclusive) pursuant to section 4.16.3 (1) ("Terms of allocation pursuant to the Conversion Right")): July 4, 2018

End of the Calculation Period (Calculation Period of 5 Trading Days): July 10, 2018

Average Share Price between July 4, 2018 and July 10, 2018: €350

D represents the number of days between the opening date of the public offer (inclusive) and the Maturity Date (exclusive) (equal to 1,286 days)

M represents that the number of days between the Issue Date of the Bonds (inclusive) and the Maturity Date (exclusive) (equal to 2,453 days)

The new Conversion Ratio applicable during the Adjustment Period in the event of a Normal Redemption Offer (*Offre d'Amortissement Normale*) (exclusive) is: 1.19

a) Scenario 1: Unibail Rodameco chooses to deliver only new and/or existing Shares

~~The new Conversion Ratio after adjustment is: 1.19~~

~~Number of Shares delivered for 1,000 Bonds: 1,190 (equal to 1,000 x 1.19)~~

~~b) Scenario 2: Unibail Rodameo chooses to deliver an amount in cash and the difference between the Conversion Value and the Par Value of the Bonds in Shares~~

~~End of the Calculation Period: July 10, 2018~~

~~Average Share Price between July 4 and July 10, 2018: €50~~

~~The Conversion Value is €116.50~~

~~Payment in Shares: €69.63~~

~~Amount of the Payment in Shares for 1,000 Bonds: €69,630~~

~~Number of Shares for 1,000 Bonds: 198.9429, equal to 198 Shares and €30 in respect of fractional shares~~

~~Amount received in cash (including payment for fractional shares): €47,200~~

43. Notwithstanding the above, if in applying the provisions of this Securities Note a Conversion Ratio adjustment (or adjustments) occur(s) not in accordance with the laws and regulations in force and if ~~the Company:~~
- ~~the Company and Newco, acting in concert,~~ cannot legally issue enough new ~~Shares within the available authorised limits of the issue of equity securities on the basis of which the Bonds are issued, or Unibail Rodamco Shares and/or Newco Shares, respectively, (to create new Stapled Shares for delivery)~~ due to any ~~other~~ need for authorisation from ~~their respective~~ Shareholders to issue ~~Shares~~~~such shares~~ and,
 - ~~does~~~~the Company and Newco, acting in concert, do~~ not hold enough ~~existing~~ treasury ~~shares~~~~Stapled Shares~~ available in order to deliver to Bondholders having exercised their Conversion Right all new or existing ~~Stapled~~ Shares to be delivered by the Company in accordance with the above described adjustments, the Company will deliver all new and existing ~~Stapled~~ Shares it can, and for the outstanding balance (the “**Non-delivered ~~Stapled~~ Shares**”), the Company will deliver to such Bondholders a cash amount to be determined by multiplying the volume-weighted average price of the ~~Stapled~~ Shares on Euronext Paris (or, if not listed on Euronext Paris, on another Regulated Market or equivalent on which the ~~Stapled~~ Shares are listed) during the three Trading Days preceding the Exercise Date by the number of Non-delivered ~~Stapled~~ Shares. This amount is due upon delivery of ~~Stapled~~ Shares delivered in accordance with ~~this section~~~~paragraph~~ 4.16.3 (“Conditions for exercise of the Conversion Right”).

4.16.4 Suspension of the Conversion Right

In the event of a share capital increase, new equity issues or the issue of equity-linked securities, merger, de-merger, or other financial transactions triggering preferential subscription rights or a priority subscription period for the benefit of the [holders of Unibail-Rodamco ~~shareholders~~Shares and/or Newco Shares](#), Unibail-Rodamco reserves the right to suspend the Conversion Right during a period not exceeding three months or for any other period required by applicable regulation. This right of Unibail-Rodamco shall not under any circumstances result in the permanent loss by the Bondholders of their Conversion Right.

Unibail-Rodamco must provide notice of its decision to suspend the Conversion Right in the [BALDBALO](#). This notice shall be published at least seven calendar days before the suspension of the Conversion Right becomes effective. The notice shall specify the dates on which the suspension period begins and ends. This information shall also be published in a financial newspaper with national circulation in France and in a notice published by Euronext or, if applicable, by the company operating any other Regulated Market on which the Bonds are listed.

4.16.5 Conditions for exercise of the Conversion Right

1. In order to exercise their Conversion Right, Bondholders must submit an exercise notice to the financial intermediary on whose books the securities are held. The Centralising Agent will provide centralisation of this process.

The date of the notice shall be the Business Day during which the latter of conditions (1) and (2) below is met, by no later than 4:00 p.m. CET or the following Business Day if met after 4:00 p.m. CET (the "**Date of the Notice**"):

- (1) the Centralising Agent has received the exercise notice presented by the financial intermediary on whose books the Bonds are held;
- (2) the Bonds have been transferred to the Centralising Agent by the relevant financial intermediary. All requests for exercise of the Conversion Right received by the Centralising Agent in its capacity as centralising agent shall be effective on the first Trading Day following receipt by the Centralising Agent of the request to exercise the Conversion Right (the "**Exercise Date**"); it being specified that all requests for exercise of the Conversion Right must be received by the Centralising Agent no later than the eighteenth Trading Day (exclusive) preceding the Maturity Date or the date of early redemption.

Bondholders for whom the Exercise Date is identical will be treated equitably and will each receive an allocation for their Bonds, in the same proportions, subject to rounding differences, (i) either a cash amount and, if applicable, new and/or existing [Stapled](#) Shares in the same proportions, subject to rounding or (ii) only new and/or existing [Stapled](#) Shares.

2. For Bonds having the same Exercise Date, if the Payment in [Stapled](#) Shares is greater than zero, or if the Company decides to deliver only [Stapled](#) Shares, Unibail-Rodamco may choose, at its sole discretion, to deliver the Number of [Stapled](#) Shares in:

• [Stapled](#) Shares;

• existing [Stapled](#) Shares; or

- a combination of new and existing [Stapled](#) Shares.

If the Company uses its option pursuant to [section paragraph 4.16.3](#) ("Terms of allocation pursuant to the Conversion Right"), to pay partly in cash and, where applicable, partly in new and/or existing [Stapled](#) Shares, Bondholders will receive amounts due in cash, and, where applicable, delivery of the new and/or existing [Stapled](#) Shares, on the fourth Trading Day following the end of the Calculation Period (as defined in [section paragraph 4.16.3](#) ("Terms of allocation pursuant to the Conversion Right")).

If the Company uses its option pursuant to [section paragraph 4.16.3](#) ("Terms of allocation pursuant to the Conversion Right") to pay only in [Stapled](#) Shares, Bondholders will receive delivery of new and/or existing [Stapled](#) Shares, on the fourth Trading Day following the end of the Notification Period (as defined in [section paragraph 4.16.3](#) ("Terms of allocation pursuant to the Conversion Right")).

3. Notwithstanding the foregoing, the following rules shall apply in the case of the Exercise of the Conversion Right in the Event of a Public Offer:
 - (a) if Unibail-Rodamco uses its option pursuant to [section paragraph 4.16.3](#) ("Terms of allocation pursuant to the Conversion Right") to pay [Stapled](#) Shares only, Bondholders will receive delivery of new and/or existing [Stapled](#) Shares on the fourth Trading Day following the end of the Notification Period;
 - (b) if Unibail-Rodamco decides pursuant to [section paragraph 4.16.3](#) ("Terms of allocation pursuant to the Conversion Right") to pay a cash amount and, if applicable, in new and/or existing [Stapled](#) Shares, Bondholders will receive the sums due in cash on the tenth Trading Day following the end of the Calculation Period. The delivery of new and/or existing [Stapled](#) Shares, if applicable, will occur on the fourth Trading Day following Calculation Period.
4. In the circumstances described in paragraphs 2 and 3 above, any delivery of [Stapled](#) Shares or cash amount ~~occurring supposed to occur~~ on a Trading Day that is not a Business Day, shall take place on the following Business Day.
5. In the event that a transaction constituting an adjustment (see [section paragraph 4.16.7](#) ("Maintenance of Bondholders' rights")) where the Record Date (as defined in [section paragraph 4.16.7](#) ("Maintenance of Bondholders' rights")) occurs between the Exercise Date and the delivery date (exclusive) of the [Stapled](#) Shares issued and/or delivered upon exercise of the Conversion Right, the Bondholders will have no right to participate and will have no right to indemnification in this respect (subject to any adjustment right) until the delivery date (exclusive) of the [Stapled](#) Shares.

If the Record Date of a transaction constituting an adjustment referred to in [section paragraph 4.16.7](#) ("Maintenance of Bondholders' rights") occurs:

- the first Trading Day following the end of the Calculation Period or of the Notification Period, as the case may be, or prior to such date but in which, in either case, the Conversion Ratio in effect as of such date does not reflect the adjustment resulting from, if applicable, this transaction pursuant to [section paragraph 4.16.7](#) ("Maintenance of Bondholders' rights"); or
- between the first Trading Day following the end, ~~if~~ applicable, of the Calculation Period or of the Notification Period, as the case may be, and the delivery date of the [Stapled](#) Shares (exclusive);

the Company will proceed with the allocation of the number of additional [Stapled Shares](#) such that the total number of [Stapled Shares](#) allocated be equal to the number that would have been determined if the Conversion Ratio initially applied had taken into account the adjustment resulting, as the case may be, from this transaction pursuant to [section paragraph 4.16.7](#) (“Maintenance of Bondholder’s Rights”), subject to the provisions of [section paragraph 4.16.8](#) (“Compensation for fractional [Stapled Shares](#)”), it being specified that the volume-weighted average trading prices of the [Stapled Shares](#) taken into consideration for the calculation of the average trading price of the [Stapled Shares](#) will be restated, if they have not been affected, by the adjustment event (e.g., by restating the trading prices preceding a dividend detachment). The delivery of these additional [Stapled Shares](#) will occur as soon as possible following the initial delivery of the [Stapled Shares](#) granted upon the exercise of the Conversion Right.

4.16.6 **Bondholders' rights to dividends on [Stapled Shares](#) allocated**

The rights attached to new [Stapled Shares](#) issued following exercise of the Conversion Right are set out at [section paragraph 4.17.1\(a\)](#) (“New [Stapled Shares](#) issued upon exercise of the Conversion Right”) below.

The rights attached to existing [Stapled Shares](#) delivered following exercise of the Conversion Right are set out at [section paragraph 4.17.1\(b\)](#) (“Existing [Stapled Shares](#) allocated upon exercise of the Conversion Right”) below.

4.16.7 **Maintenance of Bondholders' Rights**

(a) **Adjustment events**

Bondholders' rights may be modified subsequent to financial transactions that Unibail-Rodamco [and/or Newco](#) may carry out following the present issue of the Bonds, as follows:

1. capital reduction prompted by losses;
2. financial transactions involving listed preferential subscription rights or with free allocation of listed warrants;
3. capital increase through the capitalisation of reserves, profits or premiums and corresponding allocation of free [Stapled Shares](#) to shareholders, as well as a stock split or reverse split of ~~Shares;~~ [the Unibail-Rodamco Shares and/or the Newco Shares resulting in an increase or a reduction of the number of Stapled Shares \(and not merely affecting the proportion of Unibail Rodamnco Shares and Newco Shares forming Stapled Shares, such as in case of a 1:2 split of Newco Shares resulting in Stapled Shares each being comprised of a Unibail-Rodamco Share stapled together with two Newco Shares\);](#)
4. capital increase through the capitalisation of profits, reserves or premiums with an increase in the nominal amount of the ~~Shares~~ [Unibail-Rodamco Shares and/or the Newco Shares \(forming the Stapled Shares\);](#)
5. distribution [to holders of Stapled Shares](#) of reserves and/or ~~premiums~~ [premium](#) in cash or in kind;
6. free allocation to Unibail-Rodamco's shareholders of any security other than [Stapled Shares](#);

7. merger (*absorption* or *fusion*) or spin-off (*scission*);
8. repurchase of ~~its~~ Stapled Shares at a price greater than the trading price;
9. repayment of share capital of Unibail-Rodamco and/or Newco;
10. modification of the distribution of its profits through the creation of preference shares;
11. payment of an excess dividend.

Until the Maturity Date or date of early redemption, maintenance of Bondholders' rights will be guaranteed through the adjustment of the Conversion Ratio in accordance with the terms set out below.

This adjustment will be carried out in a manner such that the value of the Stapled Shares which would have been allocated in case of an exercise of the Conversion Right immediately prior to the occurrence of one of the financial transactions described above will be equal, to the nearest hundredth of a Stapled Share, to the value of the Stapled Shares which would have been allocated in case of an exercise of the Conversion Right immediately after the occurrence of such financial transaction.

In the case of adjustments carried out in accordance with paragraphs 1 to 11 below, the new Conversion Ratio will be stated to two decimal places rounded to the nearest hundredth (0.005 being rounded to the next hundredth, i.e. 0.01). Any future adjustments made to the Conversion Ratio will be calculated and rounded to the nearest hundredth as described above. However, an allocation in respect of the Bonds may only be made in whole number Stapled Shares; the compensation procedure for fractional number Stapled Shares is described in ~~section~~paragraph 4.16.8 ("Compensation for fractional Stapled Shares").

1. In the case of a capital reduction prompted by losses

In case of a capital reduction of Unibail-Rodamco and/or Newco prompted by losses and carried out through the reduction of the nominal amount or number of ~~securities that make up the share capital~~ Unibail-Rodamco Shares and/or Newco Shares, the rights of Bondholders will be reduced in parallel as if they had exercised their Conversion Right prior to the date on which the capital reduction becomes effective. In case of a capital reduction ~~through~~of Unibail-Rodamco and of Newco through reduction respectively in the number of Unibail-Rodamco Shares and in the number of Newco Shares resulting in a reduction in the number of ~~shares~~ Stapled Shares, the new Conversion Ratio shall be equal to the product of the effective Conversion Ratio before the reduction in the number of shares multiplied by the following variable:

$$\frac{\text{Total Number of Stapled Shares ~~which make up the share capital~~ immediately after the transaction}}{\text{Total Number of Stapled Shares ~~which made up the share capital~~ immediately prior to the transaction}}$$

2. Financial transactions involving listed preferential subscription rights or with free allocation of listed warrants
- (a) In the case of financial transactions involving listed preferential subscription rights, the new Conversion Ratio will equal the product of the Conversion Ratio applicable prior to the beginning of such financial transaction and the following variable:

$$\frac{\text{Value of the Stapled Share after detachment of the preferential subscription right} + \text{Value of the preferential subscription right}}{\text{Value of the Stapled Share after detachment of the preferential subscription right}}$$

For the calculation of this variable, the values of each of (i) the Stapled Share after detachment of the preferential subscription right and (ii) the preferential subscription right are determined according to the average of the opening trading price on Euronext Paris (or, absent trading on Euronext Paris, of the opening trading prices on another Regulated Market or its equivalent on which the ~~Shares~~Stapled Share and the preferential subscription right are both traded) for each trading session during the subscription period.

- (b) In the case of financial transactions by way of free allocation of listed warrants to ~~shareholders~~holders of Stapled Shares with the possibility of a related placement of securities upon exercise of warrants not exercised by their holders at the end of their subscription period, the new Conversion Ratio will equal the product of the Conversion Ratio applicable prior to the beginning of such financial transaction and the following variable:

$$\frac{\text{Value of the Stapled Share ex-right} + \text{Value of the warrant}}{\text{Value of the Stapled Share ex-right}}$$

For the calculation of this variable:

- the value of the Stapled Share ex-right will be calculated on the basis of the volume-weighted average of (i) the trading price of the Stapled Shares on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Shares are traded) for each trading session during the subscription period and (ii) (a) the sale price of the securities sold in the placement, if such securities are fungible with the existing Stapled Shares, taking into account the volume of Stapled Shares sold in the placement when determining the sale price or (b) the trading price of the Stapled Shares on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Shares are traded) on the day the sale price of the securities sold in the placement is fixed, if such securities are not fungible with existing Stapled Shares;
- the value of the warrant will equal the volume-weighted average of (i) the trading price of the warrant on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the warrants are traded) for each trading session during the subscription period and

(ii) for the placement, of the implicit value (*valeur implicite*) of the warrants corresponding to the difference, if positive, adjusted by the exercise ratio, between the sale price of the securities sold in the placement and the subscription price of the securities by applying to the value so calculated the volume corresponding to the warrants exercised for the purpose of delivering the securities sold in the placement.

3. In the case of a capital increase of Unibail-Rodamco and/or of Newco through the capitalisation of profits, reserves or premiums and the corresponding allocation of free Stapled Shares to ~~shareholders~~holders of Stapled Shares, as well as a stock split or reverse split of ~~Shares~~Unibail-Rodamco Shares or Newco Shares resulting in an increase or a reduction in the number of Stapled Shares (and not merely affecting the proportion of Unibail Rodamco Shares and Newco Shares forming Stapled Shares, such as in case of a 1:2 split of Newco Shares resulting in Stapled Shares each being comprised of a Unibail-Rodamco Share stapled together with two Newco Shares), the new Conversion Ratio will equal the product of the Conversion Ratio applicable immediately prior to the transaction and the following variable:

$$\frac{\text{Total Number of Stapled Shares ~~which make up the share capital~~immediately after the transaction}}{\text{Total Number of Stapled Shares ~~which made up the share capital~~immediately prior to the transaction}}$$

Total Number of Stapled Shares ~~which made up the share capital~~immediately prior to the transaction

4. In case of a capital increase of Unibail-Rodamco and/or of Newco through the capitalisation of profits, reserves or premiums with an increase in the par value of the ~~Shares~~Unibail-Rodamco Shares and/or the Newco Shares (forming the Stapled Shares), the Conversion Ratio will not be adjusted, but the nominal amount of the ~~Shares~~Unibail-Rodamco Shares and/or the Newco Shares (forming the Stapled Shares) that would be allocated to the Bondholders upon exercise of the Conversion Right will be increased ~~as a result~~accordingly.
5. In case of a distribution of reserves and/or ~~premiums~~premium, in cash or in kind, the new Conversion Ratio will equal the product of the Conversion Ratio applicable immediately prior to the beginning of such transaction and the following variable:

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

For the calculation of this variable:

- the value of the Stapled Share prior to the distribution will be calculated according to the volume-weighted daily average trading price of the Stapled Shares on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Shares are traded) during the three trading days preceding the date on which the Stapled Shares are quoted ex-dividend;

- the value of the securities distributed will be calculated as described above if such securities are already traded on a Regulated Market or its equivalent. If such securities are not being traded on a Regulated Market or its equivalent prior to the date of distribution, the value of these securities will be calculated (i) according to the volume-weighted daily average trading price of the Stapled Shares on a Regulated Market or its equivalent during the first three trading sessions that follow the date on which the Stapled Shares are quoted ex-dividend and during which such securities are traded, if these securities are admitted to trading during the first 20 trading sessions following the distribution on which the Stapled Shares are quoted ex-dividend, and (ii) in all other cases (non-traded securities or other assets), by an independent expert of international repute selected by Unibail-Rodamco.

6. In the case of a free allocation of any ~~securities(s) other than Shares~~securities other than Stapled Shares or Unibail-Rodamco Shares or Newco Shares to holders of Stapled Shares (other than Unibail-Rodamco, Newco or other members of the Group) and subject to clause 2.(b) above, the new Conversion Ratio will equal:

(a) if the right to free allocation of securities is traded on Euronext Paris, the product of the Conversion Ratio applicable prior to the commencement of the given transaction multiplied by the following variable:

$$\frac{\text{Value of the Stapled Share ex-free allocation right + Value of the free allocation right per Stapled Share}}{\text{Value of the ~~Share~~Stapled ex-free allocation right}}$$

For the calculation of this variable, the value of each of the Stapled Share ex-free allocation right and the free allocation right will be determined by the volume-weighted daily average trading price of each of the Stapled Share ex-free allocation right and the free allocation right on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the ~~Shares~~Stapled Share and the preferential subscription rights are both traded) during the three trading days immediately following the date of allocation and on which the Stapled Share ex-free allocation right and the free allocation right are simultaneously traded.

If the free allocation right is not traded during each of the tree trading days, its value will be determined by an independent expert of international repute selected by Unibail-Rodamco.

(b) If the free allocation right is not traded on Euronext Paris, the product of the Conversion Ratio applicable prior to the commencement of the given transaction multiplied by the following variable:

$$\frac{\text{Value of the Stapled Share ex-free allocation right + Value of the financial security (or securities) allocated per ~~share~~Stapled Share}}{\text{Value of the Stapled Share ex-free allocation right}}$$

For the calculation of this variable, the value of each of the Stapled Share ex-free allocation right and the securities(s) allocated per Stapled Share, if the latter are traded on a Regulated Market or its equivalent, will be calculated with reference to the volume-weighted daily average trading price recorded on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Shares ex-free allocation right and the allocated securities(s) are both traded) during the first three trading sessions following the date of allocation and on which the Stapled Share ex-free allocation right and the securities(s) are simultaneously traded. If the allocated securities(s) are not traded, the adjustment will be determined by an independent expert of international repute selected by Unibail-Rodamco.

7. In the case of a merger of Unibail-Rodamco into ~~another company, the~~Newco or vice-versa or a merger of Unibail-Rodamco and Newco into another company or merger of Unibail-Rodamco and Newco with another or several other companies to form a new company or Unibail-Rodamco and Newco carrying out a spin-off ~~by Unibail-Rodameo,~~ the shares of the surviving or new company or of the acquirers of the spun-off entity will be allocated for the Bonds.

The surviving or new company, or the acquirers of the spun-off company who become the debtor under the Bonds pursuant to the business combination agreement will be the successor of Unibail-Rodamco and/or Newco with regard to the application of the terms and conditions of the present issue and, in particular, those meant to maintain Bondholders' rights in the case of financial transactions or securities issuances, and, more generally, to guarantee the Bondholders' rights under any applicable laws, regulations and agreements. The new Conversion Ratio will be calculated by multiplying the Conversion Ratio applicable immediately prior to the beginning of the transaction in question by the exchange ratio between the shares of the surviving or new company, or of the acquirers of the spun-off entity, and the Stapled Shares (or the Unibail-Rodamco Shares and the Newco Shares taken individually for the purpose of the project).

8. In the case of the repurchase of Stapled Shares by Unibail-Rodamco ~~of its Shares~~and/or Newco at a price greater than their trading price, the new Conversion Ratio will equal the product of the Conversion Ratio in effect before the beginning of the repurchase and the following variable:

$$\frac{(\text{Value of the } \underline{\text{Stapled}} \text{ Share} + \text{Pc} \% \times (\text{Repurchase Price} - \text{Value of the } \underline{\text{Stapled}} \text{ Share}))}{\text{Value of the } \underline{\text{Stapled}} \text{ Share}}$$

For the calculation of this variable:

- The "Value of the Stapled Share" means the volume-weighted daily average trading price of the ~~Shares~~Stapled Share on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Shares are traded) during the three trading sessions preceding the repurchase;
- "Pc %" means the percentage of ~~share capital~~Stapled Shares repurchased; and;
- "Repurchase Price" means the effective repurchase price (transaction costs excluded) (necessarily greater than the trading price).

9. In the case of a repayment of share capital on the Unibail-Rodamco Shares and/or Newco Shares, the new Conversion Ratio will equal the product of the Conversion Ratio applicable immediately prior to the beginning of the transaction in question and the following variable:

Value of the Stapled Share prior to repayment

Value of the Stapled Share prior to repayment - Amount of repayment per Unibail-Rodamco Share and/or Newco Share, as applicable

~~Value of the Share prior to repayment of the share capital~~
~~Value of the Share prior to repayment of the share capital - Amount of repayment per Share~~

For the calculation of this variable, the value of the Stapled Share prior to repayment shall be calculated with reference to the volume-weighted daily average trading price of the Stapled Share on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Shares are traded) during the three trading days preceding the repayment date.

10. In the case of modification by Unibail-Rodamco and/or Newco of the distribution of ~~its~~their profits through the creation of preference shares, the new Conversion Ratio will equal the product of the Conversion Ratio applicable immediately prior to the beginning of the transaction in question and the following variable:

Value of the Stapled Share prior to the modification

Value of the Stapled Share prior to the modification - Absolute value of the reduction per Stapled Share of the right to receipt of profits

~~Value of the Share prior to the modification~~
~~Value of the Share prior to the modification - Absolute value of the reduction per Share of the right to receipt of profits~~

For the calculation of this variable, (i) the value of the Stapled Share prior to the modification ~~of the distribution of Unibail-Rodameco's profits~~ will be calculated with reference to the volume-weighted daily average trading price of the Stapled Share on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Shares are traded) during the three trading days preceding the day of such modification and (ii) the value of the reduction per Stapled Share of the right to receive profits will be calculated by an independent expert of international repute selected by Unibail-Rodamco. ~~For the avoidance of doubt,~~all useful purposes, it is specified that the value ~~set forth~~referred to in (ii) will be offset by ~~the potential compensations to the benefit of~~any counterparties benefiting the shareholders of the affected company.

Notwithstanding the foregoing, if such preference shares are issued with preferential subscription rights or through a free allocation to shareholders of warrants to subscribe for such preference shares, the new Conversion Ratio will be adjusted in accordance with clauses 2 to 6 above.

11. Payment of an excess dividend

a) Upwards adjustments of the Conversion Ratio

For the purposes of this paragraph 11 a), there shall be an “**Excess Dividend**” when the Total Amount of the Distributed Dividend per Stapled Share (as defined below) in respect of a given financial year of the Company and of Newco exceeds 9.6 euros (the “**Threshold Amount of the Distributed Dividend per Stapled Share**”). In the event of a distribution which is not attributable to a given financial year, this distribution will be deemed made in respect of the financial year ~~during which it occurs~~ in which the Record Date for such distribution falls.

The Excess Dividend shall then be equal to the positive difference between the Total Amount of the Distributed Dividend per Stapled Share in respect of such financial year and the Threshold Amount of the Distributed Dividend per Stapled Share.

“**Reference Dividend**” means the dividend or distribution (excluding any ~~other~~ distribution referred to in paragraph 5 above) which ~~makes results in~~ the Company crossing of the Threshold Amount of the Distributed Dividend per Stapled Share in respect of the financial year in question.

“**Prior Dividends**” means the eventual dividends and/or distributions (excluding any ~~other~~ distribution referred to in paragraph 5 above) whose Record Dates are prior to the ~~Reference Dividend~~ Record Date of the Reference Dividend but in respect of the same financial year.

“**Later Dividends**” means any ~~dividend or distribution~~ dividends and/or distributions (excluding any other distribution referred to in paragraph 5 above) whose Record Dates are later than the Reference Dividend Record Date but in respect of the same financial year.

The “**Total Amount of the Distributed Dividend per Stapled Share**” means the sum of the Reference Dividend and the eventual Prior Dividends per ~~share~~ Stapled Share.

The “**Record Date**” is the date ~~at which the holding of the Shares is set in order to determine to which shareholders, a dividend, a distribution or an allocation, announced or decided at such date or previously announced or decided, shall be paid or delivered, as per which it will be determined who is entitled to receive a certain dividend or distribution.~~

The Reference ~~Dividends~~ Dividend, Prior Dividends and Later Dividends mean ~~any dividend or distribution~~ the sum of all dividends or distributions on the Unibail-Rodamco Shares and the Newco Shares (forming the Stapled Shares), paid in cash or in kind or in shares, to the ~~shareholders, in respect of a same financial year~~ holders of Stapled Shares (before any potential withholding tax and without taking into account potential applicable tax relief), it being specified that any dividend or distribution (or portion of dividend or distribution) resulting in a Conversion Ratio adjustment pursuant to paragraphs 1 to 10 will not give right to an adjustment pursuant to this paragraph 11 a) and will therefore not be included in the calculation of the Total Amount of the Distributed ~~Dividend~~ Dividend per Stapled Share.

In the event of an Excess Dividend in respect of a financial year, the new Conversion Ratio will be calculated according to the following formula:

$$\text{NCR} = \text{CR} \times \frac{\text{CSP}}{\text{CSP} - (\text{TADDS} - \text{TA})}$$

where:

• “NCR” means the New Conversion Ratio;

- “CR” means the last Conversion Ratio previously applicable;
- “TADDS” means the Total Amount of the Distributed Dividend per Stapled Share for a given financial year;
- “TA” means the Threshold Amount of the Distributed Dividend per Stapled Share;
- “CSP” means the trading price of the ~~shares~~Stapled Share, equal to the volume-weighted average of the trading price of the ~~Company shares~~Stapled Share on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Share is traded) during the last three trading sessions preceding the trading session during which the ~~shares~~Stapled Shares are traded ex-Reference Dividend;

it being specified that any Later Dividend (where applicable, decreased by any portion of the dividend or of the distribution resulting in the calculation of a new Conversion Ratio pursuant to paragraphs 1 to 10 above) shall result in an adjustment according to the following formula:

$$\text{NCR} = \text{CR} \times \frac{\text{CSP}}{\text{CSP} - \text{LD}}$$

where:

- “NCR” means the New Conversion Ratio;
- “CR” means the last Conversion Ratio previously applicable;
- “LD” means any Later Dividend ~~of the financial year~~;
- “CSP” means the trading price of the ~~shares~~Stapled Shares, equal to the volume-weighted average of the trading price of the Company ~~shares~~Stapled Shares on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Share is traded) during the last three trading sessions preceding the trading session during which the shares are traded ex-Later Dividend.

b) Downwards adjustments of the Conversion Ratio

For the purposes of this paragraph 11 b), **“Total Dividend”** means the sum of all dividends and other distributions paid on the Stapled Shares in respect of a ~~same~~given financial year other than a dividend or distribution resulting ~~to~~in the calculation of a new Conversion Ratio pursuant to paragraphs 1 to 10 above ~~(including pursuant to paragraph 5)~~. In the event of a distribution which is not attributable to a given financial year, this distribution will be deemed made in respect of the financial year in which the Record Date for such distribution falls.

The “Record Date” is the date as per which it will be determined who is entitled to receive a certain dividend or distribution.

If, on the date of the payment of the last dividend paid in respect of a financial year, and in any case at the latest on the date when the ~~annual~~ general meeting of Unibail-Rodamco or Newco, as applicable, decides the allocation of the result of the given financial year ~~in question~~, the Total Dividend is lower than the Threshold Amount of the Distributed Dividend per Stapled Share, the new Conversion Ratio shall be calculated according to the following formula:

$$\text{NCR} = \text{CR} \times \frac{\text{CSP}}{\text{CSP} - \text{LD}}$$

$$\text{CSP} - (\text{TD} - \text{TA})$$

where:

- “NCR” means the New Conversion Ratio;
- “CR” means the last Conversion Ratio previously applicable;
- “TD” means the Total ~~Amount of the Distributed~~ Dividend ~~per Share~~;
- “TA” means the Threshold Amount of the Distributed Dividend per Stapled Share;
- “CSP” means the trading price of the ~~shares~~ Stapled Shares, equal to the volume-weighted average of the trading price of the ~~Company shares~~ Stapled Shares on Euronext Paris (or, in the absence of trading on Euronext Paris, on another Regulated Market or its equivalent on which the Stapled Share is traded) during the last three trading sessions preceding the trading session during which the ~~shares~~ Stapled Shares are traded ex-Reference Dividend.

For the avoidance of doubt, for purposes of this sub-paragraph (b), the "Reference Dividend" ~~addressed~~ refers to the last dividend paid, in respect of a given financial year, and, in any case, at the latest on the date of the ~~annual~~ general meeting of Unibail-Rodamco or Newco, as applicable.

(b) Public Offers

Under current French regulation, if the Unibail-Rodamco Shares are subject to a public tender or exchange offer by a third party, the offer must be equally extended in France to all securities giving access to the share capital or voting rights of Unibail-Rodamco, including the Bonds.

Furthermore, independently of the above-mentioned requirement, in the case where a public offer (purchase, exchange, combined, etc.) ~~for the Shares has been made for the Unibail-Rodamco Shares and/or the Newco Shares (forming the Stapled Shares) and such offer~~ may lead to a Change of Control (as defined ~~in section 4.9.4 ("Early redemption at the Bondholders' option upon Change of Control") above, or filed below~~) or is made following a Change of Control, and providing that the AMF competent authority in respect of such offer finds the said public offer to be compliant, the Conversion Ratio will be temporarily adjusted as follows:

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

where:

- “NCR” means the new Conversion Ratio after the adjustment;
- “CR” means the previous Conversion Ratio in effect prior to the opening date of the public ~~offer~~ offer(s);

“Pr%” means 37%, being the premium, expressed as a percentage, retained at the moment the terms of the Bonds become definitive, which represents the Par Value as compared to the reference price of the Unibail-Rodamco Share;

~~Bonds as compared to the reference price of the Share equal to 37%;~~

“D” means the number of days between the opening date of the public offer (inclusive) and the Maturity Date (exclusive); and

“M” means 2,453 days, being the number of days between the Issue Date of the Bonds (inclusive) and the Maturity Date (exclusive) ~~equal to 2,453 days.~~

For the purposes of this paragraph, "Change of Control" means the event where one or more people acting collectively, come to hold more than 50% of capital or voting rights of Unibail-Rodamco or Newco, provided that Unibail-Rodamco – directly or indirectly – acquiring or coming to hold more than 50% of the capital or voting rights of Newco (and vice-versa) shall not be deemed a Change of Control.

The adjustment to the Conversion Ratio set forth above will only apply to Bondholders who will exercise their Conversion Right between (and including):

(A) if the offer is unconditional, (i) the first trading day on which the Unibail-Rodamco Shares and/or Newco Shares, as applicable can be tendered and (ii) the date that is 10 Business Days after the last day during which the Unibail-Rodamco Shares and/or Newco Share, as applicable can be tendered in the offer or, if the offer is reopened, the date that is 10 Business Days after the last day during which the Unibail-Rodamco Shares and/or Newco Shares, as applicable can be tendered to this offer; or

(B) if the offer is conditional (including pursuant to the applicable regulation), (i) the first day following the AMF (or its successor) issuing a statement that the offer has a positive outcome, or – in the case of a Dutch law tender offer – the bidder announcing after the offer period that the offer is declared unconditional (gestanddoening) and (ii) the date that is 10 Business Days after the publication by the AMF of the results of the offer or, if the offer is reopened, the date that is 10 Business Days after the last day during which the Unibail-Rodamco Shares and/or Newco Shares, as applicable, can be tendered to this offer. If, during the offer period, the offer would become unconditional by decision of the AMF or the bidder, the adjustment of the Conversion Ratio shall benefit to the Bondholders who would exercise their Conversion Right between (and including) the date when the offer is declared unconditional by decision of the AMF or the bidder and the date referred to in (ii) above.

In any case, the adjustment to the Conversion Ratio will cease, if the initiator abandons the offer, on the date on which the abandonment is published.

(c) General principles applicable in the case of adjustment

In the case that Unibail-Rodamco and/or Newco carries out transactions for which an adjustment will not have been made pursuant to clauses 2 through 11 above and for which future laws or regulations would provide for an adjustment, this adjustment will be carried out in accordance with applicable laws and regulations and the practices on the ~~French~~ relevant financial market.

Issuances resulting from capital increases in connection with employee savings schemes (*plan d'épargne d'entreprise*), free ~~Shares~~ share allocations to the Group

employees and corporate officers and the exercise of stock options or any other employees and corporate officers shareholding plan are excluded from the adjustment events described above.

A single transaction may not under any circumstances give rise to the application of more than one adjustment pursuant to clauses 2 through 11 above, and it being understood that the calculation provided for in clause 11 will exclude distributions of reserves and/or premiums which resulted in an adjustment of the Conversion Ratio pursuant to clause 5 above.

In the case where Unibail-Rodamco [and/or Newco](#) were to carry out a transaction to which several of the adjustment events described above could apply, the first adjustments to be applied will be those required by [French](#) law.

4.16.8 Compensation for fractional [Stapled](#) Shares

If the total number of ~~shares~~ [Stapled Shares](#) corresponding to the Bonds for which the Conversion Right was exercised by a Bondholder is not a whole number, the Bondholder will receive the whole number of [Stapled](#) Shares immediately inferior. In such case, the Bondholder will also receive from Unibail-Rodamco a sum in cash equal to the product of the fractional ~~Share~~ [Unit](#) and the Average [Stapled](#) Share Price.

4.16.9 Notice of adjustment to Conversion Ratio

In the event of an adjustment to the Conversion Ratio, the Bondholders will be notified by way of a notice published in the BALO in accordance with the provisions of Article R. 228-92 of the French *Code de commerce* (to the extent required by applicable law or regulation), in a financial newspaper of national circulation in France and by a notice published by Euronext or, if applicable, by the operator of any other Regulated Market on which the Bonds are listed.

In addition, the Management Board of Unibail-Rodamco will disclose the relevant calculation details and the results of such adjustment in the next annual report following any such adjustment.

~~4.16.10 Impact of the~~ [4.17](#) [Stapled Shares allocated upon](#) exercise of the Conversion ~~Right on the position of holders of equity securities and equity-linked securities~~

~~The following information, as well as the terms of the transaction, will be incorporated into a supplemental report described in Articles R. 225-115 and R. 225-116 of the French *Code de commerce*. This report, as well as the supplemental report of the statutory auditors, will be made available to shareholders at the Unibail-Rodameo's registered office for the period required by regulation and they will be informed of such reports at the next shareholders' general meeting.~~

~~The calculations below have been performed without taking into account the cancellation of the 2012 ORNANES that will be repurchased and cancelled by the Company following to the Repurchase of Reference and the Repurchase Procedure (see section 7.5 ("Repurchase of the 2012 ORNANES")):~~

~~The calculations below have been performed on the basis of shareholders' equity of the Company as of December 31, 2014, equal to €8.867 million, and the number of Shares making up the share capital of Unibail Rodameo as of December 31, 2014, equal to 98,058,347 Shares.~~

Assumptions used for purposes of the following tables:

- Conversion Ratio equal to 1.

- Share premium: 37%

1. ~~As an example, if the Company should decide to deliver only new Shares to Bondholders following exercise of their Conversion Right, the impact of such allocation on the interest of a shareholder holding 1% of Unibail Rodameo's share capital on December 31, 2014 (prior to the issue and not participating in the offering) would be as follows:~~

	Interest of the shareholder
Prior to issuance of the Bonds and prior to exercise of all diluting instruments ^(*)	1.00%
Prior to issuance of the Bonds and after exercise of all diluting instruments ^(*)	0.92%
After issuance of the Bonds and exercise of the Conversion Right and prior to exercise of all diluting instruments^(*)	0.99%
After issuance of the Bonds and exercise of the Conversion Right and after exercise of all diluting instruments^(*)	0.91%

^(*) ~~Diluting instruments are (i) stock options granted by Unibail Rodameo and not yet exercised as of December 31, 2014, (ii) free Shares in the event of a completed acquisition as of December 31, 2014 and (iii) bonds redeemable into Shares issued by Unibail Rodameo, the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in September 2012 and the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in June 2014 still outstanding as of December 31, 2014. It is reminded that Unibail Rodameo will have the possibility to redeem the nominal value of these bonds in totality in new and/or existing shares.~~

2. ~~As an example, if the Company decides to deliver payment to Bondholders only in Shares following exercise of their Conversion Right, the impact of the issuance of Bonds and their exercise on the share of equity of the Company⁴ at December 31, 2014 for the holder of one Share (prior to the issue and not participating in such offering) would be as follows:~~

Share in shareholders'
equity
(in euros)

diluting instruments ^(*)	€0.42
Prior to issue of the Bonds and after exercise of all diluting instruments ^(*)	€8.97

Prior to issue of the Bonds and prior to exercise of all	
After issuance of the Bonds and exercise of the	
Conversion Right and prior to exercise of all diluting	
instruments^(*)	€4.16
After issuance of the Bonds and exercise of the	
Conversion Right and after exercise of all diluting	
instruments^(*)	€102.32

^() Diluting instruments are (i) stock options granted by Unibail Rodameo and not yet exercised as of December 31, 2014, (ii) free Shares in the event of a completed acquisition as of December 31, 2014 and (iii) bonds redeemable into Shares issued by Unibail Rodameo, the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in September 2012 and the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in June 2014 still outstanding as of December 31, 2014. It is reminded that Unibail Rodameo will have the possibility to redeem the nominal value of these bonds in totality in new and/or existing shares.*

~~Shareholders' equity of the Company prior to the issuance of the Bonds and after exercise of all diluting instruments is (i) increased by the portion of Unibail Rodameo bonds redeemable into Shares recorded as financial debt as of December 31, 2014 and (ii) increased by the impact on shareholders' equity of other diluting instruments (equal to €1,671.7 million). The number of Shares prior to the issuance of the Bonds and after exercise of all diluting instruments is (i) increased by the Shares underlying the convertible bonds recorded as of December 31, 2014 (equal to 9,188 Shares) and (ii) increased by the Shares underlying other diluting instruments recorded as of December 31, 2014 (equal to 8,059,510 Shares). It is reminded that Unibail Rodameo will have the possibility to redeem the nominal value of these bonds in totality in new and/or existing shares.~~

~~3. As an example, in the case where a cash amount (corresponding to the Par Value of the Bonds) and new Shares would be allocated to Bondholders following exercise of their Conversion Right, the impact of this allocation on the equity interest of a~~

shareholder holding 1% of Unibail Rodameo's share capital on December 31, 2014 (prior to the issue and not participating in such offering) would be as follows, based on the following assumptions:

- ~~an Average Share Price equal to 110% of the Par Value of the Bond, i.e. €46.87, a Conversion Value equal to €81.5570 and a Conversion Ratio equal to 1; and~~
- ~~an Average Share Price equal to 150% of the Par Value of the Bond, i.e. €46.87, a Conversion Value equal to €20.3050 and a Conversion Ratio equal to 1; and~~
- ~~an Average Share Price equal to 200% of the Par Value of the Bond, equal to €46.87, a Conversion Value equal to €93.7400 and a Conversion Ratio equal to 1.~~

Interest of the shareholder

	Average share price equal to 110% of the Par Value of the Bond	Average share price equal to 150% of the Par Value of the Bond	Average share price equal to 200% of the Par Value of the Bond
Prior to issuance of the Bonds and prior to exercise of all diluting instruments^(*)	1.00%	1.00%	1.00%
Prior to issuance of the Bonds and after exercise of all diluting instruments^(*)	0.92%	0.92%	0.92%
After issuance of the Bonds and exercise of the Conversion Right and prior to exercise of all diluting instruments^(*)	1.00%	1.00%	0.99%
After issuance of the Bonds and exercise of the Conversion Right and after exercise of all diluting instruments^(*)	0.92%	0.92%	0.92%

^() Diluting instruments are (i) stock options granted by Unibail Rodameo and not yet exercised as of December 31, 2014, (ii) free Shares in the event of a completed acquisition as of December 31, 2014 and (iii) bonds redeemable into Shares issued by Unibail Rodameo and (iv) the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in September 2012 and the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in June 2014 still outstanding as of December 31, 2014. It is reminded that Unibail Rodameo will have the possibility to redeem the nominal value of these bonds in totality in new and/or existing shares.*

4. As an example, if an amount in cash (corresponding to the Par Value of the Bonds) and an amount in new Shares are allocated to the Bondholders following exercise of their Conversion Rights, the impact of the issuance of the Bonds and of their exercise on the share in equity of the Company⁵ at December 31, 2014 for the holder of one Share who did not subscribe to the Bond issue would be as follows, based on the assumptions below:

- ~~an Average Share Price equal to 110% of the Par Value of the Bond, i.e. €46.87, a Conversion Value equal to €81.5570 and a Conversion Ratio equal to 1; and~~
- ~~an Average Share Price equal to 150% of the Par Value of the Bond, i.e. €46.87, a Conversion Value equal to €20.3050 and a Conversion Ratio equal to 1; and~~
- ~~an Average Share Price equal to 200% of the Par Value of the Bond, i.e. €46.87, a Conversion Value equal to €93.7400 and a Conversion Ratio equal to 1.~~

	Share in shareholders' equity (in euros)		
	Average share price equal to 110% of the Par Value of the Bond	Average share price equal to 150% of the Par Value of the Bond	Average share price equal to 200% of the Par Value of the Bond
Prior to issuance of the Bonds and prior to exercise of all diluting instruments^(*)	€0.42	€0.42	€0.42
Prior to issuance of the Bonds and after exercise of all diluting instruments^(*)	€8.97	€8.97	€8.97
After issuance of the Bonds and exercise of the Conversion Right and prior to exercise of all diluting instruments^(*)	€0.30	€9.98	€9.76
After issuance of the Bonds and exercise of the Conversion Right and after exercise of all diluting instruments^(*)	€8.85	€8.53	€8.30

~~5. Shareholders' equity of the Company prior to the issuance of the Bonds and after exercise of all diluting instruments is (i) increased by the portion of Unibail Rodameo bonds redeemable into Shares recorded as financial debt as of December 31, 2014 and (ii) increased by the impact on shareholders' equity of other diluting instruments (equal to €1,671.7 million). The number of Shares prior to the issuance of the Bonds and after exercise of all diluting instruments is (i) increased by the Shares underlying the convertible bonds recorded as of December 31, 2014 (equal to 9,188 Shares) and (ii) increased by the Shares underlying other diluting instruments on the books as at December 31, 2014 (equal to 8,059,510 Shares). It is reminded that Unibail Rodameo will have the possibility to redeem the nominal value of these bonds in totality in new and/or existing shares.~~

~~(*) Diluting instruments are (i) stock options granted by Unibail Rodameo and not yet exercised as of December 31, 2014, (ii) free Shares in the event of a completed acquisition as of December 31, 2014 and (iii) bonds redeemable into Shares issued by Unibail Rodameo and still outstanding as of December 31, 2014 and (iv) the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in September 2012 and the net share settled bonds convertible into new and/or exchangeable for existing shares (obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes) issued in June 2014. It is reminded that Unibail Rodameo will have the possibility to redeem the nominal value of these bonds in totality in new and/or existing shares.~~

4.17 ~~Shares allocated upon exercise of the Conversion Right~~

4.17.1 ~~Rights attached to the Stapled Shares upon allocation~~

(a) New Stapled Shares issued upon exercise of the Conversion Right

The new Stapled Shares issued upon the exercise of the Conversion Right will ~~be ordinary Shares~~ each combine one Unibail-Rodamco Share and one Newco Share, stapled together, and will be subject to all applicable bylaw provisions. ~~They will carry full rights from the first day of the financial year during which the Conversion Right has been exercised. In of their respective issuing company. Upon issuance, the new Unibail-Rodamco Shares and Newco Shares (forming the Stapled Shares) will carry the same rights as the existing Unibail-Rodamco Shares and Newco Shares (forming the Stapled Shares), it being understood that in~~ the event the Record Date of a dividend or a distribution (or an interim dividend) occurs between the Exercise Date and the ~~delivery~~issue date of the ~~Shares~~Unibail-Rodamco Shares and the Newco Shares (forming the Stapled Shares) (excluded), the Bondholders will not have the right to such dividend or distribution (or interim dividend) and nor be indemnified for such dividend or distribution, subject, where applicable, to the adjustment right set out in ~~section~~paragraph 4.16.7 ("Maintenance of Bondholders' Rights"). ~~Similarly~~For the avoidance of doubt, in case of payment of an interim dividend at any time before the ~~delivery~~issue date of the ~~Shares~~Unibail-Rodamco Shares and the Newco Shares (forming the Stapled Shares), the Bondholders shall not be entitled to the portion corresponding to such interim dividend within the dividend decided by the ~~annual~~ general ~~meeting~~meetings of the Company and Newco in respect of the financial year in question.

(b) Existing Stapled Shares allocated upon exercise of the Conversion Right

The existing Stapled Shares allocated upon exercise of the Conversion Right will carry full rights from delivery (*jouissance courante*) ~~or levering~~ and grant holders all rights attached to Unibail-Rodamco Shares and Newco Shares from delivery, it being understood that, in the case where the Record Date of a dividend or a distribution (or interim dividend) occurs between the Exercise Date and the date of delivery of the Stapled Shares (excluded), the Bondholders will not have the right to such dividend or distribution nor to be indemnified for such dividend or distribution, subject, where applicable, to the adjustment right set out in ~~section~~paragraph 4.16.7 (“Maintenance of Bondholders' Rights”). For the avoidance of doubt, in case of payment of an interim dividend at any time before the issue date of the Stapled Shares, the Bondholders shall not be entitled to the portion corresponding to such interim dividend within the dividend decided by the general meetings of the Company and Newco in respect of the financial year in question.

It is reminded that, according to ~~sections~~paragraphs 4.16.5 (“Conditions for exercise of the Conversion Right”) and 4.16.7 (“Maintenance of Bondholders' Rights”), the Bondholders benefit from an adjustment right of the Conversion Ratio until the delivery date of the Stapled Shares (excluded).

(c) General terms

Each Unibail-Rodamco Share and Newco Share, forming a new or existing Stapled Share gives the right to ownership of a portion of the share capital, the sharing in net profits and payment of a liquidation surplus in a proportion equal to such portion of the share capital, taking into account, if applicable, the repaid or outstanding and paid up or unpaid up share capital, the nominal amount of the Unibail-Rodamco Shares and of the Newco Shares and the rights of different categories of Unibail-Rodamco Shares and Newco Shares.

In addition, these ~~Shares~~Unibail-Rodamco Shares and Newco Shares (forming the Stapled Shares) are subject to all bylaw provisions respectively of Unibail-Rodamco and of Newco.

Dividends on Unibail-Rodamco Shares escheat, to the French State, if not claimed within the legal limit of five years. Claims for payment of dividends on Newco Shares shall lapse after five years have expired after the dividends became payable.

4.17.2 Negotiability of the Stapled Shares

Due to the stapling of the Unibail-Rodamco Shares and the Newco Shares, the Unibail-Rodamco Shares may not be transferred independently of the Newco Shares and vice-versa (except for transfers to Unibail-Rodamco, Newco and their respective subsidiaries).

~~No~~There is however, no bylaw provision ~~limits~~of Unibail-Rodamco and Newco limiting the negotiability of the ~~ordinary~~Stapled Shares ~~of Unibail-Rodameo~~.

4.17.3 Nature and form of the Stapled Shares

Any holder of Stapled Shares will hold both Unibail-Rodamco Shares and Newco Shares.

Unibail-Rodamco Shares may be in registered (nominatif) or bearer (porteur) form at the shareholder's discretion subject to the requirements set out in article 9 of the Unibail-Rodamco articles of association. The Newco Shares are in registered form.

In accordance with Article L. 211-3 of the French *Code monétaire et financier*, the Stapled Shares, regardless of their form, will be dematerialized and ownership will be evidenced by book-entry in a securities account. In accordance with Articles L. 211-15 and L. 211-17 of the French *Code monétaire et financier*, the Stapled Shares are transferred via account-to-account transfer and the ownership of the Stapled Shares will occur upon their registration in the buyer's securities account. Registration of one Stapled Share in the buyer's securities account will entail the transfer of ownership of one Unibail-Rodamco Share and one Newco Share.

~~The Shares will be in either bearer (*au porteur*) or registered (*au nominatif*) form at the option of the shareholder.~~

~~The Shares, regardless of their form, will be required to be recorded into accounts held, as applicable, by Unibail Rodameco or its representative and/or an authorised financial intermediary. They will be required to be recorded into accounts (*inscrits en compte*) held as follows:~~

- ~~— CACEIS Corporate Trust acting on behalf of Unibail Rodameco in respect of fully registered securities (*titres nominatifs purs*);~~
- ~~— an authorised financial intermediary (*intermédiaire financier habilité*) appointed by the shareholder and CACEIS Corporate Trust, acting on behalf of Unibail Rodameco in respect of securities in registered form (*titres nominatifs administrés*); and~~
- ~~— an authorised financial intermediary (*intermédiaire financier habilité*) appointed by the shareholder in respect of securities in bearer form (*titres au porteur*).~~

4.17.4 ~~Withholding tax on~~ Tax regime of paid dividends ~~paid to non-French tax residents~~

(a) Dividends paid by the Company

The following summarises the French tax consequences applicable under current French tax laws, and subject to the potential application of ~~international tax conventions, to~~ double tax treaties, to French tax resident or non-French tax resident investors, who will receive dividends as a result of the Unibail-Rodamco Shares that are part of the Stapled Shares they hold. These investors should nevertheless consult their own tax advisors to determine the tax regime applicable to their particular situation.

Non-French tax resident investors shall also comply with the tax laws of their country of residence, as may be modified pursuant to the relevant double taxation treaty signed between France and such country.

The Company has elected to the SIIC regime and its profits are allocated between tax exempt real estate activities (which are subject to distribution obligations) and taxable activities. For a description of the SIIC regime, see page 211 of the Company's Financial Report for 2016.

1. 20% ~~withholding tax~~ levy on dividends paid ~~to~~ by the Company out of tax-exempt profits to certain non-French tax residents under ~~Article~~ article 208 C II-*ter* of the ~~CGI~~ French tax code

For a description of the 20% ~~withholding tax~~ levy due in the event that (i) one or more shareholders ~~acting in concert~~ (other than individuals) come(s) to hold directly or indirectly 10% or more of the rights to dividends of Unibail Rodamco, and (ii) the proceeds received by such shareholders are not subject to French corporate income tax or an equivalent foreign tax, see page ~~226 of the Annual Report (French version)~~ 333 of the Company's Financial Report for 2016 and page 357, Section 13.1.1 (Unibail-Rodamco dividends) paragraph "Shareholders holding at least 10% of the share capital of Unibail-Rodamco" of the prospectus relating to

the admission to trading on the regulated markets of Euronext Paris and Euronext Amsterdam of the Stapled Shares, approved by the French Authority for the Financial Markets (*Autorité des Marchés Financiers*) under visa number 18-102 on 28 March 2018 and by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) on 28 March 2018.

2. Withholding tax on dividends paid to non-French tax residents

Dividends paid by the ~~Issuer~~Company out of tax exempt profits are generally subject to a withholding tax, deducted by the agent paying the dividends, when the tax residence or registered office of the effective beneficial owner is located outside France.

Subject to applicable double tax treaties, if any, and to what is stated below, the withholding tax rate is set, in 2018, at (i) ~~21.28 %~~ when ~~the dividends are eligible to the 40% rebate set forth under 3-2° of Article 158 of the CGI and~~ the beneficiary is an individual ~~resident in a member State of the European Union or in another State party to the European Economic Area Agreement which has entered into a convention on administrative assistance with France to fight tax evasion and fraud~~, (ii) 15 % when the beneficiary is a non-profit organization whose registered office is located in a member State of the European Union or in another State party to the European Economic Area Agreement which has entered into a convention on administrative assistance with France to fight tax evasion and fraud, and which would be taxed under the regime of ~~Article~~article 206-5 of the ~~CGI~~French tax code if it had its registered office in France and which fulfils the conditions set out in the Bulletin Officiel des Finances Publiques-Impôts (BOI-IS-CHAMP-10-50-10-40-20130325, n°580 et seq.), ~~and/or~~ (iii) 30% ~~in other cases~~when the beneficiary is a legal entity or organization other than those mentioned in (ii).

~~However, irrespective of the beneficiary tax residence or legal statute, dividends are subject to withholding tax at the rate of 75% when such dividends are paid outside France, in a non-cooperative state or territory within the meaning of Article 238-0 A of the CGI. The list of non-cooperative States or territories is published by joint ministerial order (*arrêté interministériel*) and updated annually.~~

The 30 % tax rate will gradually be reduced to 28% as from 1st January 2020, 26.5% as from 1st January 2021 and 25% as from 1st January 2022.

The same withholding tax ~~may be reduced or even waived~~rates apply to dividends paid by the Company out of taxable profits. However, legal entities may benefit from a withholding tax exemption, pursuant to ~~(i) the Article~~article 119 ~~ter~~ of the French tax code, which is applicable, subject to ~~the fulfilment of~~ of the conditions ~~of the CGI~~, to shareholders that (i) own at least 10 % of the Company's share capital, or under certain conditions, 5% of its share capital and (ii) are legal persons established in European Union and owning at least 10% of the capital of the distributing French company, (ii) international tax conventions if applicable, or (iii) Article 119 bis 2 of the CGI for payments to certain non-French resident undertakings for collective investments in transferable securities or in another State of the European Economic Area Agreement, which has concluded with France a convention on administrative assistance to combat tax evasion and avoidance.

Exemptions for certain collective investment undertakings

Dividends paid by a the Company out of taxable profits would not be subject to withholding tax if they are paid to collective investment undertakings governed by foreign law that (i) are located in a Member State of the European Union or another State that has concluded with France a convention on administrative assistance to combat tax evasion and avoidance, (ii) raise capital from a certain number of investors with the purpose of investing it in a fiduciary capacity on behalf of such investors, pursuant to a defined investment policy and (iii) have features similar to those required of collective undertakings governed by French law under section 1, or paragraphs 1, 2, 3, 5 or 6 of sub-section 2, or sub-section 3, or sub-section 4 of section 2, of the chapter IV of the first title of book II of the French monetary and financial code (article 119 bis, 2 of the French tax code).

Dividends paid by the Company out of tax-exempt profits to foreign collective investment undertakings that satisfy the conditions set out in the paragraph above at (i), (ii) and (iii), are subject to a 15% withholding tax (article 119 bis, 2 of the French tax code).

Application of the exemptions and of double tax treaties

~~Furthermore, subject to the fulfilment of the conditions set out in the *Bulletin Officiel des Finances Publiques-Impôts* (BOI-RPPM-RCM-30-30-20-40-20140725), shareholders that are legal entities holding at least 5% of the Issuers's share capital and voting rights may, under certain circumstances, benefit from an exemption of withholding tax if their effective centre of management is situated in another Member State of the European Union or in another country party to the European Economic Area Agreement which has entered into a double taxation treaty with France containing a clause providing for administrative assistance against tax evasion and fraud. Shareholders concerned by these the above rules are urged to consult their tax advisors to determine to what extent and under what conditions they could benefit from this exemption.~~

the above exemptions or reduce the rates of the withholding taxes. Shareholders are also urged to learn about the practical applications terms of the international double tax conventions treaties as defined under the *Bulletin Officiel des Finances Publiques-Impôts* (BOI-INT-DG-20-20-20-20-20120912) on the "normal" or "simplified" exemption or reduction of withholding tax.

Payment outside France in a Non-Cooperative State or Territory (as below defined)

In any case, irrespective of the beneficiary's tax residence or legal status, dividends are subject to withholding tax at the rate of 75% when such dividends are paid outside France by the Company on a bank account located in a Non-cooperative State or territory in the meaning of article 238-0A of the French tax code (a "**Non-Cooperative State or Territory**") or paid or accrued to persons established or domiciled in a Non-Cooperative State or Territory. The list of Non-Cooperative States or Territories is published by ministerial order and updated regularly, at least annually.

3. ~~Dividends~~ Taxation of dividends paid to French tax residents

French individuals

It should be noted that dividends paid in respect of the Unibail-Rodamco Shares to French tax resident individuals will be subject ~~(i) subject to certain limited exceptions, to a 21% non definitive~~ to a 12.8 % non-definitive withholding tax, which is deductible from their personal income tax liability ~~in respect to the year in which the payment has been made, and (ii), along with~~ social contributions ~~(CSG, CRDS, and other related contributions) at an aggregate rate of 15,5%. Persons who may be affected by this measure are urged at~~ the rate of 17.2%, i.e. an

overall rate of 30 % (the "flat tax ")¹. On express and irrevocable option applicable to all investment income, dividends paid to individuals may be subject to income tax at progressive rates. Persons who wish to exercise this option are advised to consult their tax advisors to determine ~~whether it applies in their specific case~~ its consequences.

French corporate shareholders and other legal entities

Gross dividends received by French legal entities will be subject to corporate income tax at the rate of 33. 1/3 % (for the share of taxable profits exceeding €500,000), and 28% (for the share of taxable profits up to €500,000) (or, subject to limitations, at the reduced rate of 15% up to a net taxable income of €38,120 for companies that meet the conditions of article 219-I-b of the French tax code), increased, as the case may be, by an additional contribution of 3.3% (article 235 *ter* ZC of the French tax code). The 33. 1/3 % rate will be gradually reduced to 31% as from 2019 (for the share of taxable profits exceeding €500,000), 28% in 2020, 26.5% in 2021 and 25% in 2022.

Dividends paid out of the taxable profits to legal entities holding at least 5% of the Company's share capital and voting rights that meet the conditions provided under articles 145 and 216 of the French tax code may benefit, upon election, from a tax exemption under the parent-subsidiary regime. Dividends paid out of tax-exempt profits of the Company are not eligible to the parent-subsidiary regime set out in articles 145 and 216 of the French tax code.

French collective investment undertakings

Dividends paid out of tax-exempt profits by the Company to certain French collective investments undertakings, fulfilling the conditions set out under article 119 *bis* 2 of the French tax code, are subject to a withholding tax at a rate of 15%. In contrast, dividends paid out of the taxable result by the Company to such French collective investment undertakings are exempt from withholding tax.

Payment outside France in a Non-Cooperative State or Territory

In any case, payments of dividends made outside France (even to French tax residents), on a bank account located in a Non-Cooperative State or Territory, or paid or accrued to persons established or domiciled in such a Non-Cooperative State or Territory are subject to a 75% withholding tax (subject to certain exceptions and to the more favorable provisions of any applicable double tax treaty). The list of Non-Cooperative States or Territories is published by ministerial order and updated regularly, at least annually.

(b) Dividends paid by Newco

1. Withholding tax on dividends paid to French tax residents

Newco is generally required to withhold Dutch dividend withholding tax at a rate of 15% from dividends distributed by Newco to Dutch tax residents or non-Dutch tax residents, subject to possible relief under Dutch domestic law, the Treaty on the Functioning of the European Union or an applicable Dutch income tax treaty depending on a particular holder of Stapled Shares' individual circumstances.

2. Taxation of dividends paid to French tax residents

French individuals and French legal entities

¹ Except for certain shareholders that may be exempt pursuant to specific provision of French domestic law

The tax regime applicable to dividends paid by Newco to French tax resident individuals and French tax resident legal entities is identical to that described in sub-paragraph 3 of paragraph (a) above relating to dividends paid by the Company to French tax resident individuals and French tax resident legal entities respectively, since Newco is subject to the Dutch REIT regime (*beleggingsinstelling fiscal*), subject to the following clarification.

In accordance with the provisions of the France-Netherlands double tax treaty, French tax resident individuals and French tax resident legal entities who would receive dividends paid by Newco that would have been subject to a withholding tax under such provisions, would be granted a tax credit in an amount equal to Dutch tax but not exceeding the amount of French tax due on the same dividends.

4.17.5 **Financial Transactions Tax**

Pursuant to article 235 *ter* ZD of the [CGI French tax code](#), a tax on financial transactions (“**French TTF**”) is applicable to acquisitions for value of shares and equivalent securities admitted for trading on a Regulatory Market issued by a company having its head office in France and which has a market capitalization above 1 billion euros as of December 1 preceding the year of acquisition.

When the French TTF is not due, registration duties may apply, under certain conditions, to the delivery of existing [Shares Unibail-Rodamco Shares \(including delivery as part of Stapled Shares\)](#).

According to the position set under the Bulletin Officiel des Finances Publiques-Impôts (BOI-TCA-FIN-10-20-20141118, §290), the tax administration should [analyse regard](#) the delivery of existing [Shares Unibail-Rodamco Shares \(including delivery as part of Stapled Shares\)](#) following the exercise of the Conversion Right as an acquisition for value and, thus, subject to the French TTF, which can be assessed on financial intermediaries through whom Bondholders exercise their Conversion Right or on their custodians. Subject to their contractual arrangements with their financial intermediaries and custodians, the Bondholders may have to bear the cost of such tax if it is payable.

The Issuer is not required by the terms and conditions of the Bonds to pay any additional amounts to offset costs related to the French TTF or registration duties potentially applicable.

4.17.6 **Listing of allocated [Stapled Shares](#)**

New [Stapled Shares](#) allocated upon the exercise of the Conversion Right will be the subject of periodic applications for listing on Euronext Paris and on Euronext Amsterdam, and/or, in the future, on any other Regulated Market on which the [Stapled Shares](#) will be admitted to trading at the time of their allocation.

Existing [Stapled Shares](#) delivered in exchange will be immediately negotiable on the stock exchange.

[\(a\)](#) Fungibility of new [Stapled Shares](#)

New [Stapled Shares](#) allocated upon exercise of the Conversion Right will be the subject of applications for listing and admission to trading on Euronext Paris and on Euronext Amsterdam and/or, in the future, on any other Regulated Market on which the [Stapled Shares](#) will be admitted to trading at the time of their allocation, according to the date on which they carry full rights, either directly on the same trading line as the existing [Stapled Shares](#), or initially, on a second trading line until they become fungible with the existing [Stapled Shares](#) (ISIN [Codecode](#): FR00001247110013326246).

• [\(b\)](#) Other regulated markets

As of the date of this Securities Note, the [Stapled](#) Shares are traded exclusively on Euronext Paris and Euronext Amsterdam.