

# BASE PROSPECTUS



(incorporated with limited liability in France)

€20,000,000,000

## Euro Medium Term Note Programme

Under this €20,000,000,000 Euro Medium Term Note Programme (the "**Programme**") Sanofi (the "**Issuer**" or "**Sanofi**" or the "**Company**"), subject to all applicable legal and regulatory requirements, may from time to time issue Euro Medium Term Notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). As more fully described herein, Notes may be issued on an unsubordinated basis ("**Unsubordinated Notes**") or on a subordinated basis ("**Subordinated Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €20,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes may be issued on a continuing basis to one or more of the dealers specified on page 58 and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to the *Autorité des marchés financiers* (the "**AMF**"), in its capacity as competent authority pursuant to Article 212-2 of its *Règlement général*, implementing Article 13 of Directive 2003/71/EC (as amended) (the "**Prospectus Directive**") for approval of this document as may be amended or supplemented from time to time (the "**Base Prospectus**") as a base prospectus in compliance with Article 5.4 of the Prospectus Directive. This Base Prospectus received visa no. 17-106 on 27 March 2017 from the AMF. Application will be made to Euronext Paris for Notes issued under the Programme to be admitted to trading during the period of 12 months from the date of the approval of this Base Prospectus. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive, Directive 2004/39/EC (a "**Regulated Market**"). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing or trading on a Regulated Market or to be admitted to listing or trading on such other Regulated Market as may be agreed with the Issuer. The relevant final terms in respect of the issue of any Notes (the "**Final Terms**"), a form of which is contained herein, will specify whether or not such Notes will be listed and admitted to trading, and, if so, the relevant Regulated Market.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other specific terms and conditions (which are permitted by Article 2(a) of the Prospectus Directive Regulation (EC) No. 809/2004, as amended, to be included in the relevant final terms) not contained herein which are applicable to each Tranche (as defined on page 73) of Notes will be set forth in the Final Terms or a Drawdown Prospectus (as defined below) which, with respect to Notes to be listed and admitted to trading, will be delivered to Euronext Paris before the date of issue of the Notes of such Tranche.

In the case of any Notes which are to be listed and admitted to trading or offered to the public in a Member State of the European Economic Area ("**EEA**") in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination of such Notes shall be €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

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

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the fortieth calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes" below) upon certification as to non U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined above).

As of the date of this Base Prospectus, the Issuer's short-term and long-term debt are respectively rated (i) P-1 and A1, with a stable outlook, by Moody's Investors Services Ltd. ("**Moody's**") and (ii) A-1+ and AA, with a stable outlook, by Standard & Poor's Credit Market Services Europe Ltd. ("**Standard & Poor's**"). The Notes issued under the Programme may, or may not, be rated. The rating (if any) may be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 as amended (the "**CRA Regulation**") will be disclosed in the relevant Final Terms. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") is displayed on the ESMA website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

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

References in this Base Prospectus to "**Conditions**" or a numbered "**Condition**" are, unless the context requires otherwise, to the numbered paragraphs of the "Terms and Conditions of the Notes" below. This Base Prospectus and the documents incorporated by reference will be made available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the Issuer ([www.sanofi.com](http://www.sanofi.com)).

Arranger

**BNP PARIBAS**

Dealers

**BARCLAYS  
CITIGROUP  
HSBC  
MUFG  
NATWEST MARKETS**

**BNP PARIBAS  
CREDIT AGRICOLE CIB  
ING  
MORGAN STANLEY  
SANTANDER GLOBAL CORPORATE  
BANKING**

**BofA MERRILL LYNCH  
DEUTSCHE BANK  
J.P. MORGAN  
NATIXIS  
SOCIETE GENERALE CORPORATE &  
INVESTMENT BANKING**

**UNICREDIT BANK**

The date of this Base Prospectus is 27 March 2017.

This Base Prospectus (together with any supplements hereto published from time to time (each a "**Supplement**" and together the "**Supplements**")) comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the group (the Issuer and its Subsidiaries (as defined in the Terms and Conditions of the Notes) taken as a whole (the "**Group**")) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the rights attaching to the Notes to be issued under the Programme.

This Base Prospectus is to be read in conjunction with any Supplements hereto and with all documents which are incorporated herein or therein by reference (see "Documents Incorporated by Reference" below) and in relation to any Series (as defined in "Terms and Conditions of the Notes" below) with the relevant Final Terms. This Base Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

The Issuer (whose registered office appears on page 126 of this document), having taken all reasonable care to ensure that such is the case, confirms that the information contained or incorporated by reference in this Base Prospectus, and in the Final Terms in respect of any particular issue of Notes, is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained or incorporated by reference in this Base Prospectus and in the Final Terms in respect of each such issue of Notes under the Programme accordingly.

The Arranger and the Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or any of the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme or the Notes (including without limit any Supplements) and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Arranger or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recently published financial statements of the Issuer when deciding whether or not to purchase any Notes.

The distribution of this Base Prospectus and any Final Terms and the offer, sale and delivery of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Arranger or the Dealers represent that this document and any Final Terms may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by either the Issuer, the Arranger or the Dealers (save for the approval of this document by the AMF and its passporting to Luxembourg) which would permit a public offering of any Notes or distribution of this document or any Final Terms in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus, any Final Terms nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus, any Supplement thereto, or any Final Terms or any Notes come are required by the Issuer, the Arranger and the Dealers to inform themselves

about, and observe, any such restrictions. For a description of certain restrictions on offers and sales of the Notes and distribution of this Base Prospectus or any Final Terms, see "Subscription and Sale" below.

The Notes have not been nor will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). See "Subscription and Sale" below.

All references in this Base Prospectus to "**U.S. dollars**", "**U.S.\$**" and "**\$**" refer to the currency of the United States of America, those to "**Japanese yen**" and "**Yen**" refer to the currency of Japan, those to "**Sterling**" and "**£**" refer to the currency of the United Kingdom, those to "**€**", "**EUR**", "**Euro**" or "**euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, those to "**Swiss francs**" or "**CHF**" are to the lawful currency of the Helvetic Confederation and those to "**Renminbi**" or "**CNY**" mean Renminbi Yuan and are to the lawful currency of the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan (the "**PRC**"). References in this document to "**billions**" are to thousands of millions. Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the Notes and 60 calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s), in accordance with all applicable laws and rules.**

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**TABLE OF CONTENTS**

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SUMMARY OF THE PROGRAMME .....	1
RÉSUMÉ DU PROGRAMME.....	16
RISK FACTORS .....	32
CONSENT TO USE OF BASE PROSPECTUS .....	57
GENERAL DESCRIPTION OF THE PROGRAMME AND THE TERMS AND CONDITIONS OF THE NOTES .....	58
DOCUMENTS INCORPORATED BY REFERENCE.....	66
SUPPLEMENT TO THE BASE PROSPECTUS.....	72
TERMS AND CONDITIONS OF THE NOTES.....	73
TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED NOTES .....	101
USE OF PROCEEDS .....	102
BUSINESS OF SANOFI.....	103
PRO FORMA FINAL TERMS .....	105
TAXATION.....	115
SUBSCRIPTION AND SALE .....	117
GENERAL INFORMATION.....	123
PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS.....	125

## SUMMARY OF THE PROGRAMME

*Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".*

*This summary is provided for purposes of the issue of Notes of a Denomination of less than Euro 100,000 (or its equivalent in other currencies). Investors in Notes of Denominations equal to or greater than Euro 100,000 should not rely on this summary in any way and the Issuer accepts no liability to such investors regarding this summary.*

		Section A – Introduction and Warnings
A.1	<b>Introduction:</b>	<p>Warning that:</p> <ul style="list-style-type: none"> <li>• <b>this summary should be read as an introduction to the Base Prospectus;</b></li> <li>• <b>any decision to invest in any Notes should be based on consideration of the Base Prospectus as a whole by the investor, including any documents incorporated by reference, any supplements to the Base Prospectus published from time to time and the Final Terms relating to such Notes;</b></li> <li>• <b>where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and</b></li> <li>• civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.</li> </ul>
A.2	<b>Consent:</b>	<p>In the context of any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Directive 2003/71/EC as amended, (a "<b>Non-exempt Offer</b>"), if so specified in the Final Terms (as defined below) in respect of any Tranche of Notes, the Issuer consents to the use of the Base Prospectus and such Final Terms in connection with a subsequent resale or final placement of Notes during the offer period specified in the relevant Final Terms (the "<b>Offer Period</b>") either (1) in the Member State(s) of the EEA specified in the relevant Final Terms by any financial intermediary which satisfies the conditions specified in the Base Prospectus and in the relevant Final Terms or (2) by the financial intermediaries specified in the relevant Final Terms, in the Member State(s) of the EEA specified in the relevant Final Terms and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under Directive 2004/39/EC, as amended, on markets in financial instruments. The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on <a href="http://www.sanofi.com">www.sanofi.com</a>. Such consent shall not extend beyond twelve months from the date of this Base Prospectus.</p> <p><b>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror (as defined below) will do so, and offers and sales of the Notes to an Investor</b></p>

		<p>by an <b>Authorised Offeror</b> will be made, in accordance with any terms and other arrangements in place between such <b>Authorised Offeror</b> and such <b>Investor</b> including as to price, allocation and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The <b>Issuer</b> will not be a party to any such arrangements with <b>Investors</b> (other than <b>Dealers</b>) in connection with the offer or sale of the <b>Notes</b> and, accordingly, the <b>Base Prospectus</b> and the <b>Final Terms</b> will not contain such information. The <b>Terms and Conditions of the Non-exempt Offer</b> shall be published by that <b>Authorised Offeror</b> on its website at the relevant time. None of the <b>Issuer</b> nor any of the <b>Dealers</b> or other <b>Authorised Offerors</b> has, or takes, any responsibility or liability for such information.</p> <p><i>Issue-Specific Summary</i></p> <p>[Not Applicable. The Issuer does not consent to the use of the Base Prospectus in connection with a Non-exempt Offer of the Notes.]/[The Issuer consents to the use of the Base Prospectus in connection with a Non-exempt Offer of the Notes subject to the following conditions:</p> <p>(i) the consent is only valid during the period from [[•] until [•]/[the issue date]/[the date which falls [•] Business Day(s) thereafter]] (the "<b>Offer Period</b>");</p> <p>(ii) the only offerors authorised to use the Base Prospectus to make the Non-exempt Offer of the Notes are the relevant [Dealer/Managers] and [(i) [•] [and[•]] and/or (ii) if the Issuer appoints additional financial intermediaries after [•] (being the date of the Final Terms) and shall have published details of them on its website (<a href="http://www.sanofi.com">www.sanofi.com</a>), each financial intermediary whose details are so published]/[any financial intermediary which is authorised to make such an offer under the Markets in Financial Instrument Directive (Directive 2004/39/EC), which acknowledges on its website that it is relying on the Base Prospectus to offer the Notes during the Offer Period (each an "<b>Authorised Offeror</b>")]; [and]</p> <p>(iii) the consent only extends to the use of the Base Prospectus to make Non-exempt Offers of the Notes in France and Luxembourg; [and]</p> <p>[(iv) the consent is subject to the following other conditions[s]: [•].]</p>
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Section B – Issuer		
B.1	<b>Legal name and commercial name of the Issuer:</b>	Sanofi
B.2	<b>Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:</b>	Sanofi was incorporated under the laws of France in 1994 as a <i>société anonyme</i> , a form of limited liability company, for a term of 99 years. Its registered office is located at 54 rue La Boétie 75008 Paris, France. Sanofi operates under the laws of France.
B.4b	<b>Trends:</b>	<p>Sanofi has developed a new strategic roadmap, announced on 6 November 2015. The Group will continue to be a global healthcare company focused on disease prevention and treatment. The strategic roadmap has four pillars, namely reshape the portfolio, deliver outstanding launches, sustain innovation in R&amp;D, and simplify the organisation:</p> <ul style="list-style-type: none"> <li>To reshape the portfolio, Sanofi has segmented its businesses focusing on three targets: to sustain leadership, build competitive positions, and explore strategic</li> </ul>

		<p>options.</p> <ul style="list-style-type: none"> <li>• Sanofi is on track to deliver outstanding launches of new medicines and vaccines. Sanofi has focused the organisation on six major product launches, namely Toujeo®, Praluent®, Dengvaxia®, sarilumab, Soliqua™ 100/33, and Dupixent™.</li> <li>• Sanofi will continue to strengthen its R&amp;D pipeline, increasing the number of high-quality projects in the early-stage pipeline and replenishing the late-development pipeline as products launch. Sanofi expects to increase its R&amp;D investments up to € billion annually by 2020.</li> <li>• The final strategic priority is to drive focus and simplification within the organisation of the Group. In 2016, Sanofi implemented a new organisational structure, to enable Sanofi to be more closely aligned with its strategy and more effective in its execution across R&amp;D and commercial, from global to country level; Sanofi created: five Global Business Units (GBUs, namely Sanofi Genzyme (specialty care); Diabetes and Cardiovascular; General Medicines and Emerging Markets; Sanofi Pasteur (vaccines and infectious disease); and Consumer Healthcare; Centralised global functions, a global Industrial Affairs Platform aligned with the GBUs, an R&amp;D organisation organised by therapy area to align with the GBUs for late stage products and a strengthened Medical Affairs function.</li> </ul> <p>Following Sanofi's acquisition of Boehringer Ingelheim's consumer healthcare business, it expects to be one of the leaders in the consumer healthcare market.</p> <p>Sanofi expects the sales erosion caused by generic competition to continue in 2017, with a negative impact on net income.</p> <p>In 2016, the consolidated net sales of these products in countries where generic competition currently exists or is expected in 2017 amounted to €7,567 million; this comprises €4,434 million in the United States (including €3,528 million in net sales of Lantus® and €764 million in net sales of Renagel®/Renvela®); €2,276 million in Europe; and €857 million in Japan. The negative impact on Sanofi 2017 net sales is expected to represent a substantial proportion of this amount, but the actual impact will depend on a number of factors such as the actual launch dates of generic products in 2017, the prices at which they are sold, and potential litigation outcomes.</p>
B.5	<b>The Group and the Issuer's position within the Group:</b>	<p>The Issuer is the holding company of a consolidated group consisting of over 400 companies. As of the date of this Base Prospectus, the Issuer holds, directly or indirectly, 100% of the financial and voting interests in the following significant subsidiaries: Aventis Inc., Aventis Pharma SA, Genzyme Corporation, Hoechst GmbH, Sanofi-Aventis Amérique du Nord, Sanofi-Aventis Deutschland GmbH, Sanofi-Aventis Europe, Sanofi-Aventis US LLC, Sanofi-Aventis Participations SAS, Sanofi Pasteur, Sanofi Pasteur Inc., Sanofi Winthrop Industrie and Chattern, Inc.</p> <p>Sanofi and its subsidiaries form a group (together, the "<b>Group</b>") organised around two activities: Pharmaceuticals and Human Vaccines (Vaccines).</p> <p>Sanofi is a leading global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.</p>
B.9	<b>Profit Forecast or Estimate:</b>	Not Applicable. The Issuer does not provide profit forecasts or estimates in the Base Prospectus or any documents incorporated by reference in the Base Prospectus.
B.10	<b>Audit Report Qualifications:</b>	Not Applicable. There are no qualifications in the audit report incorporated by reference in the Base Prospectus.

B.12	<b>Selected Key Historical Financial Information:</b>	<p>Key consolidated audited financial information as at 31 December 2015 and 31 December 2016. This information has been extracted from the 2016 Annual Report on Form 20-F which is incorporated by reference into the Base Prospectus.</p> <table border="1" data-bbox="539 315 1249 936"> <thead> <tr> <th>(Euro million, except per share data)</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>IFRS Income statement data</b></td> </tr> <tr> <td>Net sales</td> <td>34,060</td> <td>33,821</td> </tr> <tr> <td>Gross profit</td> <td>23,942</td> <td>24,006</td> </tr> <tr> <td>Operating income</td> <td>5,624</td> <td>6,534</td> </tr> <tr> <td>Net income attributable to equity holders of the Company</td> <td>4,287</td> <td>4,709</td> </tr> <tr> <td colspan="3"><b>Basic earnings per share (Euro)</b></td> </tr> <tr> <td>Net income attributable to equity holders of the Company</td> <td>3.28</td> <td>3.66</td> </tr> <tr> <td colspan="3"><b>Diluted earnings per share (Euro)</b></td> </tr> <tr> <td>Net income attributable to equity holders of the Company</td> <td>3.25</td> <td>3.63</td> </tr> <tr> <td colspan="3"><b>IFRS Balance sheet data</b></td> </tr> <tr> <td>Goodwill and other intangible assets</td> <td>51,583</td> <td>51,166</td> </tr> <tr> <td>Total assets</td> <td>102,321</td> <td>104,672</td> </tr> <tr> <td>Outstanding share capital</td> <td>2,603</td> <td>2,544</td> </tr> <tr> <td>Equity attributable to equity holders of the Company</td> <td>58,049</td> <td>57,554</td> </tr> <tr> <td>Long term debt</td> <td>13,118</td> <td>16,815</td> </tr> <tr> <td>Cash dividend paid per share (euro)</td> <td>2.93</td> <td>2.96</td> </tr> </tbody> </table>	(Euro million, except per share data)	2015	2016	<b>IFRS Income statement data</b>			Net sales	34,060	33,821	Gross profit	23,942	24,006	Operating income	5,624	6,534	Net income attributable to equity holders of the Company	4,287	4,709	<b>Basic earnings per share (Euro)</b>			Net income attributable to equity holders of the Company	3.28	3.66	<b>Diluted earnings per share (Euro)</b>			Net income attributable to equity holders of the Company	3.25	3.63	<b>IFRS Balance sheet data</b>			Goodwill and other intangible assets	51,583	51,166	Total assets	102,321	104,672	Outstanding share capital	2,603	2,544	Equity attributable to equity holders of the Company	58,049	57,554	Long term debt	13,118	16,815	Cash dividend paid per share (euro)	2.93	2.96
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<b>IFRS Balance sheet data</b>																																																					
Goodwill and other intangible assets	51,583	51,166																																																			
Total assets	102,321	104,672																																																			
Outstanding share capital	2,603	2,544																																																			
Equity attributable to equity holders of the Company	58,049	57,554																																																			
Long term debt	13,118	16,815																																																			
Cash dividend paid per share (euro)	2.93	2.96																																																			
	<b>Material Adverse Change and Significant Change:</b>	There has been no material adverse change in the prospects of Sanofi since 31 December 2016 and there has been no significant change in the financial or trading position of Sanofi or of the Group since 31 December 2016.																																																			
B.13	<b>Recent Events materially relevant to evaluation of the Issuer's solvency:</b>	Not Applicable. There have been no recent events which Sanofi considers materially relevant to the evaluation of its solvency since the publication of the 2016 Annual Report on Form 20-F.																																																			
B.14	<b>Dependence upon other Entities within the Group:</b>	Sanofi is a holding company and as a result its financial and trading position depends on the financial and trading position of its principal subsidiaries. See also Element B.5 above.																																																			
B.15	<b>The Issuer's Principal Activities:</b>	<p>Sanofi is a leading global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.</p> <p>The Group is organised around two principal activities: Pharmaceuticals and Human Vaccines via Sanofi Pasteur.</p> <p>Sanofi invests in the following activities: Diabetes, Cardiovascular, Rare Diseases, Multiple Sclerosis, Consumer Health Care, Oncology, Generics, Established Prescription Products and Vaccines.</p> <p>Within its pharmaceuticals activity Sanofi specialises in the following therapeutic areas:</p> <ul style="list-style-type: none"> <li>• Diabetes;</li> <li>• Cardiovascular;</li> <li>• Rare Diseases;</li> <li>• Multiple sclerosis;</li> <li>• Oncology;</li> <li>• Established Prescription Products.</li> </ul>																																																			



		<p>The pharmaceutical portfolio of Sanofi also includes a wide range of other products: Consumer Health Care products and a wide range of Generics products.</p> <p>The Human Vaccines (Vaccines) activity of Sanofi is operated through Sanofi Pasteur, with leading vaccines in five areas: pediatric vaccines, influenza vaccines, adult and adolescent booster vaccines, meningitis vaccines, and travel and endemic vaccines.</p> <p>Collaborations are essential to Sanofi's business, and a certain number of its products, either on the market or under development, are in-licensed products relying on third party rights or technologies.</p>
B.16	<b>Controlling Persons:</b>	Not Applicable. Sanofi is not controlled by any other entity.
B.17	<b>Credit Ratings:</b>	<p>As of the date of the Base Prospectus, the Issuer's short-term and long-term debt are respectively rated (i) P-1 and A1, with a stable outlook, by Moody's and (ii) A-1+ and AA, with a stable outlook, by Standard &amp; Poor's.</p> <p><i>Issue-Specific Summary</i></p> <p>[[The Notes have been rated [[[●] by Moody's] [and] [[●] by Standard and Poor's.]]] / [Not Applicable. The Notes have not been rated.]]</p>

		<b>Section C - The Notes</b>
C.1	<b>Type and Class of Notes:</b>	<p>Notes are issued in Series.</p> <p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "<b>Series</b>") having one or more issue dates and on terms otherwise identical, the Notes of each Series being intended to be interchangeable or identical (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other Notes of that Series. Each Series may be issued in tranches (each a "<b>Tranche</b>") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Final Terms to this Base Prospectus (the "<b>Final Terms</b>"). An ISIN Code and a Common Code for each Series will be set out in the Final Terms.</p> <p>The Notes may be issued in either dematerialised form ("<b>Dematerialised Notes</b>") or materialised form ("<b>Materialised Notes</b>").</p> <p>Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised Notes.</p> <p>Materialised Notes will be in bearer materialised form ("<b>Bearer Materialised Notes</b>") only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Bearer Materialised Notes. Materialised Notes may only be issued outside France.</p> <p><i>Issue-Specific Summary</i></p> <p>The Notes are [Fixed Rate/Floating Rate/Zero Coupon] Notes.</p> <p>Series Number: [●]</p>

		<p>Tranche Number: [●]</p> <p>Aggregate Nominal Amount:</p> <p>(i) Series: [●]</p> <p>(ii) Tranche: [●]</p> <p>Form of Notes: [Dematerialised Notes/Materialised Notes]</p> <p>ISIN Code: [●]</p> <p>Common Code: [●]</p>
C.2	<b>Currencies:</b>	<p>Subject to all applicable laws and rules, the Notes can be issued in any currency as agreed between the Issuer and the relevant Dealer, as indicated in the relevant Final Terms.</p> <p><i>Issue-Specific Summary</i></p> <p>The currency of the Notes is [●]</p>
C.5	<b>Restriction on Transferability:</b>	<p>The Notes will only be issued in circumstances which comply with the laws, guidelines, regulations, restrictions or reporting requirements which apply to the Notes from time to time including the restrictions on the offer and sale of Notes and the distribution of offering material in various jurisdictions (in particular the United States of American, the Relevant Member States of the EEA, the United Kingdom, Japan, France, the Netherlands, the Republic of Italy, Hong Kong, the People's Republic of China and Singapore) applicable at the date of the Base Prospectus (see "Selling Restrictions" below). There are no restrictions on the free transferability of the Notes.</p>
C.8	<b>Rights attaching to the Notes, Ranking and Limitations:</b>	<p><i>Issue Price:</i> Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.</p> <p><i>Denomination:</i> Notes will be issued in such denominations as indicated in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a regulated market of a member state of the European Economic Area (a "<b>Member State</b>") or which is offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency as at the date of issue of the Notes).</p> <p><i>Negative Pledge:</i> The Unsubordinated Notes have the benefit of a negative pledge provision in respect of indebtedness which is in the form of any bonds, debentures, or other form of debt securities which are, or which are capable of being listed, quoted or ordinarily traded on any stock exchange, over-the counter market or securities market. The Subordinated Notes do not have the benefit of a negative pledge provision in respect of indebtedness.</p> <p><i>Status of the Notes:</i> The Notes shall be issued on a subordinated or an unsubordinated basis.</p> <p><i>Ranking:</i> The Unsubordinated Notes will constitute direct, unsecured (subject to Condition 4 (<i>Negative Pledge</i>)) and unsubordinated obligations of the Issuer which will rank <i>pari passu</i> without any preference or priority among themselves and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer other than obligations as may be preferred by mandatory provisions of applicable law. The Subordinated Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> without any preference or priority among themselves. Claims of holders of Subordinated Notes in respect of such Subordinated Notes will be subordinated.</p>

		<p><b>Voting:</b> One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the representative a demand for convocation of the general meeting. Each Note carries the right to one vote or, in the case of Notes issued with more than one specified denomination, one vote in respect of each multiple of the lowest specified denomination comprised in the aggregate principal amount of the Series to which such Note belongs.</p> <p><b>Governing Law:</b> The Notes are governed by French law.</p> <p><b>Limitations to the Rights:</b> Not Applicable. There are no limitations to the rights.</p> <p><b>Issue-Specific Summary:</b></p> <p><b>Issue Price:</b> [●]</p> <p><b>Denomination:</b> [●]</p> <p><b>Negative Pledge:</b> [Insert in respect of issue of unsubordinated Notes][The Notes have the benefit of a negative pledge provision] / [Insert in respect of issue of Subordinated Notes][The Notes do not have the benefit of a negative pledge provision in respect of indebtedness].</p> <p><b>Status of the Notes:</b> The Notes shall be issued on [a subordinated] / [an unsubordinated basis].</p> <p><b>Ranking:</b> [Insert in respect of unsubordinated Notes] [The Notes will be direct, unsecured (subject to Condition 4 (<i>Negative Pledge</i>)) and unsubordinated obligations of the Issuer which will rank <i>pari passu</i>, without any preference or priority by reason of date of issue, currency of payment or otherwise, subject to such exceptions as are from time to time mandatory under the laws of France, among themselves and with all other unsecured and unsubordinated indebtedness (other than subordinated obligations, if any) of the Issuer, from time to time outstanding] / [Insert in respect of issue of Subordinated Notes][Payments in respect of the Notes will be subordinated].</p>
C.9	<p><b>Interest, Redemption, Representation and Yield:</b></p>	<p>See item C.8 for the Rights attached to the Notes, Ranking and Limitations.</p> <p><b>Fixed Rate Notes:</b> Fixed Rate Notes will bear interest at such rate(s) and such interest will be payable in arrears on such date or dates, as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption.</p> <p><b>Floating Rate Notes:</b> Floating Rate Notes will bear interest set separately for each Series by reference to the relevant ISDA Rate, the relevant FBF Rate or the relevant Screen Rate e.g. LIBOR or EURIBOR as adjusted for any applicable Margin. The Interest Period for Floating Rate Notes will be such period or periods as Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).</p> <p><b>Fixed to Floating Rate Notes:</b> Fixed to Floating Rate Notes will bear a fixed rate of interest until conversion to floating rate of interest (as indicated in the relevant Final Terms) at which point floating rate interest will be payable.</p> <p><b>Zero Coupon Notes:</b> Zero Coupon Notes may be offered and sold at a discount to their face amount and will not bear interest. Date from which interest becomes payable and the due dates for interest: In respect of each Tranche of Notes bearing interest, the date from which interest becomes payable and due dates for interest will be indicated in the applicable Final Terms.</p> <p><b>Maturity Date:</b> Notes will have maturities as specified in the applicable Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank</p>

	<p>requirements.</p> <p><b>Redemption:</b> Each Note will be redeemed at par on the Maturity Date. Notes may be redeemed early for tax reasons, at the option of the Issuer, at the option of the Noteholders or by way of the Issuer exercising a make-whole redemption or a clean-up call option. Notes may also be redeemed or purchased for cancellation.</p> <p><b>Early Redemption:</b> Notes may be redeemable prior to maturity for tax reasons at par or at such other amount as may be specified in the relevant Final Terms.</p> <p><b>Call Option:</b> If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer may, having given the appropriate notice, redeem all or some only of the Notes of the relevant Series at their optional redemption amount specified in the Final Terms, together with accrued interest (if any) thereon on the date specified in such notice.</p> <p><b>Put Option:</b> The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the holders of the Notes and, if so, the terms applicable to such redemption.</p> <p><b>Make-whole Redemption:</b> Unless otherwise specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer may redeem the Notes, in whole or in part, at any time or from time to time, prior to their maturity at a certain optional redemption amount.</p> <p><b>Clean-up Call Option:</b> If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer may, having given the appropriate notice, redeem all but not some only of the Notes of the relevant Series if, immediately prior to the date that such notice is given, 20 per cent. or less of the aggregate nominal amount originally issued of the Notes of such Series remain outstanding. Any such redemption shall be at par, together with accrued interest (if any) thereon on the date specified in such notice.</p> <p><b>Yield (Fixed Rate Notes only):</b> An indication of the yield of the Fixed Rate Notes will be specified in the relevant Final Terms.</p> <p><b>Repayment Procedures:</b> The procedure for repayment will involve the Notes being delivered to the Issuer, or to the paying agent on its behalf, and the redemption monies being paid to the specified bank account of each noteholder.</p> <p><b>Events of Default:</b> The Unsubordinated Notes shall become due and payable at their principal amount together with accrued interest thereon following the occurrence of an event of default in respect of the Unsubordinated Notes. The events of default in respect of the Unsubordinated Notes include, in particular, an interest or principal payment default, a default in the performance of any other obligation of the Issuer under the Notes and some additional events affecting the Issuer. The Unsubordinated Notes contain a cross default provision in respect of the relevant indebtedness of the Issuer. Subordinated Notes shall become due and repayable in the event that there is a judicial liquidation (<i>liquidation judiciaire</i>) of the Issuer or a sale of the whole business (<i>cession totale de l'entreprise</i>) of the Issuer, or the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency).</p> <p><b>Representative of the Noteholders:</b> Noteholders may call or be called to a Noteholders' meeting. The Noteholders will be grouped automatically for the defence of their respective common interests in a masse governed by the provisions of the French <i>Code de commerce</i> subject to certain exceptions and provisions (the "<b>Masse</b>"). The Masse will be a separate legal entity, and will be acting in part through one Representative and in part through a general assembly of the Noteholders. The representative and the alternative representative will be appointed in the relevant Final Terms for each issue of Notes.</p>
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		<p><b>Issue-Specific Summary:</b></p> <p><b>[Interest on Fixed Rate Notes:</b> Interest on the Notes in respect of each interest period will be payable <i>[on the first calendar day of the next interest period/on the interest payment date falling in the redemption month]</i> and shall be a fixed rate of [●] per cent. <i>per annum.</i>]</p> <p><b>[Interest on Floating Rate Notes:</b> The Notes will bear interest at a rate determined <i>[on the same basis as the floating rate under a notional interest rate swap transaction in the specified currency governed by an agreement incorporating the [2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.)/ FBF Definitions (as published by the Fédération Bancaire Française)], and as amended and updated as at the issue date of the first tranche of the Notes of the series)] / [on the basis of a reference rate appearing on [screen page] of [quotation service]] / [●]. [The Notes have [a maximum interest rate / minimum interest rate / minimum/maximum variation between two consecutive coupons / other].]</i></p> <p><b>[Interest of Fixed to Floating Rate Notes:</b> Interest on the Notes in respect of each interest period will be payable <i>[on the first calendar day of the next interest period/on the interest payment date falling in the redemption month]</i> and shall be a fixed rate of [●] per cent. <i>per annum.</i> until conversion to a floating rate of interest (as indicated in the relevant Final Terms) at which point the Notes will bear interest at a rate determined <i>[on the same basis as the floating rate under a notional interest rate swap transaction in the specified currency governed by an agreement incorporating the [2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.)/ FBF Definitions (as published by the Fédération Bancaire Française)], and as amended and updated as at the issue date of the first tranche of the Notes of the series)] / [on the basis of a reference rate appearing on [screen page] of [quotation service]] / [●]. [The Notes have [a maximum interest rate / minimum interest rate / minimum/maximum variation between two consecutive coupons / other].]</i></p> <p><b>[Zero Coupon Notes:</b> Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.]</p> <p><b>Maturity Date:</b> [●]</p> <p><b>Call Option:</b> [Applicable/Not Applicable]</p> <p><b>Put Option:</b> [Applicable/Not Applicable]</p> <p><b>Make-whole Redemption:</b> [Applicable/Not Applicable]</p> <p><b>Clean-up Call Option:</b> [Applicable/Not Applicable]</p> <p><b>Redemption:</b> Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100][●] per cent. of their nominal amount.</p> <p><b>Yield:</b> [●]</p>
C.10	<b>Derivative component in interest payment:</b>	<p>See Element. C.9</p> <p>Not Applicable. Payments of interest on the Notes shall not involve any derivative component.</p>
C.11	<b>Listing and Admission to Trading:</b>	<p>Application [may be made] / [is expected to be made] to Euronext Paris for Notes issued under the Programme to be admitted to trading and to be listed on Euronext Paris.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer(s) in relation to the Series.</p>

		<p>Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The Final Terms relating to each Tranche will state whether or not the Notes are to be listed and, if so, the relevant stock exchange(s).</p> <p><b>Issue Specific Summary:</b></p> <p>[Application has been made for the Notes to be admitted to trading on the regulated market of Euronext Paris] [●]/ [Not Applicable. The Notes are unlisted.]</p>
C.21	<b>Indication of the market where the securities will be traded and for which prospectus has been published</b>	<p>Notes of any particular Series may (or may not) be admitted to trading on Euronext Paris and/or on any other relevant regulated market and/or on any other such other stock exchanges as may be specified in the relevant Final Terms. The Base Prospectus will be published for the purposes of this or these regulated market(s).</p> <p><b>Issue-Specific Summary:</b></p> <p>[Application has been made for the Notes to be admitted to trading on the regulated market of Euronext Paris] [●]/ [Not Applicable. The Notes are unlisted.]</p>

		<b>Section D – Risks</b>
D.2	<b>Key Risks Specific to the Issuer:</b>	<p>The following outline the risks associated with the Issuer and its ability to fulfil its obligations under Notes issued under the Programme:</p>
		<p><b>Legal and regulatory risks</b></p> <ul style="list-style-type: none"> <li>• Sanofi relies on its patents and proprietary rights to provide exclusive rights to market certain of its products, and if such patents and other rights were limited or circumvented, its financial results could be materially and adversely affected.</li> <li>• Product liability claims could adversely affect Sanofi’s business, results of operations and financial condition.</li> <li>• Sanofi’s products and manufacturing facilities are subject to significant government regulations and approvals, which are often costly and could result in adverse consequences to its business if Sanofi fails to anticipate the regulations, comply with them and/or maintain the required approvals.</li> <li>• Claims and investigations relating to compliance, competition law, marketing practices, pricing and other legal matters, could adversely affect the Group’s business, results of operations and financial condition.</li> <li>• Changes in the laws or regulations that apply to Sanofi could affect the Group’s business, results of operations and financial condition.</li> </ul> <p><b>Business risks</b></p> <ul style="list-style-type: none"> <li>• Sanofi’s research and development efforts may not succeed in adequately renewing its product portfolio.</li> <li>• The pricing and reimbursement of Sanofi’s products is increasingly affected by decisions of governments and other third parties and cost reduction initiatives.</li> <li>• The concentration of the US market exposes Sanofi to greater pricing pressure.</li> <li>• Sanofi may lose market share to competing therapeutic options, biosimilar or generic</li> </ul>

		<p>products.</p> <ul style="list-style-type: none"> <li>• A substantial share of the revenue and income of the Group continues to depend on the performance of certain flagship products.</li> <li>• The manufacture of Sanofi's products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition, delay the launch of new products and negatively impact its image.</li> <li>• Sanofi relies on third parties for the discovery, manufacture and marketing of some of its products.</li> <li>• Sanofi is subject to the risk of non-payment by its customers.</li> <li>• Global economic conditions and an unfavourable financial environment could have negative consequences for Sanofi's business.</li> <li>• Counterfeit versions of Sanofi's products harm its business.</li> <li>• Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, business or reputational harm.</li> <li>• The expansion of social media platforms and new technologies present risks and challenges for Sanofi's business and reputation.</li> <li>• Impairment charges or write downs in Sanofi's books and changes in accounting standards could have a significant adverse effect on the Group's results of operations and financial results.</li> <li>• Sanofi's pension liabilities are affected by factors such as the performance of plan assets, interest rates, actuarial data and experience and changes in laws and regulations.</li> <li>• Sanofi's strategic objectives for long-term growth may not be fully realised.</li> </ul> <p><b>Group structure and strategy risks</b></p> <ul style="list-style-type: none"> <li>• Sanofi may fail to successfully identify external business opportunities or realise the anticipated benefits from its strategic investments.</li> <li>• The globalisation of the Group's business exposes it to increased risks in specific areas.</li> <li>• Sanofi's success depends in part on its senior management team and other key employees and its ability to attract, integrate and retain key personnel and qualified individuals in the face of intense competition.</li> </ul> <p><b>Environmental risks</b></p> <ul style="list-style-type: none"> <li>• Risks from the handling of hazardous materials could adversely affect Sanofi's results of operations.</li> <li>• Environmental liabilities and costs related to compliance with applicable regulations may have a significant adverse effect on Sanofi's results of operations.</li> <li>• Natural disasters prevalent in certain regions in which Sanofi does business could affect its operations.</li> </ul>
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D.3	<p><b>Key Risks Specific to the Notes:</b></p>	<p>The following are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme:</p> <ul style="list-style-type: none"> <li>The trading market for debt securities may be volatile and may be adversely impacted by many events.</li> <li>An active trading market for the Notes may not develop.</li> <li>The Notes may be redeemed for tax reasons prior to maturity.</li> <li>Any early redemption at the option of the Issuer, if provided for in any Final Terms relating to a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated.</li> <li>Partial redemption of Notes at the option of the Issuer may make the market become illiquid.</li> <li>Changes in exchange rates or the imposition of exchange controls could adversely affect an investor in the Notes if the investor's principal currency is different from the currency of the Notes.</li> <li>Credit ratings may not reflect all risks.</li> <li>Changes of law may occur in the future that will impact the conditions of the Notes.</li> <li>Under French insolvency law, holders of all debt securities issued by the Issuer are automatically grouped into a single assembly, which can take decisions unfavourable to the individual interests of the Noteholders.</li> <li>In certain circumstances, Noteholders may be subject to U.S. withholding tax.</li> <li>The proposed Financial Transaction Tax has a very broad scope and could apply, in certain circumstances, to certain dealings in the Notes including secondary market transactions.</li> <li>A majority of Noteholders may cause the Conditions of the Notes to be modified at a Noteholder meeting, with such changes being binding on all Noteholders.</li> <li>If the creditworthiness of the Issuer deteriorates, it may not be able to fulfil all or part of its payments obligations under the Notes, the value of the Notes may decrease and investors may lose all or part of their investment.</li> <li>[[Insert in Issue Specific Summary if Fixed Rate Notes issued] The market value of Fixed Rate Notes depends on the evolution of market interest rates.]</li> <li>[[Insert in Issue Specific Summary if Floating Rate Notes issued] Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.]</li> <li>[[Insert in Issue Specific Summary if Floating Rate Notes issued] A conflict of interest may arise between the calculation agent and the Noteholders.]</li> <li>[[Insert in Issue Specific Summary if Zero Coupon Notes issued] Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.]</li> </ul>



		<ul style="list-style-type: none"> <li>• <i>[[Insert in Issue Specific Summary if Subordinated Notes issued]</i> The Issuer's obligations under Subordinated Notes are subordinated.]</li> <li>• <i>[[Insert in Issue Specific Summary if RMB Notes issued]</i> Risks relating to Renminbi-denominated Notes include the Renminbi not being freely convertible, the limited availability of Renminbi as well as exchange rate and interest rate risks linked to investment in CNY Notes.]</li> <li>• <i>[[Insert in Issue Specific Summary if Fixed to Floating Rate Notes issued]</i> The Issuer's ability to convert the interest rate of Fixed to Floating Rate Notes may affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing.]</li> </ul>
		<b>Section E – Offer</b>
E.2b	<b>Reasons for the Offer and Use of Proceeds:</b>	<p>The reason for the offer is to raise proceeds that can be used by the Issuer for general financing and corporate purposes. If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.</p> <p><i>Issue-Specific Summary:</i></p> <p>[The net proceeds of the offer of the Notes will be used by the Issuer for general financing and corporate purposes/<i>Other (specify).</i>]</p>
E.3	<b>Terms and Conditions of the Offer:</b>	<p>The relevant Final Terms will specify the terms and conditions of the offer applicable to each Tranche of Notes.</p> <p>Other than as set out in Element A.2 above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use the Base Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or, to the best knowledge of the Issuer and of the Dealers, by any Authorised Offeror and none of the Issuer, the Dealers and, to the best knowledge of the Issuer and of the Dealers, none of the Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p> <p><i>Issue-Specific Summary:</i></p> <p>[Not Applicable. The Notes are not offered to the public.]/[The Notes are offered to the public in [●].]</p> <p><i>Conditions, offer statistics, expected timetable and action required to apply for the offer</i> The conditions to which the offer is subject are [●].</p> <p>The total amount of the offer is [●]. <i>[If the offer amount is not fixed, describe the arrangements and time for announcing to the public the definitive amount of the offer.]</i></p> <p>The Offer Period is [●]. <i>[Describe the application process]</i></p> <p><i>[Describe the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.][●]</i></p> <p><i>[Detail the minimum and/or maximum amount of application, (whether the number of securities or the aggregate amount to be invested).][●]</i></p> <p><i>[Describe the method and time limits for paying up the securities and for delivery of the securities.][●]</i></p> <p><i>[Describe fully the manner and date on which results of the offer are to be made</i></p>

		<p>public.][●]</p> <p>[Describe the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.][●]</p> <p><b>Plan of distribution and allotment</b></p> <p>[Describe the various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.][●]</p> <p>[Describe the process for notification to applicants of the amount allotted and indicate whether dealing may begin before notification is made.][●]</p> <p><b>Pricing</b></p> <p>[Give an indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate an amount of any expenses and taxes specifically charged to the subscriber or purchaser.][●]</p> <p><b>Placing and Underwriting</b></p> <p>[Provide the name and address of the co-ordinator of the global offer and of single parts of the offer and, to the extent known to the Issuer, of the placers in the various countries where the offer takes place.][●]</p> <p>[Provide the name and address of any paying agents and depository agents in each country.][●]</p> <p>[Provide the name and address of the entities agreeing to underwrite the issue on a firm commitment basis and the address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements.][●]</p> <p>[Indicate the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered.][●]</p> <p>[Indicate the overall amount of the underwriting commission and of the placing commissions.][●]</p> <p>[Indicate when the underwriting agreement has been or will be reached.][●]</p>
E.4	<p><b>Interests Material to the Issue:</b></p>	<p>Any interest (and any potential conflicting ones) that is material to the [issue/offer] of Notes will be described in the relevant Final Terms</p> <p>The Issuer has appointed [●] (the Dealers) as Dealers for the Programme. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Amended and Restated Dealer Agreement made between the Issuer and the Dealers.</p> <p><b>Issue-Specific Summary:</b></p> <p>[Syndicated Issue: The Issuer has appointed [●],[●] and [●]] (the "Managers") as Managers of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, Managers are set out in the Subscription Agreement made between the Issuer and the Managers]</p> <p>[Non-Syndicated Issue: The Issuer has appointed [●] (the "Dealer") as Dealer in respect of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, Dealer are set out in the Amended and Restated Dealer Agreement made between, amongst others, the Issuer and the Dealer]</p>

		<p>[Stabilising Manager(s): [●] [and [●].]</p> <p>[The Managers will receive a commission of [●] per cent. of the nominal amount of the Notes.]</p>
E.7	<b>Estimated Expenses charged to the investor by the Issuer or the offeror:</b>	<p>An estimate of the expenses to be charged to the investor by the Issuer or the offeror will be included in the relevant Final Terms.</p> <p><i>Issue-Specific Summary:</i></p> <p>[The estimated expenses to be charged to the investor are [●]] [Not Applicable. No expenses are being charged to an investor by the [Issuer/offeror]/[●].</p>

## RÉSUMÉ DU PROGRAMME

*Les résumés se composent d'exigences en matière d'informations à fournir appelés « Éléments ». Ces Eléments sont numérotés des Sections A à E (A.1 à E.7).*

*Le présent résumé contient l'ensemble des Éléments devant être inclus dans un résumé pour ce type de titres et d'émetteur. Dans la mesure où certains Éléments ne sont pas requis, des sauts dans la numérotation des Éléments présentés peuvent être constatés.*

*Quand bien même un Éléments pourrait devoir être inséré dans le résumé en raison du type de titres et d'émetteur, il est possible qu'aucune information pertinente ne puisse être fournie eu égard à cet Éléments. Dans ce cas, une brève description de l'Éléments concerné est insérée dans le résumé, accompagnée de la mention « Sans Objet ».*

*Ce résumé est fourni pour les besoins de l'émission de Titres de Valeur Nominale inférieure à 100.000 euros (ou l'équivalent dans d'autres devises). Les investisseurs dans des Titres de Valeur Nominale supérieure ou égale à 100.000 euros ne doivent pas se fonder sur ce résumé, de quelque manière que ce soit, et l'Émetteur n'accepte aucune responsabilité quelle qu'elle soit envers ces investisseurs concernant ce résumé.*

		Section A – Introduction et avertissements
A.1	<b>Introduction :</b>	<p><b>Nous vous avertissons que :</b></p> <ul style="list-style-type: none"> <li>• <b>le présent résumé doit être lu comme une introduction au Prospectus de Base ;</b></li> <li>• <b>toute décision d'investir dans des Titres doit être fondée sur un examen exhaustif du Prospectus de Base par l'investisseur, y compris les documents qui y sont incorporés par référence, tout supplément au Prospectus de Base qui pourrait être publié à l'avenir ainsi que les Conditions Définitives relatives auxdits Titres;</b></li> <li>• <b>lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant un tribunal, l'investisseur plaignant peut, selon la législation nationale des États membres où l'action est intentée, avoir à supporter les frais de traduction du prospectus avant le début de la procédure judiciaire ; et</b></li> <li>• <b>une responsabilité civile n'est attribuée qu'aux personnes qui ont présenté le résumé, y compris sa traduction, mais uniquement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs dans leur réflexion sur l'opportunité d'investir lorsqu'ils envisagent d'investir dans ces titres.</b></li> </ul>
A.2	<b>Consentement :</b>	<p>Dans le cadre de toute offre de Titres qui ne bénéficie pas d'une exemption à l'obligation de publier un prospectus conformément à la Directive 2003/71/CE telle que modifiée, (une « <b>Offre Non-exemptée</b> »), si cela est indiqué dans les Conditions Définitives (<i>Final Terms</i>) (telles que définies ci-après) relatives à toute Tranche de Titres, l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives dans le cadre d'une revente ultérieure des Titres ou de leur placement final, pendant la période d'offre (<i>Offer Period</i>) indiquée dans les Conditions Définitives (la « <b>Période d'Offre</b> »), soit (1) dans le ou les Etat(s) Membre(s) de l'EEE indiqué(s) dans les Conditions Définitives applicables par tout intermédiaire financier qui remplit les conditions mentionnées dans le Prospectus de Base et dans les Conditions Définitives applicables, soit (2) par les intermédiaires financiers indiqués dans les Conditions Définitives applicables, dans le ou les Etat(s) Membre(s) de l'EEE indiqué(s) dans les Conditions Définitives applicables et sous réserve des conditions applicables indiquées dans les Conditions Définitives applicables, aussi longtemps qu'ils sont autorisés à faire de telles offres en vertu de la Directive</p>

		<p>2004/39/CE sur les marchés d'instruments financiers. L'Émetteur peut donner son consentement à des intermédiaires financiers supplémentaires après la date des Conditions Définitives applicables et, le cas échéant, l'Émetteur publiera les informations ci-dessus les concernant sur <a href="http://www.sanofi.com">www.sanofi.com</a>. Un tel consentement ne doit pas dépasser douze mois à partir de la date de ce Prospectus de Base.</p> <p><b>Un Investisseur qui souhaite acquérir ou qui acquiert des Titres auprès d'un Etablissement Autorisé (Authorised Offeror) (tel que défini ci-dessous) pourra le faire, et les offres et ventes de Titres à un Investisseur par un Etablissement Autorisé seront effectuées conformément aux conditions et à tous autres accords conclus entre cet Etablissement Autorisé et ledit Investisseur y compris s'agissant du prix, de l'allocation et des modalités de règlement, (les « Modalités de l'Offre Non-exemptée »). L'Émetteur ne sera pas partie à ces accords avec les Investisseurs (autres que les Agents Placeurs) en ce qui concerne l'offre ou la vente des Titres et, en conséquence, le Prospectus de Base et les Conditions définitives ne contiendront pas ces informations. Les Modalités de l'Offre Non-exemptée seront publiées par l'Etablissement Autorisé sur son site Internet pendant la période concernée. Ni l'Émetteur ni aucun des Agents Placeurs ou d'autres Etablissements Autorisés ne sauraient reconnaître leur responsabilité ou être tenus responsables pour cette information.</b></p> <p><i>Résumé spécifique à l'émission:</i></p> <p>[Sans Objet. L'Émetteur ne consent pas à l'utilisation du Prospectus de Base dans le cadre d'une Offre Non-Exemptée des Titres.][Sous réserve des conditions mentionnées ci-dessous, l'Émetteur consent à l'utilisation du Prospectus de Base dans le cadre d'une Offre Non-exemptée des Titres :</p> <p>(i) le consentement n'est valable que pendant la période allant du [[•] au [•]/[la date d'émission]/[la date intervenant [•] Jour(s) Ouvré(s) après]] (la « <b>Période d'Offre</b> ») ;</p> <p>(ii) les seuls établissements autorisés à utiliser le Prospectus de Base dans le cadre d'une Offre Non-exemptée des Titres sont les [Agents Placeurs/Chefs de File] concernés et [(i) [•] [et [•]] et/ou (ii) si l'Émetteur désigne des intermédiaires financiers supplémentaires après le [•] (date des Conditions Définitives) dont il devra avoir publié les informations détaillées sur son site Internet (<a href="http://www.sanofi.com">www.sanofi.com</a>), chaque intermédiaire financier dont les informations sont ainsi publiées]/[tout intermédiaire financier autorisé à faire une telle offre en vertu de la Directive sur les Marchés d'Instruments Financiers (Directive 2004/39/CE), à condition que celui-ci déclare sur son site Internet qu'il se réfère au Prospectus de Base pour offrir les Titres durant la Période d'Offre (chacun étant un « <b>Etablissement Autorisé</b> »); [et]</p> <p>(iii) le consentement ne porte que sur l'utilisation du Prospectus de Base dans le cadre d'Offres Non-exemptées de Titres en France et au Luxembourg ; [et]</p> <p>[(iv) le consentement est également soumis à la [aux] condition [s] suivante[s] : [•].]</p>
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		<b>Section B – Émetteur</b>
B.1	<b>Raison sociale et nom commercial de l'Émetteur :</b>	Sanofi

B.2	<b>Siège social et forme juridique de l'Émetteur, législation régissant ses activités ainsi que son pays de constitution :</b>	Sanofi est une société de droit français constituée en 1994 sous la forme d'une <i>société anonyme</i> pour une durée de 99 ans. Son siège social est situé au 54 rue La Boétie 75008 Paris, France. Sanofi opère en vertu de la loi française.
B.4b	<b>Tendances :</b>	<p>Sanofi a élaboré une nouvelle feuille de route stratégique, annoncée le 6 novembre 2015. Le Groupe continuera d'être un des leaders mondiaux de la santé spécialisé dans la prévention et le traitement des maladies. La feuille de route repose sur quatre piliers : restructuration du portefeuille, réalisation de grands lancements, maintien de l'innovation dans la R&amp;D et simplification de l'organisation.</p> <ul style="list-style-type: none"> <li>• Le portefeuille diversifié de Sanofi sera structuré de trois manières différentes : maintien du leadership, développement de positions compétitives et examen d'options stratégiques.</li> <li>• Sanofi souhaite mettre de nouveaux médicaments et vaccins sur le marché. Sanofi se concentre particulièrement sur le lancement de six produits: Toujeo<sup>®</sup>, Praluent<sup>®</sup>, Dengvaxia<sup>®</sup>, sarilumab, Soliqua<sup>™</sup> 100/33 et Dupixent.</li> <li>• Sanofi continuera de renforcer son portefeuille de R&amp;D pour augmenter le nombre de projets de haute qualité au stade de développement précoce et en renouvelant le portefeuille au stade de développement avancé à mesure que les produits sont mis sur le marché. Sanofi prévoit d'augmenter ses investissements de R&amp;D jusqu'à 6 milliards d'euros annuels d'ici 2020.</li> <li>• La dernière priorité stratégique de Sanofi est de simplifier l'organisation du Groupe et de la concentrer sur ses priorités. En 2016, Sanofi a mis en place un nouveau modèle d'organisation aligné au plus près de sa stratégie et permettant également une exécution plus efficace entre la R&amp;D et le commercial et entre le niveau global et le niveau local. Sanofi a créé : cinq Entités mondiales (Sanofi Genzyme (médecine de spécialité) ; Diabète et Cardiovasculaire; Médecine Générale &amp; Marchés Émergents; Sanofi Pasteur (vaccins et maladies infectieuses) ; Santé Grand Public); des fonctions globales centralisées, une plateforme pour les affaires industrielles alignées sur les Entités globales; une organisation de R&amp;D structurée en domaines thérapeutiques et alignée sur les Entités globales pour les produits en phase III ou en phase d'enregistrement ; et une fonction des affaires médicales renforcée.</li> </ul> <p>L'acquisition de l'activité Santé Grand Public de Boehringer Ingelheim permettra à Sanofi de devenir l'un des premiers acteurs de ce marché.</p> <p>Sanofi estime que l'érosion des ventes liée à la concurrence des produits génériques se poursuivra en 2017, avec un impact négatif sur le résultat net.</p> <p>En 2016, le chiffre d'affaires net consolidé généré par l'ensemble des produits dans les pays concernés actuellement par la concurrence des produits génériques ou dans ceux où la concurrence des produits génériques est attendue en 2017, représente un montant de 7 567 millions d'euros dont 4 434 millions d'euros aux États-Unis (incluant le chiffre d'affaires de Lantus<sup>®</sup> de 3 528 millions d'euros et le chiffre d'affaires de Renagel<sup>®</sup>/Renvela<sup>®</sup> de 764 millions d'euros), 2 276 millions d'euros en Europe et 857 millions d'euros au Japon. L'impact négatif sur le chiffre d'affaires 2017 devrait représenter une partie importante de ces ventes, mais cet impact dépendra d'un certain nombre de facteurs, tels que les dates de mise sur le marché des produits génériques en 2017, les prix de vente de ces produits, et l'issue des litiges potentiels.</p>

B.5	<b>Le Groupe et la position de l'Émetteur au sein du Groupe :</b>	<p>L'Émetteur est la société holding d'un groupe consolidé composé de plus de 400 sociétés. A la date du présent Prospectus de Base, l'Émetteur détient, directement ou indirectement, 100% des droits de vote et financiers dans les principales filiales suivantes : Aventis Inc., Aventis Pharma SA, Genzyme Corporation, Hoechst GmbH, Sanofi-Aventis Amérique du Nord, Sanofi-Aventis Deutschland GmbH, Sanofi-Aventis Europe, Sanofi-Aventis US LLC, Sanofi-Aventis Participations SAS, Sanofi Pasteur, Sanofi Pasteur Inc., Sanofi Winthrop Industrie and Chattern, Inc.</p> <p>Sanofi et ses filiales forment un groupe (collectivement, le « <b>Groupe</b> ») organisé autour de deux activités : la Pharmacie et les Vaccins Humains (Vaccins).</p> <p>Sanofi est un leader mondial de la santé, centré sur les besoins des patients et engagé dans la recherche, le développement, la fabrication et la commercialisation de solutions thérapeutiques.</p>																																																			
B.9	<b>Prévision ou estimation du bénéfice :</b>	Sans Objet. L'Émetteur ne communique pas de prévision ou d'estimation du bénéfice dans le Prospectus de Base ou dans tout autre document inclus par référence dans le Prospectus de Base.																																																			
B.10	<b>Réserves contenues dans le Rapport d'Audit :</b>	Sans Objet. Aucune réserve n'est indiquée dans le rapport d'audit inclus par référence dans le Prospectus de Base.																																																			
B.12	<b>Informations financières historiques clés sélectionnées :</b>	<p>Informations financières consolidées clés auditées au 31 décembre 2015 et au 31 décembre 2016. Ces données sont issues du Rapport annuel 2016 (<i>Form 20-F</i>) qui est inclus par référence dans le Prospectus de Base.</p> <table border="1" data-bbox="539 1048 1407 1906"> <thead> <tr> <th>(en millions d'euros, exception faite des données par action)</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Postes du compte de résultat IFRS</b></td> </tr> <tr> <td>Chiffre d'affaires</td> <td>34 060</td> <td>33 821</td> </tr> <tr> <td>Marge brute</td> <td>23 942</td> <td>24 006</td> </tr> <tr> <td>Résultat opérationnel</td> <td>5 624</td> <td>6 534</td> </tr> <tr> <td>Résultat net consolidé – part attribuable aux actionnaires de Sanofi</td> <td>4 287</td> <td>4 709</td> </tr> <tr> <td colspan="3"><b>Résultat de base par action (en euros)</b></td> </tr> <tr> <td>Résultat net – part attribuable aux actionnaires de Sanofi</td> <td>3,28</td> <td>3,66</td> </tr> <tr> <td colspan="3"><b>Résultat dilué par action (en euros)</b></td> </tr> <tr> <td>Résultat net – part attribuable aux actionnaires de Sanofi</td> <td>3,25</td> <td>3,63</td> </tr> <tr> <td colspan="3"><b>Postes du bilan IFRS</b></td> </tr> <tr> <td>Écarts d'acquisition et autres actifs incorporels</td> <td>51 583</td> <td>51 166</td> </tr> <tr> <td>Total de l'actif</td> <td>102 321</td> <td>104 672</td> </tr> <tr> <td>Valeur capital social des actions en circulation</td> <td>2 603</td> <td>2 544</td> </tr> <tr> <td>Capitaux propres – part attribuable aux actionnaires de Sanofi</td> <td>58 049</td> <td>57 554</td> </tr> <tr> <td>Emprunts à long terme</td> <td>13 118</td> <td>16 815</td> </tr> <tr> <td>Dividende versé en numéraire par action (en euros)</td> <td>2,93</td> <td>2,96</td> </tr> </tbody> </table>	(en millions d'euros, exception faite des données par action)	2015	2016	<b>Postes du compte de résultat IFRS</b>			Chiffre d'affaires	34 060	33 821	Marge brute	23 942	24 006	Résultat opérationnel	5 624	6 534	Résultat net consolidé – part attribuable aux actionnaires de Sanofi	4 287	4 709	<b>Résultat de base par action (en euros)</b>			Résultat net – part attribuable aux actionnaires de Sanofi	3,28	3,66	<b>Résultat dilué par action (en euros)</b>			Résultat net – part attribuable aux actionnaires de Sanofi	3,25	3,63	<b>Postes du bilan IFRS</b>			Écarts d'acquisition et autres actifs incorporels	51 583	51 166	Total de l'actif	102 321	104 672	Valeur capital social des actions en circulation	2 603	2 544	Capitaux propres – part attribuable aux actionnaires de Sanofi	58 049	57 554	Emprunts à long terme	13 118	16 815	Dividende versé en numéraire par action (en euros)	2,93	2,96
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	<b>Changements significatifs :</b>	Aucun changement significatif défavorable n'a affecté les perspectives de Sanofi depuis le 31 décembre 2016 et il ne s'est produit aucun changement significatif concernant la situation financière ou commerciale de Sanofi ou du Groupe depuis le 31 décembre 2016.																																																			

B.13	<b>Événements récents revêtant une importance significative pour l'évaluation de la solvabilité de l'Émetteur :</b>	Sans Objet. Sanofi estime qu'aucun fait marquant ayant une incidence sur l'évaluation de sa solvabilité n'est intervenu depuis la publication du dernier rapport annuel 2016 ( <i>Form 20-F</i> ).
B.14	<b>Dépendance à l'égard d'autres entités du Groupe :</b>	Sanofi étant la société holding, sa situation financière et commerciale dépend de la situation financière et commerciale de ses principales filiales. Voir également Élément B.5 ci-dessus.
B.15	<b>Principales activités de l'Émetteur :</b>	<p>Sanofi est un leader mondial de la santé, centré sur les besoins des patients et engagé dans la recherche, le développement, la fabrication et la commercialisation de solutions thérapeutiques.</p> <p>Le Groupe est organisé autour de deux activités principales : La Pharmacie et les Vaccins Humains via Sanofi Pasteur.</p> <p>Sanofi investit dans les activités suivantes : Diabète, Maladies Cardiovasculaires, Maladies Rares et Sclérose en Plaques, Santé Grand Public, Oncologie, Génériques, Produits de Prescription Etablis, Vaccins Humains, et Santé animale.</p> <p>Au sein de l'activité Pharmacie, Sanofi est spécialisé dans les domaines thérapeutiques suivants :</p> <ul style="list-style-type: none"> <li>• Diabète;</li> <li>• Maladies Cardiovasculaires;</li> <li>• Maladies Rares;</li> <li>• Sclérose en Plaques ;</li> <li>• Oncologie ;</li> <li>• Produits de Prescription Etablis.</li> </ul> <p>Le portefeuille pharmaceutique de Sanofi inclut également une large gamme d'autres produits : les produits de Santé Grand Public, et une large gamme de génériques.</p> <p>L'activité Vaccins est conduite par Sanofi Pasteur, avec des vaccins leaders dans cinq domaines : vaccins pédiatriques, vaccins contre la grippe, vaccins de rappel pour adultes et adolescents, vaccins contre la méningite et vaccins pour les voyageurs et les zones endémiques.</p> <p>Les collaborations sont essentiels aux activités de Sanofi, dont un certain nombre de produits commercialisés ou en développement sont des produits de licence dépendant de droits ou de technologies de tiers.</p>
B.16	<b>Personnes détenant le contrôle :</b>	Sans Objet. Sanofi n'est contrôlée par aucune autre entité.
B.17	<b>Notations de crédit :</b>	À la date d'élaboration du Prospectus de Base, les dettes à court terme et long terme de l'Émetteur sont respectivement notées (i) P-1 et A1, avec une perspective stable, par Moody's et (ii) A-1+ et AA, avec une perspective stable, par Standard & Poor's.



		<p><b>Résumé spécifique à l'émission:</b></p> <p>[[Les Titres ont été notés [[[•] par Moody's] [et] [[•] par Standard and Poor's.]] / [Sans objet. Les Titres n'ont pas été notés.]]</p>
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		<p><b>Section C – Titres</b></p>
C.1	<p><b>Nature et catégories des Titres :</b></p>	<p>Les Titres sont émis par Souche.</p> <p>Les Titres sont émis sur une base syndiquée ou non-syndiquée. Les Titres seront émis par souches (dénommées chacune « <b>Souche</b> ») à une même date ou à des dates d'émission différentes et seront à tous autres égards identiques, les Titres d'une même Souche étant supposés être fongibles entre eux (ou à tous égards à l'exception du premier paiement d'intérêts, de la date d'émission, du prix d'émission et du montant nominal). Chaque Souche pourra être émise par tranches (dénommées chacune « <b>Tranche</b> ») aux mêmes dates d'émission ou à des dates d'émission différentes. Les conditions particulières de chaque Tranche (qui seront complétées, si nécessaire, par des conditions complémentaires et qui, sauf en ce qui concerne la date d'émission, le prix d'émission, le premier paiement d'intérêts et le montant nominal de la Tranche, seront identiques aux conditions des autres Tranches de la même Souche) seront indiquées dans les Conditions Définitives jointes au présent Prospectus de Base (les « <b>Conditions Définitives</b> »). Un Code ISIN et un Code Commun pour chaque Souche seront indiqués dans les Conditions Définitives.</p> <p>Les Titres pourront être émis sous forme de titres dématérialisés (« <b>Titres Dématérialisés</b> ») ou matérialisés (« <b>Titres Matérialisés</b> »).</p> <p>Les Titres Dématérialisés peuvent, au choix de l'Emetteur, soit être émis au porteur, soit être au nominatif et, dans ce dernier cas, au choix du porteur concerné, être au nominatif pur ou au nominatif administré. Aucun titre papier ne sera émis pour les Titres Dématérialisés.</p> <p>Les Titres Matérialisés seront émis au porteur (« <b>Titres Matérialisés au Porteur</b> ») uniquement. Un certificat global temporaire émis au porteur relatif à chaque Tranche de Titres Matérialisés au Porteur sera initialement émis. Les Titres Matérialisés pourront uniquement être émis hors de France.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Les Titres sont [à Taux Fixe/ à Taux Variable/ Indéxés sur l'Inflation/ Zéro Coupon]</p> <p>Souche N° : [•]</p> <p>Tranche N° : [•]</p> <p>Montant nominal total :</p> <p>(i) Souche : [•]</p> <p>(ii) Tranche : [•]</p> <p>Forme des Titres : [Titres Dématérialisés]/[Titres Matérialisés]</p> <p>Code ISIN : [•]</p> <p>Code commun : [•]</p>
C.2	<p><b>Devises :</b></p>	<p>Sous réserve de toutes les lois et tous les règlements applicables, les Titres peuvent être émis en toute(s) devise(s) qui pourraient être convenues entre l'Émetteur et l'(les) Agent(s) Placeur(s) concerné(s) (tel qu'indiqué dans les Conditions Définitives applicables).</p>

		<p><b>Résumé spécifique à l'émission :</b></p> <p>Les Titres sont libellés en [●].</p>
C.5	<b>Restriction à la Négociabilité :</b>	<p>Les Titres ne seront émis que dans des circonstances conformes aux lois, lignes directrices, réglementations, restrictions ou obligations de <i>reporting</i> applicables aux Titres à tout moment, y compris les restrictions à l'offre et à la vente de Titres et à la distribution des supports d'offre dans de nombreuses juridictions (en particulier les Etats-Unis d'Amérique, les Etats Membres Concernés de l'EEE, le Royaume-Uni, le Japon, la France, les Pays-Bas, la République d'Italie, Hong Kong, la République Populaire de Chine et Singapour) applicables à la date du Prospectus de Base (cf. <i>Infra "Selling Restrictions"</i>). Il n'existe aucune restriction à la libre négociabilité des Titres.</p>
C.8	<b>Droits attachés aux Titres, Rang et Restrictions:</b>	<p><b>Prix d'Emission :</b> Les Titres seront intégralement souscrits et émis à un prix d'émission au pair, ou avec une décote ou une prime par rapport au pair.</p> <p><b>Valeur(s) nominale(s) unitaire(s) :</b> Les Titres seront émis aux valeurs nominales indiquées dans les Conditions Définitives à condition que la valeur nominale minimale de chaque Titre coté et admis à la négociation sur un marché réglementé d'un Etat membre de l'Espace Economique Européen (un "<b>Etat membre</b>") ou offert au public dans un Etat membre dans des circonstances qui requièrent la publication d'un prospectus conformément à la Directive Prospectus soit égale à 1000 €(ou, si les Titres sont libellés dans une autre devise que l'euro, sa contre-valeur dans cette devise à la date d'émission des Titres).</p> <p><b>Maintien de l'emprunt à son rang :</b> Les Titres Non Subordonnés bénéficient d'une clause de maintien de l'emprunt à son rang portant sur tout l'endettement sous la forme d'obligations ou de toute autre forme de titres de créance qui sont ou sont en mesure d'être cotés ou habituellement négociés sur tout marché financier, de gré à gré ou de valeurs mobilières. Les Titres Subordonnés ne bénéficient pas d'une clause de maintien de l'emprunt à son rang à l'égard de l'endettement.</p> <p><b>Statut des Titres :</b> Les Titres sont émis sur une base subordonnée ou non subordonnée.</p> <p><b>Rang :</b> Les Titres Non Subordonnés constitueront des engagements directs, non assortis de sûretés (sous réserve de la Clause 4 (<i>Maintien de l'emprunt à son rang</i>)) et non subordonnés de l'Émetteur, et seront de rang égal entre eux, sans privilège ni priorité, et, sous réserve des exceptions légales impératives en vigueur en France, par rapport à toutes les autres dettes en cours et futures de l'Émetteur non assorties de sûretés et non subordonnées. Les Titres Subordonnés constitueront des engagements directs, non assortis de sûretés et non subordonnés de l'Émetteur, et seront de rang égal entre eux sans privilège ni priorité. Les créances des porteurs de Titres Subordonnés relatifs auxdits Titres subordonnés seront subordonnées.</p> <p><b>Vote :</b> Un ou plusieurs porteurs de Titres, détenant un trentième au moins du montant nominal de Titres en circulation, pourront adresser à l'Émetteur et au représentant une demande de convocation de l'Assemblée Générale. Chaque Titre confère un droit de vote, ou dans le cas de Titres émis avec plusieurs valeurs nominales spécifiées, une voix au titre de chaque multiple de la plus petite valeur nominale spécifiée comprise dans le montant principal des Souches auxquelles appartiennent ces Titres.</p> <p><b>Droit applicable :</b> les Titres sont régis par le droit français.</p> <p><b>Limitation des Droits :</b> Sans objet. Il n'y a pas de limitation des droits.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p><b>Prix d'Emission :</b> [●]</p>

		<p><b>Valeur(s) nominale(s) unitaire(s) :</b> [●]</p> <p><b>Maintien de l'emprunt à son rang :</b> [A insérer dans le cas de Titres Non Subordonnés] [Les Titres bénéficient d'une clause de maintien de l'emprunt à son rang.] / [A insérer dans le cas de Titres Subordonnés] [Les Titres ne bénéficient pas d'une clause de maintien de l'emprunt à son rang à l'égard de l'Endettement.]</p> <p><b>Statut des Titres :</b> Les Titres sont émis sur une base [subordonnée] / [non subordonnée].</p> <p><b>Rang :</b> [A insérer dans le cas de Titres Non Subordonnés] [Les Titres constitueront des engagements directs, non assortis de sûretés (sous réserve de la Clause 4 (<i>Maintien de l'emprunt à son rang</i>)) et non subordonnés de l'Émetteur, et seront de rang égal entre eux et avec toutes les autres dettes en cours non assorties de sûretés et non subordonnées (autres que les engagements subordonnés, le cas échéant) de l'Émetteur, sans privilège ni priorité à raison de la date d'émission, de la devise de paiement ou autre, sous réserve de toutes exceptions présentes ou futures imposées par le droit français] / [A insérer dans le cas de Titres Subordonnés] [Les paiements relatifs aux Titres seront subordonnés.]</p>
C.9	<p><b>Intérêts, Remboursement, Représentation et Rendement :</b></p>	<p>Voir l'Élément C.8 pour les Droits attachés aux Titres, Rang et Restrictions.</p> <p><b>Titres à Taux Fixe :</b> Les Titres à Taux Fixe porteront intérêts au(x) taux et ledit intérêt sera payable à terme échu à/aux date(s), convenu(s) entre l'Émetteur et l'(les) Agent(s) Placeur(s) concerné(s) (tel qu'indiqué dans les Conditions Définitives applicables) et au rachat.</p> <p><b>Titres à Taux Variable :</b> Les Titres à Taux Variable porteront intérêt à un taux déterminé de façon différente pour chaque Souche par référence dans chaque cas au taux ISDA applicable, au taux FBF applicable ou au <i>Screen Rate</i> applicable (LIBOR, EURIBOR ou EONIA) tel qu'ajusté de la Marge applicable.</p> <p>La (ou les) Période(s) d'Intérêt(s) pour les Titres à Taux Variable seront la/les période(s) convenue(s) entre l'Émetteur et l'(les) Agent(s) Placeur(s) concerné(s) (telle(s) qu'indiquée(s) dans les Conditions Définitives applicables).</p> <p><b>Titres à Taux Fixe convertible en Taux Variable :</b> les Titres à Taux Fixe convertible en Taux Variable porteront intérêt à un taux fixe avant la conversion en taux variable (telle qu'indiquée dans les Conditions Définitives applicables) à partir de laquelle l'intérêt à taux variable sera applicable.</p> <p><b>Titres à Coupon Zéro :</b> Les Titres à Coupon Zéro peuvent être offerts et vendus avec une décote par rapport à leur valeur faciale et ne porteront pas intérêt.</p> <p><b>Date d'entrée en jouissance et date d'échéance des intérêts :</b> Les Conditions Définitives applicables indiqueront pour chaque Tranche de Titres portant intérêts, les dates d'exigibilité et d'échéance des intérêts.</p> <p><b>Date d'Echéance :</b> Les échéances des Titres seront indiquées dans les Conditions Définitives applicables, sous réserve du respect des exigences légales et/ou réglementaires et/ou d'une banque centrale applicables.</p> <p><b>Remboursement :</b> Chaque Titre sera remboursé au pair à la Date d'Échéance. Les Titres peuvent être remboursés par anticipation pour des raisons fiscales, au gré de l'Émetteur, au gré des porteurs de Titres, ou par le biais de l'exercice par l'Émetteur d'un droit de remboursement « <i>make-whole</i> » ou d'une option « <i>clean-up</i> ». Les Titres peuvent également être remboursés ou rachetés pour annulation.</p> <p><b>Remboursement Anticipé :</b> Les Titres pourront être remboursés avant leur date d'échéance pour raisons fiscales au pair ou à tout autre montant tel qu'indiqué dans les Conditions</p>

	<p>Définitives applicables.</p> <p><b>Option de Remboursement (Call) :</b> Si cela est indiqué dans les Conditions Définitives applicables, pour toute émission de Titres, l'Émetteur pourra, après notification, procéder au remboursement de tout ou partie des Titres de la Souche concernée à leur montant de remboursement anticipé optionnel spécifié dans les Conditions Définitives, accompagné des intérêts courus (le cas échéant) à la date spécifiée lors de cette notification.</p> <p><b>Option de Remboursement (Put) :</b> Les Conditions Définitives émises pour toute émission de Titres détermineront si ces Titres peuvent être remboursés avant leur échéance prévue au gré des porteurs de Titres et, si cela est le cas, les modalités applicables à un tel remboursement.</p> <p><b>Remboursement anticipé : Make-Whole :</b> A moins que les Conditions Définitives déterminantes ne l'excluent, l'Émetteur aura l'option, pour chaque émission de Titres, de rembourser les Titres, en partie ou intégralement, à tout moment, avant leur Date d'Echéance, à un certain montant de remboursement optionnel.</p> <p><b>Option « clean-up » :</b> Si cela est indiqué dans les Conditions Définitives applicables, pour toute émission de Titres, l'Émetteur pourra, après notification, procéder au remboursement de la totalité mais non d'une partie seulement des Titres de la Souche concernée s'il subsiste, immédiatement avant la date à laquelle cette notification est faite, 20 pour cent, ou moins du montant nominal total des Titres des Souches concernées et originellement émises. Un tel remboursement devra se faire au pair, accompagné des intérêts courus (le cas échéant) à la date spécifiée lors de cette notification.</p> <p><b>Rendement (Titres à Taux Fixe uniquement) :</b> Une indication du rendement des Titres sera indiquée dans les Conditions Définitives applicables.</p> <p><b>Procédures de remboursement :</b> La procédure de remboursement portera sur les Titres livrés à l'Émetteur, ou à l'agent payeur pour son compte, et les montants de remboursement seront versés sur le compte bancaire spécifié de chaque porteur de Titres.</p> <p><b>Cas de défaut:</b> Les Titres Non Subordonnés seront remboursables à leur valeur nominale à laquelle s'ajoute les intérêts courus, en cas de survenance d'un cas de défaut. Les cas de défaut relatifs aux Titres Non Subordonnés incluent notamment, un défaut au titre du paiement du principal ou des intérêts, un défaut dans l'exécution de toute autre obligation de l'Émetteur au titre des Titres et certains événements supplémentaires affectant l'Émetteur. Les modalités des Titres Non Subordonnés contiennent une clause de défaut croisé relative à l'endettement de l'Émetteur. Les Titres Subordonnés seront remboursables en cas de survenance de liquidation judiciaire de l'Émetteur ou de cession totale de l'entreprise de l'Émetteur, ou de liquidation de l'Émetteur pour toute raison (autre qu'à la suite d'un regroupement, d'une fusion ou autre restructuration en dehors d'un contexte d'insolvabilité).</p> <p><b>Représentant des porteurs de Titres :</b> Les porteurs de Titres peuvent demander la tenue d'une assemblée ou y être convoqués. Les porteurs de Titres seront regroupés automatiquement pour la défense de leurs intérêts communs respectifs en une masse régie par les dispositions du Code de commerce français, sous réserve de certaines exceptions et dispositions (la « Masse »). La Masse sera une entité juridique séparée et agira pour partie par l'entremise d'un représentant et pour partie par l'entremise d'une assemblée générale des porteurs de Titres. Le représentant et son suppléant seront désignés dans les Conditions Définitives de chaque émission de Titres.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p><b>[Intérêts sur Titres à Taux Fixe :</b> Les Intérêts sur les Titres au titre de chaque période d'intérêt seront payables [le premier jour de la période d'intérêt suivante/à la date de</p>
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		<p>paiement des intérêts intervenant le mois de remboursement] à un taux fixe de [●] pour cent. par an.]</p> <p><b>[Intérêts sur Titres à Taux Variable :</b> Les Titres porteront intérêt à un taux déterminé [sur la même base que le taux variable d'une opération de swap de taux d'intérêt notionnel dans la devise spécifiée régie par un accord intégrant les [Définitions 2006 ISDA (telles que publiées par l'International Swaps and Derivatives Association, Inc.)/ Définitions FBF (telles que publiées par la <i>Fédération Bancaire Française</i>)], et telles qu'amendées et mises à jour à la date d'émission de la première tranche de Titres de la souche)] / [sur la base d'un taux de référence figurant sur [la page d'écran] du [service de cotation]] / [●]. [Les Titres sont soumis à [un taux d'intérêt maximum / un taux d'intérêt minimum / un écart minimum/maximum entre deux coupons consécutifs / autre].]</p> <p><b>[Intérêts sur Titres à Taux Fixe convertible en Taux Variable:</b> Les Intérêts sur les Titres au titre de chaque période d'intérêt seront payables [le premier jour de la période d'intérêt suivante/à la date de paiement des intérêts intervenant le mois de remboursement] à un taux fixe de [●] pour cent. par an., avant la conversion en taux variable (telle qu'indiquée dans les Conditions Définitives applicables) à partir de laquelle les Titres porteront intérêt à un taux déterminé [sur la même base que le taux variable d'une opération de swap de taux d'intérêt notionnel dans la devise spécifiée régie par un accord intégrant les [Définitions 2006 ISDA (telles que publiées par l'International Swaps and Derivatives Association, Inc.)/ Définitions FBF (telles que publiées par la <i>Fédération Bancaire Française</i>)], et telles qu'amendées et mises à jour à la date d'émission de la première tranche de Titres de la souche)] / [sur la base d'un taux de référence figurant sur [la page d'écran] du [service de cotation]] / [●]. [Les Titres sont soumis à [un taux d'intérêt maximum / un écart minimum/maximum entre deux coupons consécutifs / autre].]</p> <p><b>[Les Titres à Coupon Zéro :</b> Les Titres à Coupon Zéro seront offerts et vendus à un prix inférieur à leur valeur faciale et ne porteront pas intérêt.]</p> <p><b>Date d'Echéance :</b> [●]</p> <p><b>Option de Remboursement de l'Emetteur (Call) :</b> [Applicable/Pas Applicable]</p> <p><b>Option de Remboursement des Porteurs (Put) :</b> [Applicable/Pas Applicable]</p> <p><b>Remboursement « make-whole » :</b> [Applicable/Pas Applicable]</p> <p><b>Option « clean-up » :</b> [Applicable/Pas Applicable]</p> <p><b>Remboursement :</b> Sous réserve d'un achat et d'une annulation ou d'un rachat anticipé, les Titres seront remboursés à la Date d'Echéance à concurrence de [100] [●] pour cent de leur valeur nominale.</p> <p><b>Rendement :</b> [●]</p>
C.10	<b>Composante d'instrument dérivé entrant dans le paiement des intérêts :</b>	<p>Voir Élément. C.9</p> <p>Sans Objet. Les paiements des intérêts produits par les Titres ne sont liés à aucun instrument dérivé.</p>
C.11	<b>Admission à la Négociation et à la cotation :</b>	<p>Une demande d'admission aux négociations et à la cotation sur Euronext Paris concernant les Titres à émettre dans le cadre du Programme [peut être déposée] / [doit être déposée] auprès d'Euronext Paris.</p> <p>Les Titres peuvent faire l'objet d'une cotation ou de négociations sur d'autres marchés réglementés convenus entre l'Émetteur et l'Agent Placeur de la Souche.</p>

		<p>Les Titres pourront ne pas être cotés ni admis aux négociations sur un marché réglementé.</p> <p>Les Conditions Définitives de chaque Tranche détermineront si les Titres sont cotés ou non et, si cela est le cas, la/les bourse(s) concernée(s).</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Une demande d'admission à la négociation des Titres sur Euronext Paris a été déposée] [●]/ [Sans Objet. Les Titres ne sont pas cotés.]</p>
C.21	<b>Mention du marché sur lequel les titres seront négociés et pour lequel le prospectus a été publié</b>	<p>Les Titres pourront (ou non) être cotés et admis aux négociations sur Euronext Paris, un marché réglementé ou un autre marché non-réglementé, tel que précisé dans les Conditions Définitives applicables. Le Prospectus de Base sera publié à l'intention du ou des marchés réglementés ainsi désignés.</p> <p><b>Résumé spécifique à l'émission:</b></p> <p>[Une demande d'admission à la négociation des Titres sur Euronext Paris a été déposée] [●]/ [Sans objet. Les Titres ne sont pas cotés.]</p>

		<b>Section D – Risques</b>
D.2	<b>Principaux risques propres à l'Émetteur :</b>	<p>L'Élément suivant présente les risques associés à l'Émetteur et sa capacité à honorer ses obligations découlant des Titres émis dans le cadre du Programme :</p>
		<p><b>Risques juridiques et réglementaires</b></p> <ul style="list-style-type: none"> <li>• Sanofi dépend de brevets et autres droits de propriété qui procurent des droits exclusifs pour commercialiser certains de ses produits, et si cette protection était limitée ou contournée, ses résultats financiers pourraient être affectés significativement et de manière défavorable.</li> <li>• Les actions en responsabilité du fait des produits pourraient affecter l'activité, le résultat opérationnel et la situation financière de Sanofi.</li> <li>• Les produits et usines de Sanofi sont soumis à des réglementations et des demandes d'autorisation gouvernementales qui sont souvent coûteuses à mettre en œuvre et pourraient impacter l'activité son activité, si Sanofi ne parvient pas à les anticiper, à s'y conformer et/ou à maintenir les autorisations nécessaires.</li> <li>• Les actions ou enquêtes en matière de conformité (<i>compliance</i>), de concurrence, de pratiques de commercialisation et de fixation des prix, ainsi que d'autres affaires juridiques, pourraient affecter l'activité, le résultat opérationnel et la situation financière du Groupe.</li> <li>• Des changements de la réglementation applicable au Groupe pourraient affecter son activité, son résultat opérationnel et sa situation financière.</li> </ul> <p><b>Risques d'activité</b></p> <ul style="list-style-type: none"> <li>• Sanofi pourrait ne pas réussir à renouveler suffisamment son portefeuille de produits grâce à son activité de recherche et développement.</li> <li>• Les prix et les remboursements des produits de Sanofi sont de plus en plus affectés par les décisions gouvernementales et de tiers payeurs et les initiatives de réductions</li> </ul>

		<p>des coûts.</p> <ul style="list-style-type: none"> <li>• La concentration du marché US expose Sanofi à une pression accrue sur les prix.</li> <li>• Sanofi risque de se voir concurrencé par des produits princeps de fabricants concurrents, des biosimilaires ou des produits génériques.</li> <li>• Une part significative du chiffre d'affaires et des résultats du Groupe continue à dépendre de la performance de quelques produits majeurs.</li> <li>• La fabrication des produits de Sanofi est techniquement complexe et des interruptions dans l'approvisionnement, des rappels de produits ou des pertes de stocks du fait de la survenance d'événements imprévus peuvent faire baisser le chiffre d'affaires, affecter le résultat opérationnel et la situation financière, retarder le lancement de nouveaux produits et avoir un effet négatif sur son image.</li> <li>• Sanofi dépend de tiers pour la découverte, la production et la commercialisation de certains de ses produits.</li> <li>• Sanofi encourt un risque de défaut de paiement de la part de ses clients.</li> <li>• La conjoncture économique mondiale et un environnement financier défavorable pourraient avoir un effet négatif sur l'activité de Sanofi.</li> <li>• La contrefaçon des produits de Sanofi nuit à son activité.</li> <li>• Des atteintes à la sécurité des données, des interruptions des réseaux informatiques et des cyber-menaces pourraient avoir des effets financiers, juridiques et opérationnels défavorables et impacter négativement la réputation de Sanofi.</li> <li>• Le développement des médias sociaux et des nouvelles technologies est une source de risques et de défis pour l'activité de Sanofi et sa réputation.</li> <li>• Des charges d'amortissement ou des dépréciations dans les comptes de Sanofi ainsi que les changements de normes comptables pourraient avoir un impact défavorable significatif sur le résultat opérationnel et la situation financière du Groupe.</li> <li>• Dans le domaine des retraites, les engagements de Sanofi dépendent de paramètres tels que la performance des actifs des plans, les taux d'intérêt, les données actuarielles et les courbes d'expérience ainsi que l'évolution législative et réglementaire.</li> <li>• Les objectifs stratégiques à long terme de Sanofi peuvent ne pas se réaliser pleinement.</li> </ul> <p><b>Risques liés à la structure du Groupe et à la stratégie</b></p> <ul style="list-style-type: none"> <li>• Sanofi peut ne pas parvenir à identifier des opportunités de développement externes ou à réaliser les bénéfices attendus de ses investissements stratégiques.</li> <li>• La globalisation de l'activité du Groupe l'expose à des risques accrus dans certains secteurs.</li> <li>• Le succès de Sanofi dépend en partie de son équipe dirigeante et de ses autres éléments clés et personnel qualifié et de sa capacité à les attirer, les intégrer et à les fidéliser dans un contexte de concurrence intense.</li> </ul> <p><b>Risques environnementaux</b></p> <ul style="list-style-type: none"> <li>• L'utilisation de substances dangereuses pourrait avoir un effet défavorable sur le</li> </ul>
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		<p>résultat opérationnel de Sanofi.</p> <ul style="list-style-type: none"> <li>• Les obligations environnementales et les coûts de mise en conformité avec la réglementation applicable pourraient avoir un impact défavorable significatif sur le résultat opérationnel de Sanofi.</li> <li>• Il existe un risque de survenance de catastrophes naturelles dans des régions où Sanofi est présent qui pourrait affecter ses activités.</li> </ul> <p><b>Risques liés aux marchés financiers</b></p> <ul style="list-style-type: none"> <li>• Les risques suivants qui sont des risques liés aux marchés financiers pourraient avoir une incidence défavorable sur les résultats d'exploitation et la situation financière de Sanofi: le risque de liquidité, le risque de taux d'intérêt, le risque de change, et le risque de contrepartie.</li> </ul>
D.3	<p><b>Principaux risques propres aux Titres :</b></p>	<p>Certains facteurs sont importants pour évaluer les risques de marché liés aux Titres émis dans le cadre du Programme :</p> <ul style="list-style-type: none"> <li>• Le marché des titres de créance peut être volatil et de nombreux événements pourraient l'affecter de manière défavorable.</li> <li>• Un marché actif pour la négociation des Titres pourrait ne pas se développer.</li> <li>• Les Titres pourraient être remboursés pour des raisons fiscales avant l'échéance.</li> <li>• Toute décision de l'Émetteur de procéder à un remboursement anticipé, si elle est prévue dans les Conditions Définitives d'une émission de Titres donnée, pourrait réduire significativement le rendement attendu par les porteurs de Titres.</li> <li>• Le remboursement partiel à la demande de l'Émetteur peut affecter la liquidité des Titres.</li> <li>• Des variations dans les taux de change et la mise en place de contrôle des changes pourraient avoir un impact négatif pour les porteurs des Titres dont la devise principale est différente de la devise d'émission des Titres.</li> <li>• Les notations de crédit peuvent ne pas refléter l'ensemble des risques.</li> <li>• Des changements dans la loi applicable pourraient être opérés dans le futur et avoir un impact sur les modalités des Titres.</li> <li>• Le droit français en matière d'insolvabilité prévoit la réunion de plein droit de l'ensemble des porteurs d'obligations en une assemblée générale unique, qui a le pouvoir de prendre des décisions défavorables aux intérêts individuels de chacun des porteurs.</li> <li>• Dans certains cas, les porteurs de Titres peuvent être assujettis à une retenue à la source américaine.</li> <li>• La Taxe sur les Transactions Financières actuellement en projet a un champ d'application très large et pourrait être applicable à certaines opérations sur les Titres (notamment les opérations sur le marché secondaire) dans certaines hypothèses.</li> <li>• Les modalités des Titres peuvent être modifiées par la majorité des porteurs d'obligations lors d'une réunion des porteurs des Titres, tous les porteurs des Titres se retrouvant liés par de telles modifications.</li> <li>• Si la qualité de crédit de l'Émetteur se dégrade, celui-ci pourrait ne pas être en mesure</li> </ul>



		<p>de faire face à une partie ou la totalité de ses obligations de paiement au titre des Titres, la valeur des Titres pourrait baisser et les investisseurs pourraient perdre tout ou partie de leur investissement.</p> <ul style="list-style-type: none"> <li>• <i>[[Insérer dans le résumé spécifique à l'émission si les Titres sont à Taux Fixe] La valeur de marché des Titres à Taux Fixe dépend de l'évolution des taux d'intérêts sur le marché.]</i></li> <li>• <i>[[Insérer dans le résumé spécifique à l'émission si les Titres sont à Taux Variable] Les investisseurs ne seront pas en mesure de calculer à l'avance leur taux de rendement sur les Titres à Taux Variable.]</i></li> <li>• <i>[[Insérer dans le résumé spécifique à l'émission si les Titres sont à Taux Variable] Un conflit d'intérêts pourrait apparaître entre l'agent de calcul et les porteurs de Titres.]</i></li> <li>• <i>[[Insérer dans le résumé spécifique à l'émission si les Titres sont à Coupon Zéro] Les Titres à Coupon Zéro sont soumis à des fluctuations de prix plus élevées que les titres sans décote.]</i></li> <li>• <i>[[Insérer dans le résumé spécifique à l'émission si les Titres sont subordonnés] Les obligations de l'Emetteur dans le cadre de Titres Subordonnés sont subordonnées;</i></li> <li>• <i>[[Insérer dans le résumé spécifique à l'émission pour les Titres RMB] Les risques liés aux Titres libellés en Renminbi comprennent le fait que le Renminbi ne soit pas librement convertible, la disponibilité limitée du Renminbi ainsi que les risques de change et de taux que comporte un investissement dans cette devise.]</i></li> <li>• <i>[[Insérer dans le résumé spécifique à l'émission si les Titres sont à Taux Fixe convertible en Taux Variable] La possibilité ouverte à l'Emetteur de convertir le Taux Fixe des Titres en Taux Variable pourrait affecter le marché secondaire et la valeur de marché des Titres, dans la mesure où l'Emetteur pourrait convertir le taux à un moment où cela aurait pour résultat un coût global d'emprunt inférieur.]</i></li> </ul>
		<b>Section E – Offre</b>
E.2b	<b>Raisons de l'Offre et Utilisation des Produits :</b>	<p>Les produits de l'émission de Titres seront utilisés par l'Émetteur pour ses besoins généraux de financement et son activité. Si dans le cadre d'une émission déterminée de Titres, une utilisation particulière des fonds est envisagée, celle-ci sera précisée dans les Conditions Définitives concernées.</p> <p><b>Résumé spécifique à l'émission</b></p> <p>[Le produit net de l'émission des Titres sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise/Autre (<i>préciser</i>).]</p>
E.3	<b>Modalités et Conditions de l'Offre :</b>	<p>Les Conditions Définitives concernées préciseront les modalités et conditions de l'offre applicables à chaque Tranche de Titres.</p> <p>A l'exception des stipulations de l'Élément A.2 ci-dessus, ni l'Emetteur ni aucun des Agents Placeurs n'a autorisé une personne à faire une Offre au Public en aucune circonstance et aucune personne n'est autorisée à utiliser le Prospectus de Base dans le cadre de ses offres de Titres. Ces offres ne sont pas faites au nom de l'Emetteur ni par aucun des Agents Placeurs ou, à la connaissance de l'Emetteur et des Agents Placeurs, par aucun des Etablissements Autorisés et ni l'Emetteur ni les Agents Placeurs et, à la connaissance de l'Emetteur et des Agents Placeurs ni les Etablissements Autorisés ne sont responsables des actes de toute personne procédant à ces offres.</p>

	<p><b>Résumé spécifique à l'émission</b></p> <p>[Sans objet, les Titres ne font pas l'objet d'une offre au public.]/ [Les Titres sont offerts au public en [●]].</p> <p><b>Conditions, statistiques de l'offre, calendrier prévisionnel et modalités d'une demande de souscription</b></p> <p>Les conditions auxquelles l'offre est soumise sont [●].</p> <p>Le montant total de l'offre est de [●]. [Si le montant de l'offre n'est pas fixé, décrire les modalités et le délai selon lesquels le montant définitif sera annoncé au public.]</p> <p>La période de l'offre est [●]. [Décrire la procédure de demande de souscription]</p> <p>[Décrire toute possibilité de réduire les souscriptions et le mode de remboursement des sommes excédentaires versées par les souscripteurs.][●]</p> <p>[Indiquer le montant minimum et/ou maximum d'une souscription (exprimé soit en nombre de titres, soit en somme globale à investir).][●]</p> <p>[Décrire la méthode et indiquer les dates limites de libération et de livraison des titres.][●]</p> <p>[Décrire intégralement les modalités de publication des résultats de l'offre et indiquer la date de cette publication.][●]</p> <p>[Décrire la procédure d'exercice de tout droit préemption, la négociabilité des droits de souscription et le traitement réservé aux droits de souscription non exercés.][●]</p> <p><b>Plan de distribution et allocation des Titres</b></p> <p>[Spécifier les différentes catégories d'investisseurs potentiels ciblées par l'offre de titres. Si l'offre est faite simultanément sur les marchés de deux pays ou plus, et si une tranche a été ou est réservée à certains d'entre eux, indiquer la tranche concernée.][●]</p> <p>[Décrire la procédure de notification aux souscripteurs du montant qui leur a été alloué et indiquer si la négociation peut commencer avant cette notification.][●]</p> <p><b>Fixation du prix</b></p> <p>[Indiquer le prix estimatif auquel les titres doivent être offerts ou la méthode appliquée pour déterminer le prix et la procédure de publication de ce prix. Indiquer le montant des frais et taxes spécifiquement imputés au souscripteur ou à l'acheteur.][●]</p> <p><b>Placement et Prise ferme</b></p> <p>[Donner le nom et l'adresse du coordinateur de l'ensemble de l'offre et des différentes parties à l'offre et, dans la mesure où cette information est connue de l'Émetteur, des agents placeurs concernés dans les différents pays où l'offre a lieu.][●]</p> <p>[Donner le nom et l'adresse des agents payeurs et agents dépositaires dans chaque pays concerné.][●]</p> <p>[Donner le nom et l'adresse des entités qui ont convenu d'une prise ferme et de celles qui ont convenu de placer les titres sans prise ferme ou en vertu d'une convention de placement pour compte.][●]</p> <p>[Indiquer les principales caractéristiques des accords passés, y compris les quotas. Si la prise ferme ne porte pas sur la totalité de l'émission, indiquer la quote-part non</p>
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		<p><i>couverte.][●]</i></p> <p><i>[Indiquer le montant global de la commission de prise ferme et des commissions de placement.][●]</i></p> <p><i>[Indiquer quand la convention de prise ferme a été ou sera honorée. ][●]</i></p>
E.4	<b>Intérêts déterminants pour l'Émission :</b>	<p>Tout intérêt (y compris des intérêts conflictuels) qui serait significatif pour l'[émission/offre] des Titres, sera décrit dans les Conditions Définitives concernées.</p> <p>L'Émetteur a désigné [●] (les <b>Agents Placeurs</b>) en qualité d'Agents Placeurs du Programme. Les dispositions régissant la vente des Titres par l'Émetteur et leur achat par les Agents Placeurs sont énoncées dans le Contrat de Placement, tel qu'amendé et mis à jour, conclu entre l'Émetteur et les Agents Placeurs.</p> <p><b>Résumé spécifique à l'émission</b></p> <p>[Émission syndiquée : l'Émetteur a désigné [●], [●] et [●] (les <b>Chefs de File</b>) en qualité de Chefs de File pour l'émission des Titres. Les dispositions régissant la vente des Titres par l'Émetteur et leur achat par les Chefs de File sont énoncées dans le Contrat de Souscription conclu entre l'Émetteur et les Chefs de File.]</p> <p>[Émission non-syndiquée : l'Émetteur a désigné [●] (l'<b>Agent Placeur</b>) en qualité d'Agent Placeur pour l'émission des Titres. Les dispositions régissant la vente des Titres par l'Émetteur et leur achat par le l'Agent Placeur sont énoncées dans le Contrat de Placement, tel qu'amendé et mis à jour, conclu, notamment, entre l'Émetteur et l'Agent Placeur.]</p> <p>[Agent(s) de Stabilisation : [●] [et [●].]</p> <p>[Les Chefs de File percevront une commission d'un montant de [●]% du montant en principal des Titres.]</p>
E.7	<b>Estimation des dépenses facturées à l'investisseur par l'Émetteur ou l'établissement offrant :</b>	<p>Une estimation des dépenses facturées à l'investisseur par l'Émetteur ou l'offrant sera incluse dans les Conditions Définitives applicables.</p> <p><b>Résumé spécifique à l'Émission</b></p> <p>[Les dépenses mises à la charge à l'investisseur sont estimées à [●].] [Sans Objet. L'[Émetteur/établissement offrant] ne facture aucune dépense à l'investisseur/[●].]</p>

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. Prospective investors should however read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein), reach their own views prior to making any investment decision as investors may lose the value of their entire investment or part of it and should consult with their own professional advisers if they consider necessary.*

*In addition to the risks listed herein, Sanofi may be subject to other material risks that are not currently known to it.*

### **1. Risk Factors relating to Sanofi**

#### **A Risks Relating to Legal and Regulatory Matters**

***Sanofi relies on its patents and proprietary rights to provide exclusive rights to market certain of its products, and if such patents and other rights were limited or circumvented, its financial results could be materially and adversely affected.***

Through patent and other proprietary rights such as data exclusivity or supplementary protection certificates in Europe, Sanofi holds exclusivity rights for a number of its research-based products. However, the protection that Sanofi is able to obtain varies in its duration and scope from product to product and country to country. This protection may not be sufficient to maintain effective product exclusivity because of local differences in the patents, in national laws or applicable legal systems, or developments in law or jurisprudence, which may give rise to inconsistent judgments when Sanofi asserts or defends its patents.

Moreover, patent and other proprietary rights do not always provide effective protection for its products. Manufacturers of generic products or biosimilars are increasingly seeking to challenge patent validity or coverage before the patents expire, and manufacturers of biosimilars or interchangeable versions of the products are seeking to have their version of the product approved before the exclusivity period ends. Furthermore, in an infringement suit against a third party, Sanofi may not prevail and the decision rendered may not conclude that its patent or other proprietary rights are valid, enforceable or infringed. The competitors may also successfully avoid patents, for example, through design innovation, and Sanofi may not hold sufficient evidence of infringement to bring suit.

In addition, if Sanofi loses patent protection in patent litigation as a result of an adverse court decision or a settlement, it faces the risk that government and private third-party payers and purchasers of pharmaceutical products may claim damages alleging they have been over-charged or have over-paid for a drug. For example, in Australia, Sanofi's patent on clopidogrel was ultimately held invalid. Following this decision, the Australian Government is seeking damages for its alleged over-charging of clopidogrel drugs due to the preliminary injunction Sanofi had obtained against the sale of generic clopidogrel during the course of the litigation.

In certain cases, to terminate or avoid patent litigation, Sanofi or its partners may be required to obtain licenses from the holders of third-party intellectual property rights that cover aspects of its existing and future products in order to manufacture, use and/or sell them. Any payments under these licenses may reduce Sanofi's profits from such products and Sanofi may not be able to obtain these licenses on favourable terms or at all. Sanofi has increased the proportion of biological therapeutics in its pipeline relative to traditional small molecule pharmaceutical products. Typically, biological therapeutics face third party intellectual property rights, otherwise known as freedom to operate (FTO) issues, more than small molecule therapeutics because of the types of patents allowed by national patent offices. Further, its ability to successfully challenge third party patent rights is dependent on the laws of national courts. Certain countries have laws that provide stronger bases for challenging third party patent rights compared to the laws that are available to challenge patents in other countries. Therefore, Sanofi may be able to invalidate a certain third party patent in one country but not invalidate counterpart patents in other countries. Third parties may also request a preliminary or a permanent injunction in a country from a court of law to prevent

Sanofi from marketing a product if they consider that Sanofi infringes their patent rights in that country. For example, Sanofi is currently party to patent infringement proceedings in several countries initiated against it and Regeneron by Amgen relating to Praluent® in which Amgen has requested injunctive relief (see Note D.22.b of the 2016 Annual Report on Form 20-F) to the consolidated financial statements included at Item 18 and Item 8 B. of the 2016 Annual Report on Form 20-F for more information). If third parties obtain a preliminary or permanent injunction from a court of law or if Sanofi fails to obtain a required license for a country where the valid third-party intellectual property right, as confirmed by a court of law, exists or is unable to alter the design of its technology to fall outside the scope of third-party intellectual property rights, Sanofi may be unable to market some of its products in certain countries, which may limit the profitability of Sanofi.

Also, some countries may consider granting a compulsory license to a third party to use patents protecting an innovator's product, which limits the value of the patent protection granted to such products.

Sanofi is involved in litigation worldwide to enforce certain of its patent rights against generics, proposed generics and biosimilars of its small molecule and biological pharmaceutical products (see "Item 8. Financial Information – A. Consolidated Financial Statements and Other Financial Information – Information on Legal or Arbitration Proceedings" of the 2016 Annual Report on Form 20-F for additional information). Even in cases where Sanofi ultimately prevails in an infringement claim, legal remedies available for harm caused to Sanofi by infringing products may be inadequate to make Sanofi whole. A competitor may launch a generic or a biosimilar product "at risk" before the initiation or completion of the court proceedings, and the court may decline to grant Sanofi a preliminary injunction to halt further "at risk" sales and order removal of the infringing product from the market. Additionally, while Sanofi would be entitled to obtain damages in such a case, the amount that Sanofi may ultimately be awarded and able to collect may be insufficient to compensate all harm caused to it. A successful result against a competing product for a given patent or in a specific country is not necessarily predictive of the future success of Sanofi against another competing product or in another country because of local variations in the patents and patent laws.

Sanofi has increased the proportion of biological therapeutics in its pipeline relative to traditional small molecule pharmaceutical products. Sanofi expects to face increasing competition from biosimilars in the future. With the accelerated regulatory pathways provided in the U.S. and Europe for biosimilar drug approval, biosimilars can be a threat to the exclusivity of any biological therapeutics Sanofi sells or may market in the future and can pose the same issues as the small molecule generic threat described above. Governments may adopt more permissive approval frameworks (for example, shortening the duration of data exclusivity, or narrowing the scope of new products receiving data exclusivity) which could allow competitors to obtain broader marketing approval for biosimilars including as a substitutable product, increasing competition for the products of the Group (see also "Changes in the laws or regulations that apply to Sanofi could affect the Group's business, results of operations and financial condition" below). If a biosimilar version of one of Sanofi's products were approved, it could reduce the sales and/or profitability of that product.

However, with Sanofi's presence as a manufacturer of generics and biosimilars, Sanofi will utilise patent challenge strategies against other innovators' patents, similar to those of long-established generic companies, but there is no assurance that these strategies will be successful.

If Sanofi's patents and/or proprietary rights to its products were limited or circumvented, its financial results could be materially and adversely affected.

***Product liability claims could adversely affect Sanofi's business, results of operations and financial condition.***

Product liability is a significant risk for any pharmaceutical company, and the Group's product liability exposure could increase given that liability claims relating to its businesses may differ with regards to their nature, scope and level, from the types of product liability claims that Sanofi have handled in the past. Substantial damage awards and/or settlements have been handed down – notably in the United States and other common law jurisdictions – against pharmaceutical companies based on claims for injuries allegedly caused by the use of their products. Such claims can also be accompanied by consumer fraud claims by customers or third-party payers seeking reimbursement of the cost of the product.

Sanofi is currently defending a number of product liability claims (See Note D.22.a) to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F) and there can be no assurance that the Group will be successful in defending against these claims or will not face additional claims in the future.

Often, establishing the full side effect profile of a pharmaceutical drug goes beyond data derived from preapproval clinical studies which may only involve several hundred to several thousand patients. Routine review and analysis of the continually

growing body of post-marketing safety surveillance and clinical trials provide additional information – for example, potential evidence of rare, population-specific or long-term adverse reactions or of drug interactions that were not observed in preapproval clinical studies – and may cause product labelling to evolve over time following interactions with regulatory authorities, including restrictions of therapeutic indications, new contraindications, warnings or precautions, and occasionally even the suspension or withdrawal of a product marketing authorisation. Following any of these events, pharmaceutical companies can face significant product liability claims.

Furthermore, Sanofi commercialises several devices (some of which use new technologies) which, if they malfunction, could cause unexpected damage and lead to product liability claims (see “– Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, business or reputational harm.”).

Although Sanofi continues to insure a portion of its product liability with third-party carriers, product liability coverage is increasingly difficult and costly to obtain, particularly in the United States. In the future, it is possible that self-insurance may become the sole commercially reasonable means available for managing the product liability financial risk of the Group’s pharmaceutical and vaccines businesses (see “Item 4. Information on the Company – B. Business Overview – B.9. Insurance and Risk Coverage” of the 2016 Annual Report on Form 20-F). In cases where Sanofi self-insures, the legal costs that Sanofi would bear for handling such claims and potential indemnifications to be paid to claimants could have a negative impact on its financial condition.

Due to insurance conditions, even when the Group has insurance coverage, recoveries from insurers may not be totally successful. Moreover, insolvency of an insurer could affect Sanofi’s ability to recover claims on policies for which it has already paid a premium.

Product liability claims, regardless of their merits or the ultimate success of the Group’s defense, are costly, divert management’s attention, may harm Sanofi’s reputation and can impact the demand for its products. Substantial product liability claims could materially adversely affect its business, results of operations and financial condition.

***Sanofi’s products and manufacturing facilities are subject to significant government regulations and approvals, which are often costly and could result in adverse consequences to its business if Sanofi fails to anticipate the regulations, comply with them and/or maintain the required approvals.***

Obtaining marketing authorisation is a long and highly regulated process requiring Sanofi to present extensive documentation and data to the regulatory authorities. Regulatory processes differ from one authority to another. Either at the time of the filing of the application for a marketing authorisation or later during its review, each regulatory authority may impose its own requirements which can evolve over time, including requiring local clinical studies, and it may delay or refuse to grant approval, even though a product has already been approved in another country. For example, in August 2016, Sanofi submitted at the United States Food and Drug Administration’s (FDA) request updated information on the pen delivery device of Soliqua™ 100/33, based on feedback received from the FDA during its review of the New Drug Application for this product. This resulted in a three-month delay of the approval date.

Health authorities are increasingly focusing on product safety and on the risk/benefit profile of pharmaceutical products. In particular, the FDA and the EMA (European Medicines Agency) have increased their requirements, particularly in terms of the volume of data needed to demonstrate a product’s efficacy and safety. Even after regulatory approval, marketed products are subject to continual review, risk evaluations or comparative effectiveness studies including post-marketing studies to which at times Sanofi has committed as a condition of approval. In addition, following the implementation of European pharmacovigilance legislation in 2012, the Company and the European Regulatory Agencies (under the supervision of the PRAC (Pharmacovigilance Risk Assessment Committee)) have reinforced their systematic and intensive safety signal detection systems, which may detect safety issues even with mature products that have been on the market for considerable time. This system may result in additional market authorisation suspensions or withdrawals. All of these requirements have increased the costs associated with maintaining regulatory approvals and achieving reimbursement for Sanofi’s products. Post-regulatory approval reviews and data analyses can lead to the issuance of recommendations by government agencies, health professional and patient or other specialised organisations regarding the use of products; for example, a recommendation to limit the patient population of a drug’s indication, impose marketing restrictions, or suspend or withdraw the product can result in a reduction in sales volume, as well as an increased risk of litigation.

Moreover, to monitor Sanofi’s compliance with applicable regulations, the FDA, the EMA and comparable agencies in other jurisdictions routinely conduct inspections of the Group’s facilities and may identify potential deficiencies. Sanofi has received FDA Warning Letters in the past following the inspection of some of its facilities and may receive such letters in the future. In

2016, manufacturing deficiencies were observed by the FDA at Sanofi's "fill and finish" facility specialised in biologics in Le Trait, France, during a routine CGMP inspection, and the FDA issued a form 483 ("Inspectional Observations") listing manufacturing deficiencies. These CGMP deficiencies led the FDA to issue a Complete Response Letter in October 2016, delaying the approval of sarilumab (Kevzara™). More generally, if Sanofi fails to adequately respond to Warning Letters identifying a deficiency following an inspection, or fails to comply with applicable regulatory requirements at all or within the targeted timeline, it could be subject to enforcement, remedial and/or punitive actions by the FDA, the EMA or other regulatory authorities. In addition, in order to comply with the duty to report adverse safety signals to regulatory authorities, Sanofi must regularly train its employees and third parties (such as external sales forces and distributor employees) on regulatory matters. If Sanofi fails to train these people, or fails to train them appropriately, it may be exposed to the risk that safety events are not reported or not reported in a timely manner in breach of its reporting obligations.

To the extent that new regulations raise the costs of obtaining and maintaining product authorisations, or limit the economic value of a new product to its originator, the growth prospects of the industry and of the Group would be diminished. Approximately 60% of the current development portfolio of the Group consists of biological products that may in the future bring new therapeutic responses to current unmet medical needs, but that may also lead to more regulatory and technical constraints and/or costly investments from an industrial standpoint as biological products are complex to produce. These constraints and costs could adversely affect the business, results of operations and financial condition of the Group.

***Claims and investigations relating to compliance, competition law, marketing practices, pricing and other legal matters, could adversely affect the Group's business, results of operations and financial condition.***

The marketing of Sanofi's products is heavily regulated. The Group's business covers an extremely wide range of activities worldwide and involves numerous partners. Sanofi has adopted a Code of Ethics that calls for employees to comply with applicable legislation and regulations, as well as with the specific principles and rules of conduct set forth in that Code. Sanofi also has policies and procedures designed to help ensure that Sanofi, its employees, officers, agents, intermediaries and other third parties comply with applicable laws and regulations (including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, the OECD Anti-Bribery Convention and other anti-bribery laws and regulations).

Notwithstanding these efforts, deviations may occur and there can be no assurance that Sanofi, its officers and/or its directors will not face liability under laws and regulations for actions taken with respect to its business.

Any failure to comply directly or indirectly (including as a result of a business partner's breach) with the laws and regulations applicable to Sanofi, including new regulations could lead to substantial liabilities and harm the Group's reputation. Governments and regulatory authorities around the world have been strengthening implementation and enforcement activities in recent years, including in relation to anti-bribery, anti-corruption, and data privacy legislation. Sanofi and certain of its subsidiaries are under investigation or could become the subject of additional investigations by various government entities and are defending a number of lawsuits relating to pricing and marketing practices (including, for example, "whistleblower" litigation in the United States). The Group also faces litigation and government investigations or audits, including allegations of corruption, claims related to employment matters, patent and intellectual property disputes, consumer law claims and tax audits. See "Item 8. Financial Information – A. Consolidated Financial Statements and Other Financial Information – Information on Legal or Arbitration Proceedings" and Note D.22. to Sanofi's consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F. Responding to such investigations is costly and distracts management's attention from the business.

Unfavourable outcomes in any of these matters, or in similar matters to be faced in the future, could preclude the commercialisation of products, harm Sanofi's reputation, negatively affect the profitability of existing products and subject Sanofi to substantial fines (including treble damages and fines based on Sanofi's sales), punitive damages, penalties and injunctive or administrative remedies, potentially leading to the imposition of additional regulatory controls, monitoring or self-reporting obligations, or exclusion from government reimbursement programs or markets. All of this could have a material adverse effect on its business, results of operations or financial condition.

These risks may encourage Sanofi to enter into settlement agreements and those settlements may involve significant monetary payments and/or criminal penalties and may include admissions of wrongdoing. Settlement of healthcare fraud cases in the United States may require companies to enter into a Corporate Integrity Agreement, which is intended to regulate company behaviour for a specified period of years. For example in 2015 Sanofi entered into such an agreement as part of settlements relating to the Septrafilm® and Hyalgan® products (the agreement runs for five years with effect from 2 September 2015).

***Changes in the laws or regulations that apply to Sanofi could affect the Group's business, results of operations and financial condition.***

All aspects of Sanofi's business, including research and development, manufacturing, marketing, pricing and sales are subject to extensive legislation and governmental regulation. Changes in applicable laws, or in their application, could have a material adverse effect on Sanofi's business.

For example, governmental authorities are increasingly looking to facilitate generic and biosimilar competition to existing products through new regulatory proposals intended to achieve, or resulting in, changes to the scope of patent or data exclusivity rights and use of accelerated regulatory pathways for generic and biosimilar drug approvals. Such regulatory proposals could make patent prosecution for new products more difficult and time consuming or could adversely affect the exclusivity period for Sanofi's products (see "Sanofi relies on its patents and other proprietary rights to provide exclusive rights to market certain of its products, and if such patents and other rights were limited or circumvented, its financial results could be materially and adversely affected" above).

This new competitive environment and the potential regulatory changes may further limit the exclusivity enjoyed by innovative products on the market and directly impact pricing, access and reimbursement levels, which may adversely affect Sanofi's business and future results. See "Item 4. Information on the Company – B. Business Overview – B.6. Markets – B.6.2. Competition" and "– B.6.3. Regulatory framework" of the 2016 Annual Report on Form 20-F.

In addition to international tax law and regulatory changes such as the OECD BEPS initiatives and EU directives still to be adopted, changes in tax frameworks, tax reforms and other changes to the way existing tax laws are applied in jurisdictions and major countries where Sanofi and its subsidiaries and affiliates operate could affect its income, its effective tax rate, and consequently its future net income. These changes may cover matters such as taxable income, tax rates, indirect taxation, transfer pricing, dividend taxation, controlled companies or a restriction in certain forms of tax relief. Any of these changes could have a material adverse effect on Sanofi's business and future results. Additionally, due to the complexity of the fiscal environment, the ultimate resolution of any tax matters may result in payments greater or lesser than amounts accrued. For information regarding risks related to changes in environmental rules and regulations, see "– Environmental liabilities and costs related to compliance with applicable regulations may have a significant adverse effect on Sanofi's results of operations" below.

**Risks Relating to Sanofi's Business**

***Sanofi's research and development efforts may not succeed in adequately renewing its product portfolio.***

Discovering and developing a new product is a costly, lengthy and uncertain process. To be successful in the highly competitive pharmaceutical industry, Sanofi must commit substantial resources each year to research and development in order to develop new products to compensate for the decreasing sales of its products facing expiry of patents and regulatory data exclusivity or competition from new products of competitors that are perceived as being superior or equivalent. In 2016, Sanofi spent €1,172 million on research and development (excluding Animal Health), amounting to 15.3% of its net sales.

Sanofi's industry is driven by the need for constant innovation, but Sanofi may spread itself across too many areas of inquiry to be successful and may not be able to improve internal research productivity sufficiently to sustain its pipeline. Sanofi may also fail to invest in the right technology platforms, therapeutic areas, and product classes to build a robust pipeline and fulfil medical needs. Fields of discovery, particularly biotechnology are highly competitive and characterised by significant and rapid technological changes. Numerous companies are working on the same targets and a product considered as promising at the very beginning of its development may become less attractive if a competitor addressing the same unmet need reaches the market earlier.

The research and development process can take up to 15 years from discovery to commercial product launch. This process is conducted in various stages in order to test, along with other features, the efficacy, effectiveness and safety of a product. There can be no assurance that any of these product candidates will be proven safe or effective. See "Item 4. Information on the Company – B. Business Overview – B.5. Global Research & Development" of the 2016 Annual Report on Form 20-F. Accordingly, there is a substantial risk at each stage of development, including clinical studies, that Sanofi will not achieve its goals of safety and/or efficacy and that Sanofi will have to abandon a product in which it has invested substantial amounts of money and human resources, even in late stage development (Phase III). More and more trials are designed with clinical



endpoints of superiority; failure to achieve those endpoints could damage the product's reputation and Sanofi's overall program. Decisions concerning the studies to be carried out can have a significant impact on the marketing strategy for a given product. Multiple in-depth studies can demonstrate that a product has additional benefits, facilitating the product's marketing, but such studies are expensive and time consuming and may delay the product's submission to health authorities for approval. Sanofi's ongoing investments in new product launches and research and development for future products could therefore result in increased costs without a proportionate increase in revenues, which would negatively affect its operating results and profitability.

In 2015 Sanofi announced that it had up to 18 new medicines and vaccines on track to arrive on the market between 2014-2020, including six key launches. As at the end of 2016, four of those six key products have already been approved or launched: Toujeo®, Praluent®, Dengvaxia® and Soliqua™ 100/33 / Suliqua™. However, there can be no assurance that all (or any) of the other products will be approved, or with the targeted indications, and/or within the expected timeline, or that all the products approved will achieve commercial success.

Following each product marketing approval, the medical need served by the product and the corresponding reimbursement are evaluated by governmental agencies and/or third party payers, requiring in some cases additional studies, including comparative studies, which may effectively delay marketing, change the population which the new product treats, and add to its development costs.

After marketing approval of Sanofi's products other companies, or investigators whether independently or with Sanofi's authorisation, may conduct studies or analysis beyond its control that may ultimately report results negatively affecting Sanofi's sales either permanently or temporarily and it may take time for Sanofi to address the reported findings, leading among other things to a material adverse impact on sales.

***The pricing and reimbursement of Sanofi's products is increasingly affected by decisions of governments and other third parties and cost reduction initiatives.***

The commercial success of Sanofi's existing products and its product candidates depends in part on their pricing and the conditions under which Sanofi's products are reimbursed. Sanofi's products continue to be subject to increasing price and reimbursement pressure due inter alia to:

- price controls imposed by governments in many countries;
- increased public attention to the price of drugs and particularly price increases, limiting Sanofi's ability to set the price, or to manage or increase the price of its products based upon their value;
- removal of a number of drugs from government reimbursement schemes (for example products determined to be less cost-effective than alternatives);
- partial reimbursement of patient populations within a labelled indication;
- increased difficulty in obtaining and maintaining satisfactory drug reimbursement rates;
- increase in cost containment policies (including budget limitations) related to health expenses;
- governmental and private health care provider policies that favour prescription of generic medicines or substitution of branded products with generic medicines;
- more demanding evaluation criteria applied by Health Technology Assessment (HTA) agencies when considering whether to cover new drugs at a certain price level;
- more governments using international reference pricing to set or manage the price of drugs based on an external benchmark of a product's price in other countries; and
- aggressive pricing strategies by some of Sanofi's competitors.

In addition to the pricing pressures they exert, governmental and private third-party payers and purchasers of pharmaceutical products may reduce volumes of sales by restricting access to formularies (including exclusive formularies), managing prescribing via various conditions (including prior authorisations and step edits) or otherwise discouraging physicians from prescribing Sanofi's products (see also “– The concentration of the US payer market exposes us to greater pricing pressure” below).

In the United States, the federal Affordable Care Act has increased the government's role with respect to price, reimbursement, and coverage levels for healthcare services and products within the large government healthcare sector. This law also imposed rebates and fees on pharmaceutical companies. Some US states are also considering legislation that could affect transparency

practices, the marketing and prices of, and access to, drugs. US federal and state officials will continue to focus on healthcare reform in the future, creating multiple risks for the sector.

Government price reporting obligations are complex, and Sanofi faces risks related to the reporting of pricing data that could affect the reimbursement of and discount provided for its products to US government healthcare programs.

Sanofi encounters similar cost containment issues in countries outside the United States. In certain countries, including countries in the European Union, China and Canada, the coverage of prescription drugs, and pricing and levels of reimbursement are subject to governmental control. For example, in Europe various authorities are developing the use of tenders for expensive products and are considering joint procurement mechanisms to negotiate lower prices. See also below “– Global economic conditions and an unfavourable financial environment could have negative consequences for Sanofi’s business”.

Sanofi is also unable to predict the availability or level of reimbursement and related restrictions for its product candidates. Price negotiations in a country may result in a price that is incompatible with the global price positioning of its products, which may lead Sanofi not to launch the product in that country, damaging its image and resulting in a decrease in initially anticipated sales.

Finally, Sanofi’s operating results may also be affected by parallel imports, particularly within the European Union, whereby distributors engage in arbitrage based on national price differences to buy products in low cost markets for resale in higher cost markets.

***The concentration of the US market exposes Sanofi to greater pricing pressure.***

In the United States, price is increasingly important to managed care organisations (MCOs) and pharmacy benefit managers (PBMs), and as the MCOs/PBMs grow in size following market consolidation, pharmaceutical companies have faced increased pressure in pricing and usage negotiations, and competition among pharmaceutical companies to have their products included in the care providers’ formulary is robust. This can lead to price discounts or rebates in connection with the placement of products. Exclusion of one of Sanofi’s drugs from a formulary can significantly reduce sales in the MCO/PBM patient population. For example, since 2014, Sanofi has increased the level of rebates granted for Lantus® in order to maintain favourable formulary positions with key payers in the US. Despite these efforts, in 2016, CVS and UnitedHealthcare (a PBM and MCO, respectively) decided that effective 1 January 2017 and 1 April 2017, respectively, Lantus®/Toujeo® will be excluded from the formulary across the commercial and MMC (Medicaid Managed Care) template formularies covering several million people, thus reducing the potential patient populations to whom Lantus® may be prescribed.

Also, some payers in the United States have put in place significant restrictions on the usage of Praluent®, which has resulted in significant out-of-pocket expenditures for Medicare patients.

In addition, distributors have increased their capacity to negotiate price and other terms as a consequence of the growing number of mergers of retail chains and distributors, resulting in consolidation of the distribution channel.

Due to these pressures on Sanofi’s prices, its revenues and margins are, and could continue to be, negatively affected.

***Sanofi may lose market share to competing therapeutic options, biosimilar or generic products.***

Sanofi is faced with intense competition from generic products, biosimilars and brand-name drugs including from retail chains and distributors.

Doctors or patients may choose competitors’ products over Sanofi’s or alternative therapeutic options such as surgery if they perceive them to be safer, more reliable, more effective, easier to administer or less expensive, which could cause Sanofi’s revenues to decline and adversely affect its results of operations.

The success of any product also depends on Sanofi’s ability to educate patients when permissible and promote its products to healthcare providers by providing them with innovative data about the product and its uses including through the use of digital tools. If these education efforts are not effective, Sanofi may not be able to increase the sales of its products or realise the full value of its investment in their development.

Sanofi may not be able to anticipate precisely the date of market entry of generics or biosimilars or the potential impact on its sales, both of which depend on numerous parameters. The introduction of a generic version of a branded medicine typically results in a significant and rapid reduction in net sales for the branded product because generic manufacturers typically offer their unbranded versions at significantly lower prices, resulting in adverse price and volume effects for Sanofi’s genericised products. Also mandatory price regulations apply in certain countries to off-patent products and classes of products, and generics prices are taken into account for international reference pricing and tenders. Substitution is often permitted for generic products that are considered to be interchangeable or clinically identical. With respect to biosimilars, in the United States only

biosimilars that refer to an innovator drug that was approved under a Biologics License Application may be designated as interchangeable with the original biologic and only in circumstances where specific criteria are met. In many European countries, automatic substitution of biologics is officially prohibited or not recommended. Nevertheless competition including from non-substitutable biosimilars would likely result in a decrease in prices, additional rebates, increased promotion efforts and lower margins.

Approval of a generic or biosimilar that is substitutable for one of Sanofi's products would increase the risk of accelerated market penetration by that generic or biosimilar to a greater extent than would be the case for a non-substitutable product.

These trends are exacerbated by applicable legislation which encourages the use of generic products to reduce spending on prescription drugs in many countries such as the United States, France and Germany. Therefore, the market for Sanofi's products could also be affected if a competitor's innovative drug in the same market were to become available as a generic because a certain number of patients can be expected to switch to a lower-cost alternative therapy. Sanofi expects this generic competition to continue and to affect more of its products, including those with relatively modest sales.

***A substantial share of the revenue and income of the Group continues to depend on the performance of certain flagship products.***

Sanofi generates a substantial share of its revenues from the sale of certain key products. (see "Item 5. Operating and Financial Review and Prospects – Results of Operations – Year ended 31 December 2016 compared with year ended 31 December 2015 – Net Sales – Pharmaceuticals segment") of the 2016 Annual Report on Form 20-F. Lantus® is particularly important; it was the Group's leading product with revenues of €5,714 million in 2016, representing 16.9% of the Group's net sales for the year. Lantus® is a flagship product of the Diabetes franchise. Accounting for market trends, Sanofi announced in October 2015 that it projects global diabetes sales over the period from 2015 to 2018 to decline at an average annualised rate of between 4% and 8% at constant exchange rate (CER). Nevertheless its actual sales may differ from these expectations given the numerous underlying assumptions (for example the outlook for insulin glargine sales, the introduction of one or several biosimilar glargines and their penetration of the market or the market uptake of its new products).

Furthermore, the launch of new medicines and vaccines in other therapeutic areas and the performance of the Group's other businesses may not be sufficient to reduce the relative contribution of Lantus® to its overall performance.

Sanofi's flagship products benefit from certain intellectual property protections such as patents and exclusivity periods but patent and proprietary rights, even if they are not challenged, are subject to expiration dates. Expiration of effective intellectual property protections for Sanofi's products typically results in the entry of one or more lower-priced generic competitors, often leading to a rapid and severe decline in revenues on those products (for information on the expected impact of biosimilar entry on the market see "– Sanofi may lose market share to competing therapeutic options, biosimilar or generic products" above)

Furthermore, in general, if one or more of Sanofi's flagship products were to encounter problems such as material product liability litigation, unexpected side effects, recall, regulatory proceedings, publicity affecting doctor or patient confidence, pressure from existing competitive products, changes in labeling, or if a new, more effective treatment were introduced, or if there were a reduction in sales of one or more of Sanofi's flagship products or in their growth, the adverse impact on Sanofi's business, results of operations and financial condition could be significant.

***The manufacture of Sanofi's products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition, delay the launch of new products and negatively impact its image.***

Many of Sanofi's products are manufactured using technically complex processes requiring specialised facilities, highly specific raw materials and other production constraints. Third parties supply Sanofi with a substantial portion of its raw materials, active ingredients and medical devices, which exposes Sanofi to the risk of a supply shortage or interruption in the event that these suppliers are unable to manufacture its products to Group quality standards or if they experience financial difficulties. Further, some raw materials essential to the manufacture of Sanofi's products are not widely available from sources it considers reliable; for example, Sanofi has approved only a limited number of suppliers of heparins for use in the manufacture of Lovenox®. Any of these factors could adversely affect Sanofi's business, operating results or financial condition. See "Item 4. Information on the Company – B. Business Overview – B.8. Production and Raw Materials" of the 2016 Annual Report on Form 20-F for a description of these outsourcing arrangements.

Sanofi's products are also increasingly reliant on the use of product-specific devices for administration which may result in technical issues. For example in October 2015, Sanofi voluntarily recalled all Auvi-Q® (epinephrine injection, USP) marketed in the U.S. and Canada as the product was found to potentially have inaccurate dosage delivery, which may include failure to deliver the drug. Sanofi ultimately decided to return all U.S. and Canadian rights to the developer of Auvi-Q®. One of Sanofi's newly launched products, Praluent®, is administered with an auto-injector manufactured by a third party. The success of this product will depend partially on the performance of this device.

Sanofi must also be able to produce sufficient quantities of its products to satisfy demand. Sanofi may have difficulties transforming and adapting its existing plants to manufacture new products, including biologics, and scaling up production of its products currently under development once they are approved. Sanofi's biological products in particular, are subject to the risk of manufacturing stoppages or the risk of loss of inventory because of the difficulties inherent in the processing of biological materials and the potential difficulties in accessing adequate amounts of raw materials meeting required standards. Effective insurance coverage for biological products in the event of contaminated batches may also be difficult to obtain as the cause of the contamination can be difficult to ascertain (for the impact on the financial statements see "– Impairment charges or write downs in Sanofi's books and changes in accounting standards could have a significant adverse effect on the Group's results of operations and financial results" below)

For example, in the U.S. Sanofi encountered production issues for several years which caused delays in the supply of Pentacel® vaccine starting from 2013. While the supply conditions have been improving since the end of 2016, there can be no guarantee that Sanofi will not face similar issues in the future or that it will successfully manage such issues when they arise.

Additionally, specific conditions must be respected both by the Group and its customers for the storage and distribution of many of its biological products. For example, cold storage for certain vaccines and insulin-based products is required. Failure to adhere to these requirements may result in lost product inventory.

The complexity of these processes, as well as strict internal and health authority standards for the manufacture of the products, subject Sanofi to risks because the investigation and remediation of any identified or suspected problems can cause production delays, substantial expense, product recalls, or lost sales and inventories and delay the launch of new products, which could adversely affect Sanofi's operating results and financial condition, and cause reputational damage and the risk of product liability (see "– Product liability claims could adversely affect Sanofi's business, results of operations and financial condition").

When manufacturing disruptions occur, Sanofi may not have alternate manufacturing capacity, particularly for certain biologics. In the event of manufacturing disruptions, Sanofi's ability to use backup facilities or set up new facilities is more limited because biologics are more complex to manufacture. Even though Sanofi aims to have backup sources of supply whenever possible, including by manufacturing backup supplies of its principal active ingredients at additional facilities when practicable, Sanofi cannot be certain they will be sufficient if its principal sources become unavailable. Switching sources and manufacturing facilities require significant time.

Supply shortages generate even greater negative reactions when they occur with respect to life saving medicines with limited or no viable therapeutic alternatives. Shortages of products can have a negative impact on the confidence of patients, customers and professional healthcare providers and the image of the Group and may lead to lower product revenues. Government authorities and regulators in the United States, in the European Union and other agencies worldwide are also considering measures to reduce these risks, such as Supply Risk Management Plans for some products with high medical need (e.g. the French decree of July 2016 concerning the preparation of shortage management plans ("*plans de gestion des penuries*")It cannot be ruled out that these ongoing initiatives may generate additional costs for the Group if they result in a requirement to establish backup supply channels or to increase inventory levels to avoid shortages.

Sanofi is sometimes required to use animals to test its products in the development phase and its vaccines before distributing them. Animal testing activities have been the subject of controversy and adverse publicity. Testing on animals can be vital for the development or commercialisation of a product. If applicable regulations were to ban this practice, or if, due to pressure from animal welfare groups, Sanofi was no longer able to source animals to perform such tests, it would be difficult and in some cases impossible to develop or distribute Sanofi's products in certain jurisdictions under the applicable marketing authorisations. In addition, negative publicity regarding Sanofi's use, or the industry's use, of animal subjects could harm Sanofi's reputation.

***Sanofi relies on third parties for the discovery, manufacture and marketing of some of its products.***

Sanofi's industry is highly collaborative, whether in the discovery and development of new products, in-licensing, the marketing and distribution of approved products, or manufacturing activities. Sanofi expects that it will continue to rely on third parties for key aspects of its business.

Sanofi conducts a number of significant research and development programs and market some of its products in collaboration with other biotechnology and pharmaceutical companies. For example, Sanofi currently has a global strategic collaboration with Regeneron for the discovery, development, commercialisation and manufacturing of therapies based on monoclonal antibodies. With Alnylam Sanofi has an agreement to develop and commercialise treatments for rare genetic diseases (See "Item 4. Information on the Company – B. Business Overview – B.2. Main pharmaceutical products" of the 2016 Annual Report on Form 20-F). In addition Sanofi may also rely on partners to design and manufacture medical devices, notably for the administration of its products.

If disruptions or quality concerns were to arise in the third-party supply of raw materials, active ingredients or medical devices or if its partner were unable to manufacture a product, this could also adversely affect its ability to sell its products in the quantities demanded by the market and could damage its reputation and relationships with its customers. See also "– The manufacture of Sanofi's products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition, delay the launch of new products and negatively impact its image" above.

When Sanofi researches and markets its products through collaboration arrangements, the performance of certain key tasks or functions are the responsibility of its collaboration partners and, therefore Sanofi is subject to the risk that they do not perform effectively. Sanofi is also subject to the risk that decisions may be under the control of or subject to the approval of its collaboration partners, and Sanofi may have differing views. Failures in the development process or differing priorities may adversely affect the activities conducted through the collaboration arrangements. Any conflicts or difficulties that Sanofi may have with its partners during the course of these agreements or at the time of their renewal or renegotiation or any disruption in the relationships with its partners may affect the development, the launch and/or the marketing of certain of its products or product candidates and may cause a decline in its revenues and negatively affect its results of operations.

***Sanofi is subject to the risk of non-payment by its customers.***

Sanofi runs the risk of delayed payments or even non-payment by its customers, which consist principally of wholesalers, distributors, pharmacies, hospitals, clinics and government agencies. This risk is accentuated by recent concentrations among distributors, as well as by uncertainties around global credit and economic conditions, in particular in emerging markets. The United States poses particular customer credit risk issues because of the concentrated distribution system : Sanofi's three main customers represented respectively 12%, 7% and 6% of its consolidated net sales in 2016. Sanofi is also exposed to large wholesalers in other markets, particularly in Europe. An inability of one or more of these wholesalers to honor their debts to Sanofi would adversely affect its financial condition (see Note D.34. to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F).

In some countries, some customers are public or subsidised health systems. The economic and credit conditions in these countries may lead to an increase in the average length of time needed to collect on accounts receivable or the ability to collect 100% of receivables outstanding. Because of this context, Sanofi may need to reassess the recoverable amount of its debts in these countries during the coming financial years (see also "Item 5. Operating and Financial Review and Prospects – Liquidity and Capital Resources – Liquidity" of the 2016 Annual Report on Form 20-F).

***Global economic conditions and an unfavourable financial environment could have negative consequences for Sanofi's business.***

Over the past several years, growth of the global pharmaceutical market has become increasingly tied to global economic growth. In this context, a substantial and lasting slowdown of the global economy, major national economies or emerging markets could negatively affect growth in the global pharmaceutical market and, as a result, adversely affect Sanofi's business.

Unfavourable economic conditions have reduced the sources of funding for national social security systems, leading to austerity measures including heightened pressure on drug prices, increased substitution of generic drugs, and the exclusion of certain products from formularies. Further, Sanofi's net sales may be negatively impacted by the continuing challenging global economic environment, as high unemployment, increases in cost-sharing, and lack of developed third party payer systems in certain regions may lead some patients to switch to generic products, delay treatments, skip doses or use less effective treatments to reduce their costs. In the United States there has been an increase in the number of patients in the Medicaid program, under which sales of pharmaceuticals are subject to substantial rebates and, in many U.S. states, to formulary restrictions limiting access to brand-name drugs, including Sanofi's. Also, as a result of the insurance coverage mandate that came into effect in the United States in 2015, some employers may seek to reduce costs by reducing or eliminating employer group healthcare plans or transferring a greater portion of healthcare costs to their employees.

In certain emerging markets countries where the economy is highly dependent on oil, a decline in oil prices may impact the ability of those countries to sustain healthcare spending, which could adversely affect Sanofi's sales in those countries.

Sanofi's Consumer Health Care (CHC) business could also be adversely impacted by difficult economic conditions that limit the financial resources of its customers.

If economic conditions worsen, or in the event of default or failure of major players including wholesalers or public sector buyers financed by insolvent states, the financial situation of the Group, its results of operations and the distribution channels of its products may be adversely affected. See also "Sanofi is subject to the risk of non-payment by its customers" above.

Economic and financial difficulties may have an adverse impact on third parties who are important to Sanofi's business, including collaboration partners and suppliers, which could cause such third parties to delay or disrupt performance of their obligations to Sanofi and could materially adversely affect its business or results of operations. See "– Sanofi relies on third parties for the discovery, manufacture and marketing of some of its products" above. For more information see "Item 5. Operating and Financial Review and Prospects – Liquidity and Capital Resources – Liquidity" of the 2016 Annual Report on Form 20-F.

***Counterfeit versions of Sanofi's products harm its business.***

Counterfeiting activities and the presence of counterfeit products in a number of markets and over the Internet continue to be a challenge for maintaining a safe drug supply. Counterfeit products are frequently unsafe or ineffective, and can be life-threatening. To distributors and users, counterfeit products may be visually indistinguishable from the authentic version. Reports of adverse reactions to counterfeit drugs along with increased levels of counterfeiting could be mistakenly attributed to the authentic product, affect patient confidence in the authentic product and harm the business of companies such as Sanofi. If one of Sanofi's products were to be the subject of counterfeits, the Group could incur substantial reputational and financial harm. See "Item 4. Information on the Company – B. Business Overview – B.6. Markets – B.6.2. Competition" of the 2016 Annual Report on Form 20-F.

***Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, business or reputational harm.***

Sanofi's business depends heavily on the use of information technologies. Certain key areas such as research and development, production and sales are to a large extent dependent on Sanofi's information systems, including cloud-based computing, or those of third party providers, including for the storage and transfer of critical, confidential or sensitive information.

Sanofi and the third-party service providers are implementing secure information technology systems for the protection of data and threat detection. However, there can be no assurance that Sanofi's efforts or those of its third-party service providers to implement adequate security and control measures would be sufficient to protect against breakdowns, service disruption, data

deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyber-attack, security breach, industrial espionage attacks or insider threat attacks which could result in financial, legal, business or reputational harm.

Sanofi commercialises a number of devices using new information technologies which, if they malfunction or are compromised could lead to a risk of harm to patients (see “– Product liability claims could adversely affect Sanofi’s business, results of operations and financial condition” above) including the unavailability of its products.

***The expansion of social media platforms and new technologies present risks and challenges for Sanofi’s business and reputation.***

Sanofi increasingly relies on social media and new technologies to communicate about its products and diseases or to provide health services. The use of these media requires specific attention, monitoring programs and moderation of comments. For example, patients may use these channels to comment on the effectiveness of a product and to report an alleged adverse event. When such questions arise, the nature of evidence-based health care and restrictions on what pharmaceutical manufacturers may say about their products are not always well suited to rapidly defending the Group or the public’s legitimate interests in the face of the political and market pressures generated by social media and rapid news cycles, and this may result in commercial harm, overly restrictive regulatory actions and erratic share price performance. In addition, unauthorised communications, such as press releases or posts on social media, purported to be issued by Sanofi, may contain information that is false or otherwise damaging and could have an adverse impact on its stock price. Negative or inaccurate posts or comments about Sanofi, its business, directors or officers on any social networking website could seriously damage its reputation. In addition, its employees and partners may use social media and mobile technologies inappropriately, which may give rise to liability for the Group, or which could lead to breaches of data security, loss of trade secrets or other intellectual property or public disclosure of sensitive information, including information about the Group’s employees, clinical trials or customers. Such uses of social media and mobile technologies could have a material adverse effect on Sanofi’s reputation, business, financial condition and results of operations.

***Impairment charges or write downs in Sanofi’s books and changes in accounting standards could have a significant adverse effect on the Group’s results of operations and financial results.***

Substantial value is allocated to intangible assets and goodwill resulting from business combinations, as disclosed at Note D.4. to the consolidated financial statements included in the 2016 Annual Report on Form 20-F at Item 18, which could be substantially written down in value upon indications of impairment (primarily relating to pharmacovigilance, discontinued research and development projects, patent litigation and the launch of competing products), with adverse effects on the Group’s financial condition and the value of its assets.

If any of the Group’s strategic equity investments decline in value and remain below cost for an extended period, Sanofi may be required to write down its investment. Sanofi owns a significant stake in Regeneron Pharmaceuticals Inc. (22.1% of its share capital as of 31 December 2016), which is listed on the NASDAQ and has been accounted for using the equity method since 2014. Any material deterioration in Regeneron’s share price or financial performance would be an indicator that the value of Sanofi’s investment might have become impaired. This would require Sanofi to perform an impairment test, which could have a negative impact on its financial statements.

In addition, the inherent variability of biologics manufacturing increases the risk of write-offs of these products. Due to the value of the materials used, the carrying amount of biological products is much higher than that of small-molecule products.

The financial environment and in particular the economic difficulties affecting Russia, Venezuela, Brazil, China and the Middle East could also negatively affect the value of the Group’s assets (see “– Global economic conditions and an unfavourable financial environment could have negative consequences for Sanofi’s business” above and “– Fluctuations in currency exchange rates could adversely affect results of operations and financial condition” below).

Any new or revised accounting standards, rules and interpretations issued by the IASB (International Accounting Standards Board) could also result in changes to the recognition of income and expense that may materially and adversely affect the Group’s financial results.

***Sanofi's pension liabilities are affected by factors such as the performance of plan assets, interest rates, actuarial data and experience and changes in laws and regulations.***

Sanofi's future funding obligations for its main defined-benefit pension plans depend on changes in the future performance of assets held in trust for these plans, the interest rates used to determine funding levels (or company liabilities), actuarial data and experience, inflation trends, the level of benefits provided for by the plans, as well as changes in laws and regulations. Adverse changes in those factors could increase its unfunded obligations under such plans, which would require more funds to be contributed and hence negatively affect its cash flow and results (see Note D.19.1. to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F).

### **Risks Relating to the Group Structure and Strategy**

***Sanofi's strategic objectives for long-term growth may not be fully realised.***

In November 2015, Sanofi outlined its strategic roadmap for the period 2015-2020. Its long term strategy rests on four pillars: reshape the portfolio, deliver outstanding launches, sustain innovation in R&D and simplify the organisation.

Sanofi may not be able to fully realise its strategic objectives and, even if it is able to do so, these strategic objectives may not deliver the expected benefits or within the expected timeline.

Sanofi will look to reshape its portfolio through acquisitions and divestitures and may not reach this objective if it is unable to identify opportunities, or enter into agreements in a timely manner or on sufficiently attractive terms. In addition, Sanofi may fail to (i) adopt the best strategy for its acquisitions/divestitures or (ii) compete in an intensively competitive, increasingly focused market environment (see “– Sanofi may fail to successfully identify external business opportunities or realise the anticipated benefits from its strategic investments” below and “Sanofi's research and development efforts may not succeed in adequately renewing its product portfolio” above). Sanofi may also not have the necessary flexibility to appropriately reallocate resources towards its priority businesses.

The successful launch of a new pharmaceutical product involves substantial investment in sales and marketing activities. In 2015 Sanofi announced that it has up to 18 new medicines and vaccines on track to arrive on the market between 2014-2020. As of the end of 2016, four of those six key products have already been approved or launched: Toujeo®, Praluent®, Dengvaxia®, and Soliqua™ 100/33 / Suliqva™. However there can be no assurance that all of these products will be approved, or with the targeted indications, and/or within the expected timeline or that, if approved, they will achieve commercial success. For example, Sanofi announced in July 2016 that the overall uptake of Dengvaxia® had been delayed by recent political changes and economic volatility in Latin America. Also, the level of Praluent® sales reflects the implementation of management restrictions by payers in the United States and limited market access in Europe. The launch strategy Sanofi develops (in terms of timing, pricing, market access, marketing efforts and dedicated sales forces) may not deliver the benefits that the Group expects. The competitive environment for a given product may also have changed by the time of the actual launch, modifying the Group's initial expectations. The need to prioritise the allocation of resources may also cause delays in the expected launch of some of the Group's products.

Sustaining innovation in R&D is inherently risky due to the high rate of failure and Sanofi may not be able to allocate its resources to obtain optimal results (see also “– Sanofi's research and development efforts may not succeed in adequately renewing its product portfolio” above).

Sanofi's ongoing simplification of its global organisation through the implementation, starting from January 2016 of five global business units (GBUs) to meet significant growth objectives requires substantial attention from its management. There is no guarantee that this new organisation will enable the Group to concentrate its efforts around the businesses most likely to deliver growth or that these GBUs will grow in line with anticipated growth rates or deliver the expected benefits.

Failure to successfully implement and meet the Group's strategic objectives would have an adverse impact on its business, prospects and results of operations.



***Sanofi may fail to successfully identify external business opportunities or realise the anticipated benefits from its strategic investments.***

Sanofi pursues a strategy of selective acquisitions, in-licensing and collaborations in order to reinforce its pipeline and portfolio. The implementation of this strategy depends on the Group's ability to identify business development opportunities and execute them at reasonable cost and on acceptable financing terms. Moreover, entering into in-licensing or collaboration agreements generally requires the payment of significant "milestones" well before the relevant products reach the market, without any assurance that such investments will ultimately become profitable in the long term (see Note D.21.1. to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F and also "– Sanofi relies on third parties for the discovery, manufacture and marketing of some of its products" above).

For newly acquired activities or businesses Sanofi's growth objectives could be delayed or ultimately not realised, and expected synergies could be adversely impacted if:

- Sanofi is unable to quickly or efficiently integrate those activities or businesses;
- integration takes longer than expected;
- key employees leave; or
- Sanofi has higher than anticipated integration costs.

In January 2017, Sanofi completed the acquisition of Boehringer Ingelheim's consumer healthcare (CHC) business in exchange for its animal health business (Merial), but Sanofi cannot guarantee that Boehringer Ingelheim's CHC business will be successfully integrated with Sanofi's and that Sanofi will be able to retain key personnel. Also, the expected benefits of the transaction may never be fully realised or may take longer to realise than expected.

Sanofi may miscalculate the risks associated with business development transactions at the time they are made or not have the resources or ability to access all the relevant information to evaluate them properly, including with regards to the potential of research and development pipelines, manufacturing issues, compliance issues, or the outcome of ongoing legal and other proceedings. It may also take a considerable amount of time and be difficult to implement a risk analysis and risk mitigation plan after the acquisition of an activity or business is completed due to lack of historical data. As a result, risk management and coverage of such risks, particularly through insurance policies, may prove to be insufficient or ill-adapted.

Because of the active competition among pharmaceutical groups for such business development opportunities, there can be no assurance of the Group's success in completing these transactions when such opportunities are identified.

***The globalisation of the Group's business exposes it to increased risks in specific areas.***

Sanofi continues to focus on emerging markets. However, difficulties in operating in emerging markets, a significant decline in the anticipated growth rate in these regions or an unfavourable movement of the exchange rates of these countries' currencies against the euro could impair Sanofi's ability to take advantage of these growth opportunities and could affect its business, results of operations or financial condition (see also "– Global economic conditions and an unfavourable financial environment could have negative consequences for Sanofi's business" above).

The expansion of the Group's activities in emerging markets also exposes Sanofi to more volatile economic conditions, political instability, competition from multinational or locally based companies that are already well established in these markets, the inability to adequately respond to the unique characteristics of emerging markets (particularly with respect to their underdeveloped judicial systems and regulatory frameworks) difficulties in recruiting qualified personnel or maintaining the necessary internal control systems, potential exchange controls, weaker intellectual property protection, higher crime levels (particularly with respect to counterfeit products (see "– Counterfeit versions of Sanofi's products harm its business" above)), and compliance issues including corruption and fraud (see "– Claims and investigations relating to compliance, competition law, marketing practices, pricing and other legal matters could adversely affect the Group's business, results of operations and financial condition" above). Sanofi may also face compliance and internal control systems issues in mature markets due to increased competition and more complex and stringent regulations.

As a global healthcare leader, Sanofi is exposed to a number of risks inherent in sectors in which the Group was previously less active such as generics and consumer healthcare, whose business models and trade channels are different from Sanofi's traditional pharmaceutical business, in particular regarding promotional efforts and trade terms.

***Sanofi's success depends in part on its senior management team and other key employees and its ability to attract, integrate and retain key personnel and qualified individuals in the face of intense competition.***

Sanofi depends on the expertise of its senior management team and other key employees. In addition, Sanofi relies heavily on recruiting and retaining talented people to help it meet its strategic objectives. Sanofi faces intense competition for qualified individuals for senior management positions, or in specific geographic regions or in specialised fields such as clinical development, biosciences and devices. In addition, Sanofi's ability to hire qualified personnel also depends in part on its ability to reward performance, incentivise its employees and to pay competitive compensation. Laws and regulations on executive compensation may restrict Sanofi's ability to attract, motivate and retain the required level of talented people. The inability to attract, integrate and/or retain highly skilled personnel, in particular those in leadership positions, may weaken the Group's succession plans, may materially adversely affect the implementation of its strategy and its ability to meet its strategic objectives and could ultimately impact its business or results of operations.

#### **Environmental Risks of Sanofi's Industrial Activities**

***Risks from the handling of hazardous materials could adversely affect Sanofi's results of operations.***

Manufacturing activities, such as the chemical manufacturing of the active ingredients in the Group's products and the related storage and transportation of raw materials, products and wastes, expose the Group to various risks, including:

- fires and/or explosions;
- storage tank leaks and ruptures; or
- discharges or releases of toxic or pathogen substances.

These operating risks can cause personal injury, property damage and environmental contamination, and may result in the shutdown of affected facilities and/or the imposition of civil, administrative, criminal penalties and/or civil damages.

The occurrence of any of these events may significantly reduce the productivity and profitability of a particular manufacturing facility and adversely affect Sanofi's operating results and reputation.

Although Sanofi maintains property, business interruption and casualty insurance that it believes is in accordance with customary industry practices, this insurance may not be adequate to fully cover all potential hazards incidental to Sanofi's business.

***Environmental liabilities and costs related to compliance with applicable regulations may have a significant adverse effect on Sanofi's results of operations.***

The environmental laws of various jurisdictions impose actual and potential obligations on the Group to remediate contaminated sites. These obligations may relate to sites:

- that Sanofi currently owns or operates;
- that it formerly owned or operated; or
- where waste from its operations was disposed.

These environmental remediation obligations could significantly reduce Sanofi's operating results. Sanofi accrues provisions for remediation when its management believes the need is probable and that it is reasonably possible to estimate the cost. See "Item 4. Information on the Company – B. Business Overview – B.10. Health, Safety and Environment (HSE)" of the 2016 Annual Report on Form 20-F for additional information regarding its environmental policies. In particular, the provisions for these obligations may be insufficient if the assumptions underlying these provisions prove incorrect or if Sanofi is held responsible for additional, currently undiscovered contamination. These judgments and estimates may later prove inaccurate, and any shortfalls could have a material adverse effect on the Group's results of operations and financial condition.

Sanofi is or may become involved in claims, lawsuits and administrative proceedings relating to environmental matters. Some current and former Sanofi subsidiaries have been named as "potentially responsible parties" or the equivalent under the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (also known as "Superfund"), and similar statutes in France, Germany, Italy, Brazil and elsewhere. As a matter of statutory or contractual obligation, Sanofi

and/or its subsidiaries may retain responsibility for environmental liabilities at some of the sites of its predecessor companies, or of subsidiaries that Sanofi demerged, divested or may divest. Sanofi has disputes outstanding regarding certain sites no longer owned by the Group. An adverse outcome in such disputes might have a significant adverse effect on its operating results. See Note D.22.e) to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F and “Item 8. Financial Information – A. Consolidated Financial Statements and Other Financial Information – Information on Legal or Arbitration Proceedings” of the 2016 Annual Report on Form 20-F.

Environmental regulations are evolving (For example, in Europe, new or evolving regulatory regimes include REACH, CLP/GHS, SEVESO, IPPC/IED, the Waste Framework Directive, the Emission Trading Scheme Directive, the Water Framework Directive, the Directive on Taxation of Energy Products and Electricity and several other regulations aimed at preventing global warming). Stricter environmental, safety and health laws and enforcement policies could result in substantial costs and liabilities to the Group and could subject its handling, manufacture, use, reuse or disposal of substances or pollutants, site restoration and compliance to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws could result in significant capital expenditures as well as other costs and liabilities, thereby adversely affecting the Group’s business, results of operations or financial condition. For more detailed information on environmental issues, see “Item 4. Information on the Company – B. Business Overview – B.10. Health, Safety and Environment (HSE)” of the 2016 Annual Report on Form 20-F)

***Natural disasters prevalent in certain regions in which Sanofi does business could affect its operations.***

Some of Sanofi’s production sites are located in areas exposed to natural disasters, such as earthquakes, floods and hurricanes. In the event of a major disaster Sanofi could experience severe destruction or interruption of its operations and production capacity. As a result, its operations and employees could suffer serious harm which could have a material adverse effect on its business, financial condition and results of operations.

**Risks Related to Financial Markets<sup>1</sup>**

***Liquidity Risk***

Sanofi operates a centralised treasury platform whereby all surplus cash and financing needs of its subsidiaries are invested with or funded by the parent company (where permitted by local legislation). The central treasury department manages Sanofi’s current and projected financing, and ensures that Sanofi is able to meet its financial commitments by maintaining sufficient cash and confirmed credit facilities for the size of its operations and the maturity of its debt (see Notes D.17.c and D.17.g to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F).

Sanofi diversifies its short-term investments with leading counterparties using money-market products with instant access or with a maturity of less than three months. As of 31 December 2016, cash and cash equivalents amounted to €10,273 million, and its short-term investments predominantly comprised:

- collective investments in ‘short-term money market’ and ‘money market’ euro-denominated funds based on the European classification used by the *Autorité des marchés financiers*. All such funds can be traded on a daily basis and the amount invested in each fund may not exceed 10% of the aggregate amount invested in such funds;
- amounts invested directly with banks in the form of instant access deposits, term deposits, and certificates of deposit with a maturity of no more than three months;
- amounts invested directly with non-financial institutions in the form of commercial paper and euro commercial paper with a maturity of no more than three months.

As of 31 December 2016, the Group also had €8 billion of undrawn general corporate purpose confirmed credit facilities, half expiring December 2020 and half December 2021. Those credit facilities are not subject to financial covenant ratios.

Sanofi’s policy is to diversify its sources of funding through public or private issuances of debt securities, in the United States (shelf registration statement) and Europe (Euro Medium Term Note program). In addition, Sanofi’s A-1+/P-1 short-term rating gives it access to commercial paper programs in the United States and, to a lesser extent, in France. The average maturity of its total debt was 5.1 years as of 31 December 2016, compared with 4.5 years as of 31 December 2015. During 2016, Sanofi did not draw down on its French commercial paper program. Average drawdowns under the US commercial paper program during

<sup>1</sup> The disclosures in this section supplement those provided in Note B.8.8. to the consolidated financial statements as regards the disclosure requirements of IFRS 7, and are covered by the statutory auditors’ opinion on the consolidated financial statements.

2016 were €2.6 billion (maximum €5.4 billion); the average maturity of those drawdowns was three months. As of 31 December 2016, neither of those programs was being utilised.

In the event of a liquidity crisis, Sanofi could be exposed to difficulties in calling up its available cash, a scarcity of sources of funding including the above-mentioned programs, and/or a deterioration in their terms. This situation could damage Sanofi's capacity to refinance its debt or to issue new debt on reasonable terms.

### **Interest Rate Risk**

Sanofi manages its net debt mainly in two currencies: the euro and the US dollar (see note D.17 to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F). The floating-rate portion of this debt exposes Sanofi to rises in interest rates, primarily in the Eonia and Euribor benchmark rates (for the euro) and in the US Libor and Federal Fund Effective rates (for the US dollar). To optimise (or reduce the volatility of) its cost of debt, Sanofi uses interest rate swaps, cross-currency swaps and where appropriate interest rate options, that alter the fixed/floating rate split of its debt. Those derivative instruments are predominantly denominated in euros and in US dollars.

The projected full-year sensitivity to interest rate fluctuations of its debt, net of cash and cash equivalents for 2017 is as follows:

<i>Change in EUR and USD short-term interest rates</i>	<b>Impact on pre-tax net income (€million)</b>	<b>Impact on pre-tax income/(expense) recognised directly in equity (€million)</b>
+100 bp	54	-
+25 bp	14	-
-25 bp	(14)	-
-100 bp	(54)	-

### **Foreign Exchange Risk**

#### *Operating Foreign Exchange Risk*

A substantial portion of Sanofi's net sales is generated in countries where the euro, which is its reporting currency, is not the functional currency. In 2016, for example, 36.6% of its net sales were generated in the United States, 28.4% in Emerging Markets (including countries that are, or may in future become, subject to exchange controls), and 5% in Japan. Although Sanofi also incurs expenses in those countries, the impact of those expenses is not enough wholly to offset the impact of exchange rates on its net sales. Consequently, Sanofi's operating income may be materially affected by fluctuations in exchange rates between the euro and other currencies.

Sanofi operates a foreign exchange risk hedging policy to reduce the exposure of its operating income to exchange rate movements. This policy involves regular assessments of its worldwide foreign currency exposure, based on foreign-currency transactions carried out by the parent company and its subsidiaries. Those transactions mainly comprise sales, purchases, research costs, co-marketing and co-promotion expenses, and royalties. To reduce the exposure of those transactions to exchange rate movements, Sanofi contracts hedges using liquid derivative instruments, mainly forward currency purchases and sales, and also currency swaps.

The table below shows operating currency hedging instruments in place as of 31 December, 2016, with the notional amount translated into euros at the relevant closing exchange rate (see Note D.20. to the consolidated financial statements for the accounting classification of those instruments as of 31 December 2016 included at Item 18 of the 2016 Annual Report on Form 20-F).

#### **Operating foreign exchange derivatives as of 31 December 2016**

<i>(€ million)</i>	<b>Notional amount</b>	<b>Fair value</b>
<b>Forward currency sales</b>	<b>3,963</b>	<b>(25)</b>
of which US dollar	1,850	(17)
of which Chinese yuan renminbi	453	(2)

of which Swiss franc	253	(1)
of which Japanese yen	206	5
of which Singapore dollar	156	1
<b>Forward currency purchases</b>	<b>1,517</b>	<b>—</b>
of which US dollar	400	1
of which Japanese yen	283	(2)
of which Singapore dollar	233	1
of which Swiss franc	84	—
of which Hungarian forint	82	—
<b>Total</b>	<b>5,480</b>	<b>(25)</b>

The above positions mainly hedge future material foreign-currency cash flows arising after the end of the reporting period in relation to transactions carried out during the year ended 31 December 2016 and recognised in the balance sheet at that date. Gains and losses on hedging instruments (forward contracts) have been and will continue to be calculated and recognised in parallel with the recognition of gains and losses on the hedged items. Due to this hedging relationship, the commercial foreign exchange gain or loss on these items (hedging instruments and hedged transactions) will be immaterial in 2017.

#### *Financial Foreign Exchange Risk*

The cash pooling arrangements for Sanofi's foreign subsidiaries outside the euro zone, and some of its financing activities, expose certain of its entities to financial foreign exchange risk (i.e. the risk of changes in the value of borrowings and loans denominated in a currency other than the functional currency of the borrower or lender). That foreign exchange exposure is hedged by the parent company using firm financial instruments (usually currency swaps or forward contracts) contracted with banking counterparties.

Although Sanofi incurs more of its costs in euros than in any other currency, the US dollar accounts for a higher proportion of its revenues than any other currency. Consequently, Sanofi maintains a significant portion of its indebtedness in US dollars.

The table below shows financial currency hedging instruments in place as of 31 December 2016, with the notional amounts translated into euros at the relevant closing exchange rate (see also Note D.20 to the consolidated financial statements for the accounting classification of these instruments as of 31 December 2016 included at Item 18 of the 2016 Annual Report on Form 20-F).

#### **Financial foreign exchange derivatives as of 31 December 2016**

<i>(€ million)</i>	<b>Notional amount</b>	<b>Fair value</b>	<b>Expiry</b>
<b>Forward currency sales</b>	<b>5,298</b>	<b>(28)</b>	
of which US dollar	3,356	(37)	2017
of which Japanese yen <sup>(a)</sup>	1,036	—	2017
of which Pound sterling	317	7	2017
<b>Forward currency purchases</b>	<b>5,980</b>	<b>31</b>	
of which US dollar <sup>(b)</sup>	3,967	30	2017
of which Singapore dollar	878	5	2017
of which Czech koruna	332	(1)	2017
<b>Total</b>	<b>11,278</b>	<b>3</b>	

(a) Includes JPY 41,712 million as of 31 December 2016 designated as a cash flow hedge in respect of cash flows forecast for 2017.

(b) Includes \$3,116 million as of 31 December 2016 designated as a cash flow hedge in respect of cash flows forecast for 2017 and the first quarter of 2018.

These forward currency contracts generate a net financial foreign exchange gain or loss arising from the interest rate differential between the hedged currency and the euro, given that the foreign exchange gain or loss on the foreign-currency borrowing and loans is offset by the change in the intrinsic value of the hedging instruments.

Sanofi may also hedge some future foreign-currency investment or divestment cash flows.

### *Other Foreign Exchange Risks*

A significant proportion of Sanofi's net assets is denominated in US dollars (see Note D.35. to the consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F). As a result, any fluctuation in the exchange rate of the US dollar against the euro automatically impacts the amount of its equity as expressed in euros. As of December 31, 2016, Sanofi had no derivative instruments in place to limit the effect of such fluctuations, but a significant proportion of its debt is still denominated in US dollars.

In addition, Sanofi uses the euro as its reporting currency. Consequently, if one or more European Union member states were to abandon the euro as a currency, the resulting economic upheavals – in particular, fluctuations in exchange rates – could have a significant impact on the terms under which Sanofi can obtain financing and on its financial results, the extent and consequences of which are not currently foreseeable.

### **Counterparty Risk**

Sanofi's financing and investing transactions, and its currency and interest rate hedges, are contracted with leading counterparties. Sanofi sets limits for investment and derivative transactions with individual financial institutions, depending on the rating of each institution. Compliance with these limits, which are based on notional amounts weighted by the residual maturity and the nature of the commitment, is monitored on a daily basis.

The table below shows Sanofi's total exposure as of 31 December 2016 by rating and in terms of its percentage exposure to the dominant counterparty.

<i>(€ million)</i>	<b>Cash and cash equivalents (excluding mutual funds)<sup>(a)</sup></b>	<b>Notional amounts of currency hedges<sup>(b)</sup></b>	<b>Notional amounts of interest rate hedges<sup>(b)</sup></b>	<b>General corporate purpose credit facilities</b>
AA-	195	—	—	—
A+	1,917	9,175	2,399	3,500
A	1,038	4,743	628	2,000
A-	357	1,749	—	1,000
BBB+	220	1,091	200	1,500
BBB	81	—	—	—
Unallocated	255	1	—	—
Total	4,063	16,759	3,227	8,000
%/rating of dominant counterparty	17%/A+	15%/A+	36%/A+	6%/BBB+

*(a) Cash equivalents include mutual fund investments of €6,210 million.*

*(b) The notional amounts are translated into euros at the relevant closing exchange rate as of 31 December 2016.*

As of 31 December 2016, Sanofi held investments in 'short-term money market' and 'money market' euro-denominated funds based on the European classification used by the *Autorité des marchés financiers*. Those instruments have low volatility, low sensitivity to interest rate risk, and a very low probability of loss of principal. The depositary banks of the mutual funds, and of Sanofi itself, have a long-term rating of at least A.

The realisation of counterparty risk could impact Sanofi's liquidity in certain circumstances.

## **2. Risk factors associated with Notes issued under the Programme**

*The trading market for debt securities may be volatile and may be adversely impacted by many events.*

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in European and other industrialised countries. There can be no

assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

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

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer is entitled to buy the Notes, as described in Condition 7(h), and the Issuer may issue further notes, as described in Condition 15 (*Further Issues and Consolidation*). Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

***The Notes may be redeemed for tax reasons prior to maturity.***

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to pay additional amounts in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties of whatever nature imposed or levied, by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax, the Issuer may, and in certain circumstances shall be obliged to, redeem all outstanding Notes in accordance with the "Terms and Conditions of the Notes".

***Any early redemption at the option of the Issuer, if provided for in any Final Terms relating to a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated.***

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of early redemption is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right to redeem early increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

The Issuer has the option, if so provided in the relevant Final Terms, to redeem the Notes, in whole or in part, or in whole but not in part, as the case may be, under a call option as provided in Condition 7(c), a clean-up call option as provided in Condition 7(d) and/or, unless specified as not being applicable in the relevant Final Terms, a make-whole redemption option as provided in Condition 7(f).

In particular, with respect to the clean-up call option, there is no obligation under the Terms and Conditions of the Notes for the Issuer to inform investors if and when the limit needed to exercise the clean-up call option has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the clean-up call option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

***Partial redemption of Notes at the option of the Issuer or at the option of the Noteholders may make the market illiquid.***

Depending on the number of Notes of the same Series in respect of which a partial redemption of the Notes at the option of the Issuer or at the option of the Noteholders is made, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

***The market value of Fixed Rate Notes depends on the evolution of market interest rates.***

For Notes bearing interest at a fixed rate, investment in those Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

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

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest periods. If the Final Terms provide for several interest payment dates, investors are exposed to the reinvestment risk if market

interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

***Conversion from a fixed to floating interest rate will affect the secondary market and market value of the Notes.***

Fixed to Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed to Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

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

Changes in market interest rates have a stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

***The Issuer's obligations under Subordinated Notes are subordinated.***

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to unsubordinated creditors.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of the Subordinated Notes will be subordinated to the payment in full of all present and future unsubordinated creditors and, subject to such payment in full, holders of the Subordinated Notes will be paid in priority to any *prêts participatifs* granted to the Issuer, any *titres participatifs* issued by it and any deeply subordinated obligations of the Issuer. In the event of incomplete payment of unsubordinated creditors in case of a liquidation, the obligations of the Issuer in connection with the Subordinated Notes will be terminated.

Holders of Subordinated Notes will be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent. Events that would trigger early repayment in respect of the Subordinated Notes are limited.

***Exchange rate risks and exchange controls.***

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in "Terms and Conditions of the Notes" below). This presents certain risks relating to currency conversions if an investor's financial activities or financial statements are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency or central bank interventions in the relevant currency markets) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Furthermore, Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Conflicts of Interest may arise between the calculation agent and the Noteholders.***

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other



banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse or result in being adverse to the interests of the Noteholders.

***Credit ratings may not reflect all risks.***

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

***Changes of law may occur in the future that will impact the conditions of the Notes.***

The conditions of the Notes are based on the laws of France in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice (or to the interpretation thereto) after the date of this Base Prospectus.

***French insolvency law***

Under French insolvency law as amended by ordinance no. 2008-1345 dated 18 December 2008 which came into force on 15 February 2009 and related order no. 2009-160 dated 12 February 2009 and law no. 2010-1249 dated 22 October 2010 which came into force on 1 March 2011 and related order no. 2011-236 dated 3 March 2011 and ordinance no. 2014-326 dated 12 March 2014 which came into force on 1 July 2014, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*, *procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

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

- increase the liabilities (charges) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

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

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

***Modification of the Conditions***

The conditions of the Notes and the Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

### ***Credit risk***

The value of the Notes will also depend on the credit worthiness of the Issuer. If the creditworthiness of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, the value of the Notes may decrease and investors may lose all or part of their investment.

### ***Risks relating to Notes denominated in Renminbi***

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") are set out below.

*Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes.*

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although starting from 1 October 2016, the Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes.*

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China ("**PBoC**") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

*Investment in the Renminbi Notes is subject to exchange rate risks.*

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. Recently, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

*Investment in the Renminbi Notes is subject to currency risk.*

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

*Investment in the Renminbi Notes is subject to interest rate risks.*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

*Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes.*

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by global certificates held with the common depository for Clearstream Banking S.A. and Euroclear Bank SA/NV or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong, (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or/, (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

*Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws.*

Under the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("EIT") or PRC individual income tax ("IIT") if such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise or individual Holder from the transfer of Renminbi Notes but its implementation rules have reduced the enterprise income tax rate to 10 per cent. The *PRC Individual Income Tax Law* levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC

enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

***In certain circumstances Noteholders may be subject to U.S. withholding tax***

The United States has enacted rules, commonly referred to as "FATCA," that generally impose a new reporting and withholding regime with respect to certain payments made by entities that are classified as financial institutions under FATCA. The United States has also entered into an intergovernmental agreement regarding the implementation of FATCA with France (the "IGA"). Sanofi does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Any such withholding would not apply before 1 January 2019. Also, Notes issued prior to the six-month anniversary after final regulations that define the term "foreign pass thru payment" are filed with the U.S. Federal Register and that are classified as debt for U.S. federal income tax purposes are generally exempt from these rules.

In the event that any withholding imposed because of FATCA, the Issuer will have no obligation to make additional payments in respect of such withholding.

***The proposed financial transactions tax ("FTT")***

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

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

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

However, the FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

## CONSENT TO USE OF BASE PROSPECTUS

In the context of any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer accepts responsibility, in the Member State for which it has given its consent referred to herein, for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an "**Authorised Offeror**", as set out in the Final Terms or on the website of the Issuer as set out in the paragraph below), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent. However, neither the Issuer nor the Dealers have or take any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other applicable local regulatory requirements or other securities law requirements in relation to such offer.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of the relevant Notes during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either (1) in the Member State(s) specified below, by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies any conditions specified in the relevant Final Terms or (2) by the financial intermediaries specified in the relevant Final Terms, in the relevant Member State(s) and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on [www.sanofi.com](http://www.sanofi.com). Such consent shall not extend beyond twelve months from the date of this Base Prospectus. Investors should consult the websites of the financial intermediaries authorised to make such an offer in order to obtain the most up-to-date information on those financial intermediaries.

**Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus (and all the existing amendments and supplements thereto) for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

To the extent specified in the relevant Final Terms, a Non-exempt Offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

As of the date of this Base Prospectus, any references to Member State in the context of the Issuer consenting to the use of this Base Prospectus for a Non-exempt Offer shall be a reference to France and Luxembourg. In the event that the Issuer wishes to make a Non-exempt Offer in any other EEA Member State, a supplement to this Base Prospectus shall be prepared.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. No such Non-exempt Offers are made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has, or takes, any responsibility or liability for the actions of any person making any such Non-exempt Offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time.**

The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. None of the Issuer, any of the Dealers or other Authorised Offerors has, or takes, any responsibility or liability for such information.

## **GENERAL DESCRIPTION OF THE PROGRAMME AND THE TERMS AND CONDITIONS OF THE NOTES**

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

<b>Issuer:</b>	Sanofi
<b>Description:</b>	Euro Medium Term Note Programme (the " <b>Programme</b> ")
<b>Arranger:</b>	BNP Paribas
<b>Dealers:</b>	Banco Santander, S.A. Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, London Branch HSBC Bank plc ING Bank N.V., Belgian Branch J.P. Morgan Securities plc Merrill Lynch International MUFG Securities EMEA plc Morgan Stanley & Co. International plc Natixis Société Générale The Royal Bank of Scotland plc (trading as NatWest Markets) UniCredit Bank AG

Pursuant to the terms of the Dealer Agreement (as defined in "Subscription and Sale" below) the appointment of any Dealer may be terminated or further Dealers appointed for a particular Tranche of Notes or as Dealers under the Programme.

Each issue of Notes denominated in a currency or distributed in a jurisdiction in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" below).

**Fiscal Agent, Principal Paying Agent, Calculation Agent Redenomination Agent and Calculation Agent:**

BNP Paribas Securities Services

**Size:**

Up to Euro 20,000,000,000 (or its equivalent in other currencies) outstanding at any time. The amount of the Programme may be increased in accordance with the terms of the Dealer Agreement.

**Final Terms or Drawdown Prospectus:**

Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms (as defined below) or (2) pursuant to a drawdown prospectus (each a "**Drawdown Prospectus**") prepared in connection with a particular Tranche of Notes and incorporating by reference this Base Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of final terms ("**Final Terms**") are the Terms and Conditions of the Notes as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.

**Distribution:**

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. Notes may be offered to retail and institutionalised investors.

**Currencies:**

Subject to any applicable legal and/or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese yen, New Zealand dollars, Norwegian kroner, Renminbi, South African rand, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the relevant Final Terms).

**Maturities:**

Any maturity as indicated in the relevant Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Where Notes have a maturity of less than one year from the date of issue and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer.

<b>Issue Price:</b>	Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	Notes may be issued in either dematerialised form (" <b>Dematerialised Notes</b> ") or in materialised form (" <b>Materialised Notes</b> ").  Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form ( <i>au porteur</i> ) or in registered dematerialised form ( <i>au nominatif</i> ) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form ( <i>au nominatif pur</i> ) or administered registered form ( <i>au nominatif administré</i> ) form. No physical documents of title will be issued in respect of Dematerialised Notes. See "Terms and Conditions of the Notes – Form, Denomination and Title".  Materialised Notes will be in bearer materialised form only. A temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France. See "Terms and Conditions of the Notes – Form, Denomination and Title" below.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the relevant Final Terms) and on redemption.  Interest will be calculated on the basis of the Fixed Day Count Fraction as may be agreed and as specified in the relevant Final Terms.
<b>Floating Rate Notes:</b>	Floating Rate Notes may bear interest at a rate determined either: <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (published by the International Swaps and Derivatives Association, Inc.) or the FBF Definitions (as published by the <i>Fédération Bancaire Française</i>), each as amended and updated as at the Issue Date of the first Tranche of the Notes; or</li> <li>(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service,</li> </ul> as indicated in the relevant Final Terms.  The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
<b>Other provisions relating to Floating Rate Notes:</b>	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the relevant Final Terms).  Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the relevant Final Terms and will be calculated on the basis of the Day Count Fraction as may be agreed and as specified in the relevant Final Terms.
<b>Fixed to Floating Rate Notes:</b>	Fixed interest will be payable until conversion to floating rate of interest (as indicated in the relevant Final Terms) at which point floating rate interest will be payable.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.
<b>Redemption:</b>	The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than for taxation



reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders, upon giving not less than 15 nor more than 30 calendar days' irrevocable notice (or such other notice period (if any) as is indicated in the relevant Final Terms) to the Noteholders or the Issuer on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the relevant Final Terms. The Final Terms relating to each Tranche of Notes will also indicate whether the Issuer has a clean-up call option.

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom and having a maturity of less than one year, (a) shall have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such equivalent amount).

Unless otherwise specified in the relevant Final Terms, the Issuer may redeem, in whole or in part, the Notes then outstanding at any time prior to their stated maturity, at their relevant Make-whole Redemption Amount as specified in the relevant Final Terms.

**Denominations:**

Notes will be issued in such denominations as indicated in the relevant Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note listed and admitted to trading on a regulated market of a member state of the European Economic Area (a "**Member State**") or which is offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency as at the date of issue of the Notes).

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom and having a maturity of less than one year, (a) shall have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such equivalent amount).

**Taxation:**

1. All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
2. Notes will fall under the French withholding tax regime pursuant to Article 125 A III of the French *Code général des impôts*. Payments of interest and other revenues made by the Issuer on such Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non-cooperatif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable

provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax nor the Deductibility Exclusion will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* (BOI-INT-DG-20-50-20140211, n°550 and n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70 and n°80 and BOI-IR-DOMIC-10-20-20-60-20150320, n°10, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a state other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided that* such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, *provided further that* such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators *provided that* such depository or operator is not located in a Non-Cooperative State.

In addition, they will not be subject to either the Deductibility Exclusion or the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125A of the French *Code général des impôts* and subject to certain exceptions, interest and other similar revenues received by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their

personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

**Negative Pledge:** The terms of the Unsubordinated Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).

**Events of Default:** There will be events of default and a cross-default in respect of Unsubordinated Notes as set in Condition 10(A) (*Events of Default – Unsubordinated Notes*) and limited repayment events only in respect of Subordinated Notes as set out in Condition 10(B) (*Repayment Events – Subordinated Notes*)

**Status of the Notes:** The Unsubordinated Notes will constitute direct, unsecured (subject to Condition 4 (*Negative Pledge*)), unsubordinated obligations of the Issuer which will rank *pari passu* without any preference or priority among themselves and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer other than obligations as may be preferred by mandatory provisions of applicable law.

The Subordinated Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference or priority among themselves.

**Rating:** As of the date of this Base Prospectus, the Issuer's short-term and long-term debt are respectively rated (i) P-1 and A1, with a stable outlook, by Moody's and (ii) A-1+ and AA, with a stable outlook, by Standard & Poor's. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the European Union and registered (or which has applied for registration and not been refused) under the CRA Regulation and included in the list of credit rating agencies published by the European Securities and Market Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) or (2) issued by a credit rating agency which is not established in the European Union but will be endorsed by a credit rating agency which is established in the European Union and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the European Union but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the European Union which is certified under the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

**Listing and admission to trading:** Application has been made for the Notes issued under the Programme to be admitted to trading on Euronext Paris. The Notes may also be listed and admitted to trading on such other or further stock exchange(s) as may be agreed between the Issuer, and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The Final Terms relating to each Tranche of Notes will state whether or not and, if so, on which

stock exchange(s) the Notes are to be listed and admitted to trading.

**Governing Law:**

French law.

**Clearing Systems:**

Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

**Initial Delivery of Dematerialised Notes:**

No later than one Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.

**Initial Delivery of Materialised Notes:**

On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system *provided that* the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

**Selling Restrictions:**

There are selling restrictions in relation to the United States, Japan and the European Economic Area, including the United Kingdom, France, Hong Kong, the Netherlands, Italy, the PRC and Singapore. See "Subscription and Sale" herein.

## FORWARD-LOOKING STATEMENTS

This Base Prospectus contains forward-looking statements. Sanofi may also make written or oral forward-looking statements in any documents incorporated by reference herein, in any supplements to this Base Prospectus or any documents incorporated by reference therein. Examples of such forward-looking statements include:

- (i) projections of operating revenues, net income, business net income, earnings per share, business earnings per share, capital expenditures, cost savings, restructuring costs, positive or negative synergies, dividends, capital structure or other financial items or ratios;
- (ii) statements of its profit forecasts, future trends, future plans, future objectives or goals, including those relating to products, clinical trials, regulatory approvals and competition; and
- (iii) statements about its future events and future economic performance or that of France, the United States or any other countries in which Sanofi operates.

This information is based on data, assumptions and estimates considered reasonable by the Company as at the date of this Base Prospectus and undue reliance should not be placed on such statements.

Words such as "believe", "anticipate", "plan", "expect", "intend", "target", "estimate", "project", "predict", "forecast", "guideline", "should" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent, known and unknown, risks and uncertainties associated with the regulatory, economic, financial and competitive environment, and other factors that could cause future results and objectives to differ materially from those expressed or implied in the forward-looking statements.

Risk factors which could affect the future results and cause actual results to differ materially from those contained in any forward-looking statements are discussed under "Risk Factors" section of this Base Prospectus. Additional risks, not currently known or considered immaterial by the Company, may have the same unfavourable effect and investors may lose all or part of their investment.

Forward-looking statements speak only as of the date they are made. Other than required by law, Sanofi does not undertake any obligation to update them in light of new information or future developments.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been filed with the AMF for the purpose of the Prospectus Directive and the relevant implementing measures in France, and shall be incorporated in, and form part of, this Base Prospectus:

- the Issuer's annual report on the United States Securities and Exchange Commission's Form 20-F for the financial year ended 31 December 2016, which also includes the audited financial information for the year ended 31 December 2015 (the "**2016 Annual Report on Form 20-F**");
- the terms and conditions set out on pages 51 to 79 of the base prospectus dated 3 May 2012 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2012 Conditions**");
- the terms and conditions set out on pages 42 to 70 of the base prospectus dated 27 March 2013 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2013 Conditions**");
- the terms and conditions set out on pages 41 to 68 of the base prospectus dated 27 March 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2014 Conditions**");
- the terms and conditions set out on pages 56 to 83 of the base prospectus dated 27 March 2015 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2015 Conditions**"); and
- the terms and conditions set out on pages 57 to 84 of the base prospectus dated 24 March 2016 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2016 Conditions**"); and

In accordance with Article 28.4 of the Regulation 809/2004, the non-incorporated parts of the base prospectuses dated 3 May 2012, 27 March 2013, 27 March 2014, 27 March 2015 and 24 March 2016 are not relevant for investors.

The non-incorporated parts of the 2016 Annual Report on Form 20-F are either not relevant for the investor or are covered elsewhere in the Base Prospectus.

Any statement contained in this Base Prospectus, including through incorporation by reference shall be modified or superseded for the purpose of this Base Prospectus to the extent that it is modified or incorporated by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive.

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

The Final Terms related to Notes admitted to trading on Euronext Paris will be published on the websites of (x) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (y) the Issuer ([www.sanofi.com](http://www.sanofi.com)). If the Notes are offered to the public or admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of. The Final Terms will also provide whether or not there will be a public offer.

The relevant documents and page references for the information incorporated by reference herein in response to specific requirements of Annex IV of the Prospectus Directive Regulations are as follows:

## Information Incorporated by Reference

### 2016 Annual Report on Form 20-F

Prospectus Directive Regulations – Annex IV		2016 Annual Report on Form 20-F
A.4.2	<b>STATUTORY AUDITORS</b>	
A4.2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	F2
A4.3	<b>SELECTED FINANCIAL INFORMATION</b>	
A4.3.1	Selected historical financial information regarding the issuer, presented, for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.  The selected historical financial information must provide key figures that summarise the financial condition of the issuer.	1 to 2
A4.5	<b>INFORMATION ABOUT THE ISSUER</b>	
A4.5.1	<b><u>History and development of the Issuer:</u></b>	
A4.5.1.1	the legal and commercial name of the issuer;	20
A4.5.1.2	the place of registration of the issuer and its registration number;	20; 187
A4.5.1.3	the date of incorporation and the length of life of the issuer, except where indefinite;	20
A4.5.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	20
A4.5.2	<b><u>Investments</u></b>	
A4.5.2.1	A description of the principal investments made since the date of the last published financial statements;	21-22; 45; 76-77; 88; F32-F34
A.4.5.2.2	Information concerning the issuer's principal future investments, on which its management bodies have already made firm commitments.	76-77
A.4.5.2.3	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.2.2.	76
A4.6	<b>BUSINESS OVERVIEW</b>	
A4.6.1	<b><u>Principal activities:</u></b>	
A4.6.1.1	A description of the issuer's principal activities stating the main	20-48

	categories of products sold and/or services performed; and	
A4.6.1.2	an indication of any significant new products and/or activities.	20-36
A4.6.2	<b><u>Principal markets</u></b>  A brief description of the principal markets in which the issuer competes.	19-20; 46-48
A4.6.3	The basis for any statements made by the issuer regarding its competitive position.	1 <sup>st</sup> and 2 <sup>nd</sup> page under heading "Presentation of Financial and Other Information"; 19-20; 46-48
A4.7	<b>ORGANISATIONAL STRUCTURE</b>	
A4.7.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	73-74
A4.7.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	73-74
A4.8	<b>TREND INFORMATION</b>	
A4.8.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	20-22; 57-59; 85-87
A4.10	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
A4.10.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  (a) members of the administrative, management or supervisory bodies; and  (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	132-178
A4.11	<b>BOARD PRACTICES</b>	
A4.11.1	Details relating to the issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	171
A4.11.2	A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	168-169; 218-219
A4.12	<b>MAJOR SHAREHOLDERS</b>	
A4.12.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and	



	describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	179-180
A4.13	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
A4.13.1	<p><b><u>Historical Financial Information</u></b></p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for issuers from the Community.</p> <p>For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.</p>	F1 – F110
	<p>The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p> <p>If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:</p>	

	<p>(a) balance sheet;</p> <p>(b) income statement;</p> <p>(c) cash flow statement; and</p> <p>(d) accounting policies and explanatory notes.</p> <p>The historical annual financial information must have been independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.</p>	<p>F4 – F5</p> <p>F6</p> <p>F10-F11</p> <p>F12 to F110</p>
A4.13.2	<p><b><u>Financial statements</u></b></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	F1-F110
A4.13.3	<p><b><u>Auditing of historical annual financial information</u></b></p>	
A4.13.3.1	<p>A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.</p>	F2-F3
A4.13.4	<p><b><u>Age of latest financial information</u></b></p>	
A4.13.4.1	<p>The last year of audited financial information may not be older than 18 months from the date of the registration document.</p>	F1-F110
A4.13.6	<p><b><u>Legal and arbitration proceedings</u></b></p> <p>Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.</p>	181-184, F85-F92, F91
A4.14	<p><b>ADDITIONAL INFORMATION</b></p>	
A4.14.1	<p><b><u>Share Capital</u></b></p>	
A4.14.1.1	<p>The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.</p>	188
A4.14.2	<p><b><u>Memorandum and Articles of Association.</u></b></p>	
A4.14.2.1	<p>The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they</p>	187-208

	can be found in the memorandum and articles of association.	
A4.15	<b>MATERIAL CONTRACTS</b>	
A4.15	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	200

<b>Terms and Conditions Incorporated by Reference</b>		
Base Prospectus dated 3 May 2012		51-79
Base Prospectus dated 27 March 2013		42-70
Base Prospectus dated 27 March 2014		41-68
Base Prospectus dated 27 March 2015		56-83
Base Prospectus dated 24 March 2016		57-84

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus, which in respect of any subsequent issue of Notes to be admitted to trading on Euronext Paris or on any other Regulated Market, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, where the Notes are offered to the public, investors who have already agreed to purchase or subscribe for Notes before any supplement is published have the right, exercisable within two working days after the publication of such supplement, to withdraw their acceptance provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the Notes. The period may be extended by the Issuer or, if agreed to by the Issuer, the relevant Authorised Offeror(s). The final date of the right of withdrawal shall be stated in the supplement.

## TERMS AND CONDITIONS OF THE NOTES

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

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

The Notes are issued by Sanofi (the "**Issuer**") with the benefit of an agency agreement dated 27 March 2017 between the Issuer and BNP Paribas Securities Services as Fiscal Agent, Principal Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent (the "**Agency Agreement**"). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**".

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

The specific terms of each Tranche will be set out in the Final Terms to this Base Prospectus (the "**Final Terms**").

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing). As used herein, "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are expressed to be consolidated (*assimilées*) and form a single series and are identical in all respects (including as to listing) except that the Issue Price, Issue Date, Interest Commencement Date (if any) and/or the amount of the first payment of interest (if any) may be different in respect of different Tranches.

A copy of the Agency Agreement is available for inspection and the Final Terms applicable to the Notes are available free of charge during normal business hours at the specified office of the Paying Agent, save that the relevant Final Terms in relation to an unlisted Note will only be available for inspection by a Holder holding one or more Notes of that Series and such Holder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and as to its identity. The Holders of Notes, Coupons and Talons are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the relevant Final Terms which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and *provided that*, in the event of inconsistency between the Agency Agreement and the relevant Final Terms, the relevant Final Terms will prevail.

For the purposes of these Terms and Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**"), as defined in the Directive 2004/39/EC.

### 1 FORM, DENOMINATION AND TITLE

#### (a) Form:

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders, or in registered

dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder designated by the relevant Noteholder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

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

In accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*, securities (such as the Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) **Denomination(s):**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**") save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Notes**"), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, "**holder of Notes**" or "**holder of any Note**", or "**Noteholder**" means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (b) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons ("**Couponholder**" being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 CONVERSION AND EXCHANGES OF NOTES

### (a) Dematerialised Notes

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

### (b) Materialised Notes

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

## 3 STATUS OF THE NOTES AND SUBORDINATION

### *Status of the Notes – Unsubordinated Notes*

- (a) This Condition 3A, is applicable to Notes specified in the relevant Final Terms as being unsubordinated or not specified as being subordinated ("**Unsubordinated Notes**").
- (b) The Unsubordinated Notes and, where applicable, any relative Coupons (subject to Condition 4 (*Negative Pledge*)) constitute direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer other than obligations as may be preferred by mandatory provisions of applicable law.

### *Status of the Notes – Subordinated Notes*

- (a) This Condition 3B, is applicable to Notes specified in the relevant Final Terms as being subordinated notes ("**Subordinated Notes**").
- (b) The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank, *pari passu* without any preference or priority among themselves and *pari passu* with all other present and future Subordinated Notes issued by the Issuer all in accordance with Article L. 228-97 of the *Code de commerce*.
- (c) In the event of a Repayment Event (as defined in Condition 10B (*Repayment Event – Subordinated Notes*)), the claims of the Holders of Subordinated Notes will be subordinated in right of payment.

## 4 NEGATIVE PLEDGE

In respect of Unsubordinated Notes only, so long as any Note of the relevant Series remains outstanding, the Issuer shall not create or permit to subsist any mortgage, charge, pledge, lien (other than any lien arising by operation of law) or other encumbrance or security interest over any or all of its present or future assets or revenues (i) to secure any Relevant Indebtedness issued by it or (ii) to secure any guarantee or indemnity given by it of any Relevant Indebtedness issued by others without (a) at the same time or prior thereto securing the Unsubordinated Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by a General Meeting of Holders of Notes of the relevant Series.

For the purposes of these Conditions:

"**Relevant Indebtedness**" means any payment obligation being borrowed money and subsisting under, or represented by any bonds, debentures or other form of debt securities capable of being listed, quoted or ordinarily dealt in on any stock exchange, over-the-counter market or securities market.

## 5 INTEREST

### (a) Interest on Fixed Rate Notes

- (i) Each Fixed Rate Note bears interest on its nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.
- (ii) The amount of interest payable in respect of each Fixed Rate Note for any Fixed Rate Interest Period (as defined below) shall be specified in the Final Terms (the "**Fixed Coupon Amount**").
- (iii) The amount of interest payable in respect of each Fixed Rate Note payable in euro for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.
- (iv) If, in respect of a Fixed Rate Note which is not payable in euro, interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of a 360-calendar day year consisting of 12 months of 30 calendar days each and, in the case of an incomplete month, the number of calendar days elapsed or on such other Fixed Day Count Fraction as is specified in the relevant Final Terms.

"**Fixed Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first calendar day of such period to but excluding the last) (the "**Calculation Period**"):

If **Actual-Actual (ICMA)** is specified hereon:

- (i) if such Calculation Period falls within a single Fixed Rate Interest Period, means the actual number of calendar days in such Calculation Period divided by the product of the number of calendar days in the Fixed Rate Interest Period in which it falls and the number of Fixed Rate Interest Periods in any year; and
- (ii) if such Calculation Period does not fall within a single Fixed Rate Interest Period, means the sum of (x) the actual number of calendar days in such Calculation Period falling in the Fixed Rate Interest Period in which it begins divided by the product of the actual number of calendar days in that Fixed Rate Interest Period and the number of Fixed Rate Interest Periods in any year and (y) the actual number of calendar days in such Calculation Period falling in the subsequent Fixed Rate Interest Period divided by the product of the actual number of calendar days in the subsequent Fixed Rate Interest Period and the number of Fixed Rate Interest Periods in any year.

If **Actual-360** is specified hereon, the actual number of calendar days in the Calculation Period divided by 360.

If **30-360** is specified hereon, the number of calendar days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$



where:

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

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

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

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

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

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

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

"**Fixed Rate Interest Period**" means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

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

"**Sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

"**Treaty**" means the Treaty on the Functioning of the European Union.

(b) **Interest on Floating Rate Notes**

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Interest Payment Date(s) in each year specified in the relevant Final Terms; or
- (B) if no express Interest Payment Date(s) is/are specified in the relevant Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Interest Period in the relevant Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, unless specified in the relevant Final Terms in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, each an "**Interest Period**").

If a business day convention is specified in the relevant Final Terms and (x) if there is no numerically corresponding calendar day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day then, if the business day convention specified is:

- (1) in any case where Interest Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last calendar day that is a Business Day in the relevant month and the provisions of (B) below of this subparagraph (1) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next calendar day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In addition, if (i) the Floating Rate Convention is specified in the relevant Final Terms, (ii) Interest Periods are specified in accordance with Condition 5(b)(i)(B) above and (iii) any Interest Payment Date falls on the last Business Day in any month, then each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the preceding applicable Interest Payment Date occurred.

In this Condition, "**Business Day**" means a day which is both:

- (A) a calendar day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Paris and any Business Centre specified in the relevant Final Terms; and
- (B) either (1) in relation to interest payable in a Specified Currency other than euro and Renminbi, a calendar day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than Paris and any Business Centre) or (2) in relation to any sum payable in euro, a calendar day on which TARGET2 is operating; or (3) in relation to any sum payable in Renminbi, a calendar day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any).

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. as amended from time to time (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the relevant Final Terms;
- (2) the Designated Maturity is a period specified in the relevant Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first calendar day of that Interest Period or (ii) in any other case, as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions; the definition of "**Banking Day**" in the ISDA Definitions shall be amended to insert the words "are open for" in the second line after the word "**general**"; and "**Euro-zone**" means the region comprised of member states of the European Union that adopt the euro.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Fiscal Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A). Investors should consult the Issuer should they require a copy of the ISDA Definitions.

(B) FBF Determination for Floating Rate Notes

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

- (1) the Floating Rate is as specified in the relevant Final Terms, and
- (2) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first calendar day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**" (*Taux Variable*), "**Calculation Agent**" (*Agent*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions, *provided that* Euribor means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR01, as more

fully described in the relevant Final Terms. "**FBF Definitions**" means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together the "**FBF Master Agreement**"), unless otherwise specified in the relevant Final Terms. Investors should consult the Issuer should they require a copy of the FBF Definitions.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR or 11.00 a.m. (Brussels time) in the case of EURIBOR on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If, in the case of (1) above, such rate does not appear on that page or, in the case of (2) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Fiscal Agent will:

- (A) request the principal financial centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the relevant time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (B) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Fiscal Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Fiscal Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Fiscal Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first calendar day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time.

If the Reference Rate from time to time in respect of the Floating Rate Notes is specified as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Final Terms.

For the purposes of this sub-paragraph (C), "**Reference Banks**" means four major banks selected by the Fiscal Agent in the market that are most closely connected with the Reference Rate, unless otherwise specified in the relevant Final Terms.

(iii) *Minimum and/or Maximum Interest Rate*

If the relevant Final Terms specify a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the relevant Final Terms specify a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate. The Minimum Interest Rate shall not be less than zero.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Fiscal Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Fiscal Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes in respect of the Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (1) if "**Actual-Actual**" or "**Actual-365 (FBF)**" is specified in the relevant Final Terms, the actual number of calendar days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of calendar days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of calendar days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (2) if "**Actual-365 (Fixed)**" is specified in the relevant Final Terms, the actual number of calendar days in the Interest Period divided by 365;
- (3) if "**Actual-Actual (FBF)**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of calendar days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Interest Period). If the Interest Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
  - (x) the number of complete years shall be counted back from the last calendar day of the Interest Period; and
  - (y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (4) if "**Actual-360**" is specified in the relevant Final Terms, the actual number of calendar days in the Interest Period divided by 360;
- (5) if "**30-360**", "**360-360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of calendar days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

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

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

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

where:

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

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

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

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

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

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

- (7) if "**30E/360 (FBF)**" is specified in the relevant Final Terms, in respect of each Interest Period, the fraction whose denominator is 360 and whose numerator is the number of calendar days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following the exception:

if the last calendar day of the Interest Period is the last calendar day of the month of February, the number of calendar days elapsed during such month shall be the actual number of days,

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

- (8) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of calendar days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

*provided, however, that* in each such case, the number of calendar days in the Interest Period is calculated from and including the first calendar day of the Interest Period to but excluding the last calendar day of the Interest Period.

- (v) *Notification of Rate of Interest and Interest Amounts*

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 (*Notices*) as soon as possible after their determination but in no event later than the fourth Paris Business Day (as defined in Condition 5(b)(i)) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to Holders of Notes in accordance with Condition 12 (*Notices*).

- (vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Holders of Notes and Coupons and (in the

absence as aforesaid) no liability to the Issuer, the Holders of Notes and the Coupons shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five calendar days after the date on which the full amount of the moneys payable has been received by the Fiscal Agent and notice to that effect has been given in accordance with Condition 12 (*Notices*).

(d) **CNY Notes**

Notwithstanding the foregoing, each CNY Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date. The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties. The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of Default and Repayment Events*), the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made. Unless otherwise agreed in the relevant Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of calendar days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(e) **Fixed to Floating Rate Notes**

Each Fixed to Floating Rate Note bears interest at a rate (i) that the Issuer may decide to convert at the date specified in the relevant Final Terms from a Fixed Rate to a Floating Rate or (ii) which shall be automatically converted from a Fixed Rate to a Floating Rate at the date specified in the relevant Final Terms.

## 6 PAYMENTS

(a) **Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and,



(in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. Any payment validly made to any such Account Holders, or to any such Bank (as defined below) designated by any Noteholder, will be an effective discharge of the Issuer in respect of such payment.

(b) **Materialised Notes**

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(v)) or Coupons (in the case of interest, save as specified in Condition 6(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank (as defined below).

"**Bank**" means a bank in the principal financial centre of the country for such Specified Currency or, in the case of euro, in a city in which banks have access to the TARGET 2 System.

(c) **Payments in the United States**

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Fiscal Laws**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). References to "**Specified Currency**" will include any successor currency under applicable law.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, *provided that* the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent having its specified offices in at least one major European city, including in the case of Notes admitted to trading on a Regulated Market and so long as the rules of, or applicable to, the relevant Regulated Market so require, in such other city where the Notes are admitted to trading, (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (vi) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

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

On a redenomination of the Notes of any Series pursuant to Condition 16 (*Redenomination, Renominalisation and Reconventioning*) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 15 (*Further Issues and Consolidation*), the Issuer shall ensure

that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 12 (*Notices*).

(f) **Unmatured Coupons and unexchanged Talons**

- (i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (together, where applicable, with the amount of any accrued interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon (together, where applicable, with the amount of any accrued interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Face Amount, Early Redemption Amount or Optional Redemption Amount (each as defined below), as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Materialised Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any accrued interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Notes.

(g) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9 (*Prescription*)).

(h) **Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day in the relevant place and shall not be entitled to any interest or other payment in respect of such delay. In this Condition, "**Payment Day**" means any calendar day which is:

- (i) in the case of Dematerialised Notes, on which Euroclear France is open for business, or in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms; and
  - (ii) a Business Day (as defined in Condition 5(b)(i)).
- (i) **Alternative Payment in U.S. Dollars**

If Inconvertibility, Non-transferability or Illiquidity (each as defined below) occurs, the Issuer, on giving not less than five nor more than 30 calendar days irrevocable notice in accordance with Condition 12 (*Notices*) to the Noteholders prior to the due date for payment, shall be entitled to satisfy its obligations in respect of such payment by making such payment in U.S. dollars on the basis of the Spot Rate on the second FX Business Day prior to such payment or, if such rate is not available on such second FX Business Day, on the basis of the rate most recently available prior to such second FX Business Day.

Any payment made under such circumstances in U.S. dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

"**FX Business Day**" shall mean a calendar day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in U.S. dollars in Hong Kong and New York.

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

"**Illiquidity**" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the CNY Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two CNY Dealers.

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

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

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

"**Spot Rate**" means the spot U.S. dollar/CNY exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the date of determination, on a deliverable basis by reference to the most recently available U.S. dollar/CNY official fixing rate for settlement in two FX Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

The Calculation Agent will not be responsible or liable to the Issuer or any holder of the Notes for any determination of any Spot Rate determined in accordance with this provision in the absence of its own gross negligence, bad faith or wilful misconduct.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Payments*) by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

(j) **Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, or designate, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (ii) the amount of principal payable in respect of the Notes which are redeemed on the Maturity Date ("**Final Redemption Amount**");
- (iii) the amount of principal payable in respect of the Notes which are redeemed early for tax reasons ("**Early Redemption Amount**");
- (iv) the amount of principal payable in respect of the Notes which are redeemed early at the option of the Issuer and/or the Noteholders ("**Optional Redemption Amount(s)**"), if applicable;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

7 **REDEMPTION AND PURCHASE**

(a) **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its principal amount in the relevant Specified Currency on the Maturity Date.

(b) **Redemption for Tax Reasons**

The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 calendar days' notice to the Fiscal Agent and, in accordance with Condition 12 (*Notices*), the Holders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of France or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the cessation of tax exemptions presently applicable), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

*provided that* no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the Issuer is

entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion, of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

In addition, if the Issuer would on the occasion of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained above, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Notes then outstanding, upon giving not less than 30 nor more than 60 calendar days' irrevocable notice to the Noteholders, *provided that* the due date for redemption of which notice hereunder shall be given, shall be the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date has passed, as soon as practicable thereafter.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (g) below together (if appropriate) with interest accrued to (but excluding) the date of redemption notified by the Issuer. No further interest shall accrue on the Notes following such date of redemption.

(c) **Redemption at the Option of the Issuer (Call Option)**

If the Issuer is specified in the relevant Final Terms as having an option to redeem, the Issuer shall, having given:

- (i) not less than 20 nor more than 30 calendar days' notice to the Holders in accordance with Condition 12 (*Notices*); and
- (ii) not less than 20 calendar days before the giving of the notice referred to in (i), notice to the Fiscal Agent,

(which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

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

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are listed and admitted to trading on any Regulated Market and the rules of that Regulated Market so require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published, in accordance with Condition 12 (*Notices*), a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(d) **Clean-up Call Option**

If the Issuer is specified in the Final Terms as having a clean-up call option, the Issuer may, having given not

less than 15 nor more than 30 calendar days' notice to the Holders of the Notes in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the Notes of any Series for the time being outstanding, if, immediately prior to the date that such notice is given, 20 per cent. or less of the aggregate nominal amount originally issued of the Notes of such Series remain outstanding, provided that those Notes that are no longer outstanding have not been redeemed (and subsequently cancelled) by the Issuer pursuant to Condition 7(c) (*Redemption at the Option of the Issuer (Call Option)*) or Condition 7(f) (*Make-whole Redemption by the Issuer*). Any such redemption shall be at par together, if appropriate, with any interest accrued to the date fixed for redemption.

(e) **Redemption of the Notes at the Option of the Holders (Put Option)**

If the Holders of Notes are specified in the relevant Final Terms as having an option to redeem, upon the Holder of any Note giving to the Issuer in accordance with Condition 12 (*Notices*) not less than 15 nor more than 30 calendar days' notice or such other period of notice as is specified in the relevant Final Terms the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the relevant Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. If the Holders of Notes are not specified in the relevant Final Terms as having an option to redeem then the Holders of Notes shall not have any option to redeem such Notes as described in this sub-paragraph (d).

To exercise the right to require redemption of a Note the Holder of such Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**"), at any time within the notice period during normal business hours of such Paying Agent. In the Put Notice the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition. Such notice shall, in the case of Materialised Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent specified in the Put Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(f) **Make-whole Redemption by the Issuer**

Unless specified as not being applicable in the relevant Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 calendar days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (ii) not less than 15 calendar days before the giving of notice referred to in (i) above, notice to the Fiscal Agent, the Quotation Agent and such other parties as may be specified in the Final Terms,

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

"**Calculation Date**" means the third Business Day (as defined in Condition 5(b)(i)) prior to the Make-whole Redemption Date.

"**Make-whole Redemption Amount**" means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on either an annual or a semi-annual basis (as specified in the relevant Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and

- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified in the Final Terms.

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

**"Make-whole Redemption Rate"** means the average of the four quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("CET")) ("**Reference Dealer Quotation**").

**"Quotation Agent"** means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

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

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

**"Reference Security"** means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 12 (*Notices*).

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

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Notes, the relevant provisions of Condition 7(c) shall apply mutatis mutandis to this Condition 7(f).

(g) **Early Redemption Amounts**

For the purpose of paragraph (b) above, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes other than Zero Coupon Notes with a Final Redemption Amount at their principal amount;
- (ii) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of:
  - (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-calendar day year consisting of 12 months of 30 calendar days each and, in the case of an incomplete month, the number of calendar days elapsed; and (ii) in the case of a Zero Coupon Note payable in euro, on

the basis of the actual number of calendar days elapsed divided by 365 (or, if any of the calendar days elapsed falls in a leap year, the sum of (x) the number of those calendar days falling in a leap year divided by 366 and (y) the number of those calendar days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the relevant Final Terms.

"**Accrual Yield**" means the accrual yield specified in the relevant Final Terms; and

"**Reference Price**" means the reference price specified in the relevant Final Terms.

(h) **Purchases**

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be surrendered to any Paying Agent for cancellation or, unless otherwise specified in the Final Terms, held in custody by or on behalf of the Issuer and/or sold, resold or otherwise disposed of by the Issuer in accordance and within the limits set by Article L.213-1A of the French *Code monétaire et financier* as amended from time to time.

(i) **Cancellation**

All Notes redeemed or purchased for cancellation by or on behalf of the Issuer will be cancelled, in the case of Dematerialised Notes, together with all rights relating to payment of interest and other amounts relating to such Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Notes in question together with all unmatured Coupons and all unexchanged Talons. Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default and Repayment Events*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) the date on which the full amount of the moneys payable has been received by the Fiscal Agent and notice to that effect has been given to the Holders in accordance with Condition 12 (*Notices*).

(k) **Obligation to redeem**

Upon the expiry of any notice as is referred to in paragraph (b), (c),(d) or (e) above, the Issuer shall be bound to redeem the Notes to which the notice referred at the relevant redemption price applicable at the date of such redemption together with, if appropriate, interest accrued to (but excluding) the relevant redemption date.

## 8 TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:



- (i) presented for payment by or on behalf of a Holder of a Note or Coupon who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Note or Coupon; or
- (ii) in the case of Definitive Materialised Notes, more than 30 calendar days after the Relevant Date (as defined below) except to the extent that the Holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- (iii) in respect of Definitive Materialised Notes presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 12 (*Notices*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of France, references in these Conditions to the Republic of France shall be construed as references to the Republic of France and/or such other jurisdiction.

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of the Holder, beneficial owner or an intermediary (that is not an agent of the Issuer) not being entitled to receive payments free of FATCA withholding. The Issuer shall not be liable for, or otherwise obliged to pay, any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

## 9 PRESCRIPTION

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

## 10 EVENTS OF DEFAULT AND REPAYMENT EVENTS

### 10A. *Events of Default – Unsubordinated Notes*

This Condition 10A is applicable only to Notes specified in the relevant Final Terms as being unsubordinated or not specified as being subordinated.

The Representative (as defined in Condition 13 (*Meetings of Holders and Waivers*)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with any accrued interest thereon (including, where applicable, any accrued interest), as of the date on which such notice for payment is received by the Issuer and the Fiscal Agent without further formality, if one or more of the following events (each an "**Event of Default**") shall have occurred and is continuing:

- (i) any amount in respect of the Notes shall not be paid on its due date, and such default shall not be remedied within a period of 30 calendar days from and including such date in the case of interest and within a period of 15 calendar days from and including such date in the case of principal unless in any such event the amount due is not paid due to circumstances affecting the making or clearing of the payment which are outside the control of the Issuer, in which case such event shall not constitute an Event of Default so long as such circumstances continue in existence; or
- (ii) any other obligation relating to the Notes shall not be fulfilled within a period of 30 calendar days from and excluding the date of receipt by the Issuer or the Fiscal Agent of a written notification requiring the same to be remedied which shall have been given, by any Holder of a Note or Coupon; or
- (iii) (a) any borrowed money of the Issuer or of any Principal Subsidiary becomes due and repayable prematurely by reason of a default in relation thereto and is not repaid prior to expiry of any applicable

grace period or (b) any such borrowed money is not paid at maturity as extended by any applicable grace period or (c) any guarantee or indemnity in respect of any borrowed money of a third party given by the Issuer or any Principal Subsidiary is not honoured when due and called upon or within any applicable grace period, unless the Issuer or such Principal Subsidiary, as the case may be, has disputed in good faith that any such borrowed money is due or payable or that any such guarantee or indemnity is callable, and such dispute has been submitted to a competent court, in which case such event shall not constitute an Event of Default hereunder so long as the dispute shall not have been finally adjudicated and *provided that* in the case of (a), (b) or (c) of this Condition 10A(iii), such borrowed money of the Issuer or such Principal Subsidiary, or the amount of the failure to pay by the Issuer or the relevant Principal Subsidiary under such guarantee or indemnity given in respect of such third party borrowed money, is in an aggregate nominal amount of at least €250,000,000 (or its equivalent in any other currency), unless in any such event the amount due is not paid due to circumstances affecting the making or clearing of the payment which are outside the control of the Issuer or the Principal Subsidiary, as the case may be, in which case such event shall not constitute an Event of Default so long as such circumstances continue in existence; or

- (iv) the Issuer or any Principal Subsidiary makes any proposal for a general moratorium in relation to its debts or ceases its payments (including, without limitation, a *cessation des paiements* under French law) or a judgment is issued for the judicial liquidation (including, without limitation, a *liquidation judiciaire* under French law) or for a transfer of the whole of the business (including, without limitation, a *cession totale de l'entreprise* under French law) of the Issuer or of any Principal Subsidiary or anything equivalent to such a proposal, settlement or transfer occurs with respect to the Issuer or any Principal Subsidiary or if the Issuer or any Principal Subsidiary makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (v) an order is made by any competent authority or an effective resolution is passed for the winding up, liquidation or dissolution of any of the Issuer's Principal Subsidiaries (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *fusion-absorption* or any *apport partiel d'actifs* under French law)) or an order is made by any competent authority or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *fusion-absorption* or any *apport partiel d'actifs* under French law) where the entity resulting from or surviving following such amalgamation, reorganisation, merger, consolidation or restructuring or similar arrangement, assumes or owes the obligations resulting from the Notes).

For the purposes of this Condition 10 (*Events of Default and Repayment Events*):

- (i) a "**Principal Subsidiary**" means any company or other entity the accounts of which are consolidated with those of the Issuer and which, together with its own Subsidiaries, accounts for at least 15 per cent. of the net consolidated annual sales of the Issuer as disclosed from time to time in the Issuer's latest consolidated annual financial statements;
- (ii) a "**Subsidiary**" means, in respect of any entity (the "**First Entity**") at any particular time, any other entity:
  - (a) whose affairs and policies the First Entity controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such other entity or otherwise; or
  - (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles or standards, consolidated with those of the First Entity.

#### 10B. *Repayment Events – Subordinated Notes*

This Condition 10B is applicable to Notes specified in the relevant Final Terms as being subordinated.

The Representative (as defined in Condition 13 (*Meetings of Holders and Waivers*)), upon request of any Holder of any Subordinated Note, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and

payable at their principal amount, together with any accrued interest thereon (including, where applicable, any accrued interest), as of the date on which such notice for payment is received by the Issuer and the Fiscal Agent without further formality, if a Repayment Event has occurred. For the purposes of this Condition 10B, a "**Repayment Event**" shall mean any judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency).

## 11 REPLACEMENT OF NOTES, COUPONS AND TALONS

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 12 NOTICES

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a calendar day other than a Saturday or a Sunday) after the mailing, or (ii) at the option of the Issuer, they are published (a) in a leading daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) or (b) so long as such Notes are admitted to trading on Euronext Paris, through an *avis* issued by Euronext Paris and, if the rules of Euronext Paris so require, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) and, so long as such Notes are admitted to trading on any other Regulated Market and the rules of, or applicable to, such Regulated Market so require, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (i) in a daily leading newspaper with general circulation in Europe (which is expected to be the *Financial Times*) or (ii) so long as such Notes are admitted to trading on Euronext Paris, through an *avis* issued by Euronext Paris and, if the rules of Euronext Paris so require, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) and so long as such Notes are admitted to trading on any other Regulated Market, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 12 (a), (b) and (c) above; except that (i) as long as such Notes are admitted to trading on Euronext Paris, notices shall be published through an *avis* issued by Euronext Paris, and if the rules of Euronext Paris so require, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), (ii) as long as the Notes are admitted to trading on any Regulated Market and the rules of, or applicable to, such Regulated Market so require, notices shall be published in a leading daily newspaper of general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, and (iii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 13 (*Meetings of Holders and Waivers*) shall also be published in a leading newspaper of general circulation in Europe.

- (e) Any notice published pursuant to this Condition 12 (*Notices*) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.
- (f) Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

### 13 MEETINGS OF HOLDERS AND WAIVERS

#### (a) Representation of Noteholders

Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the "**Masse**").

Unless the relevant Final Terms specify that this Condition 13 shall be replaced by the full provisions of the French *Code de commerce* relating to the Masse, the Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

#### (b) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

#### (c) Representative

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), or, as the case may be, the members of its Executive Board (*Directoire*) and its Supervisory Board (*Conseil de surveillance*), and its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their respective ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their respective ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate Representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(d) **Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

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

The Representative may not interfere in the management of the affairs of the Issuer.

(e) **General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 12 (*Notices*).

Each Noteholder has the right to participate in a General Meeting in person, by proxy correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunication allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(f) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French Code de commerce, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 12 (*Notices*).

(g) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-calendar day period preceding the holding of the General Meeting on first convocation and, during the 10-calendar day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during normal business hours and at any other place specified in the notice of the General Meeting.

(h) **Expenses**

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings, expenses of the Representative of the Masse in the performance of its duties and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(i) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 15 (*Further Issues and Consolidation*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 13 (*Meetings of Holders and Waivers*), the term "outstanding" shall not include those Notes that are held by the Issuer and not cancelled.

#### 14 CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes, Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Terms and Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

#### 15 FURTHER ISSUES AND CONSOLIDATION

(a) Further Issues: The Issuer shall be at liberty from time to time without the consent of the Holders of Notes or Coupons to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated (*assimilées*) and form a single Series with the outstanding Notes.

(b) Consolidation: The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 calendar days' prior notice to the Noteholders in accordance with Condition 15 (*Further Issues and Consolidation*), without the consent of the Holders of Notes or Coupons, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 16 REDENOMINATION, RENOMINALISATION AND RECONVENTIONING

- (a) Application: This Condition 16 is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.
- (b) Notice of redenomination: If the country of the Specified Currency becomes or, announces its intention to become, a Euro Participating Member State (as defined below), the Issuer may, without the consent of the Holders of Notes or Coupons, on giving at least 30 calendar days' prior notice to such Holders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Euro Participating Member State.
- (c) Redenomination and Renominalisation: Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Union regulations); *provided, however, that*, if the Issuer determines, with the agreement of the Fiscal Agent then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendments;

- (i) if Materialised Notes have been issued:
  - (A) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Holders that replacement Notes and Coupons denominated in euro are available for exchange (*provided that* such Notes and Coupons are available) and no payments will be made in respect thereof;
  - (B) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 16) shall remain in full force and effect; and
  - (C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Holders in the Euro Exchange Notice; and
- (ii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Union.
- (d) Interest and Reconventioning: Following redenomination of the Notes pursuant to this Condition 16, where Materialised Notes have been issued, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Holder. In addition, the Issuer may make such changes to the day count fraction and business days applicable to the Notes in accordance with current market practice for Notes denominated in euro.
- (e) Interest Determination Date: If the Floating Rate Note provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest

Determination Date shall be deemed to be the second TARGET Settlement Day before the first calendar day of the relevant Interest Period.

For the purposes of this Condition 16,

**"Euro Participating Member State"** means a Member State of the European Union which adopts or has adopted the euro as its lawful currency in accordance with the Treaty; and

**"TARGET Settlement Day"** means any calendar day on which TARGET2 is open for the settlement of payments in euro.

## 17 GOVERNING LAW AND JURISDICTION

- (i) *Governing law:* The Notes (and where applicable, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.
- (ii) *Jurisdiction:* Any claim against the Issuer in connection with any Notes, Coupons or Talons will be submitted to the exclusive jurisdiction of the competent courts in Paris.

## 18 ARTICLE 1195 OF THE *CODE CIVIL* NOT TO APPLY

Article 1195 of the French *code civil* shall not apply to or in connection with any Notes or any Conditions thereof as supplemented or amended from time to time.



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

### **Temporary Global Certificates**

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

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

### **Exchange**

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

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

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

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

### **Exchange Date**

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the calendar day falling after the expiry of 40 calendar days after its issue date, *provided that*, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 15(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the calendar day falling after the expiry of 40 calendar days after the issue of such further Materialised Notes.

## **USE OF PROCEEDS**

Unless otherwise specified in any relevant Final Terms, the net proceeds from the issue of any Notes, after deduction of any management and underwriting commissions, any selling concessions and, when relevant, the expenses incurred in connection with the issue of any Notes, will be used by the Issuer for general financing and corporate purposes.

## BUSINESS OF SANOFI

### Information on the Company

Sanofi is a leading global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.

In 2016, its net sales were €33,821 million. This figure excludes the net sales of its Animal Health business.

Sanofi is a holding company and as a result its financial and trading position depends on the financial and trading position of its principal subsidiaries. Sanofi operates under the laws of France.

Sanofi is the parent company of a consolidated group of companies. A list of its principal subsidiaries can be found in Note F to its consolidated financial statements included at Item 18 of the 2016 Annual Report on Form 20-F incorporated herein by reference.

The Group is organised around two principal activities: pharmaceuticals, and vaccines via Sanofi Pasteur. These activities are operating segments within the meaning of the IFRS 8 accounting standard (see Note D.35. to the consolidated financial statements included in Item 18 of the 2016 Annual Report on Form 20-F). Sanofi exited the Animal Health business on 1 January 2017 when it closed a transaction with Boehringer Ingelheim (BI) in most markets to swap its Animal Health business for BI's Consumer Healthcare (CHC) business. Sanofi invests in the following activities: Rare Diseases, Multiple Sclerosis, Oncology, Diabetes, Cardiovascular, Established Prescription Products, Consumer Health Care, Generics and Vaccines. Unlike Vaccines activity, which is an operating segment within the meaning of IFRS 8, the Rare Diseases, Multiple Sclerosis, Oncology, Diabetes, Cardiovascular, Established Prescription Products, Consumer Health Care, Generics activities are franchises whose performance is monitored primarily on the basis of net sales, and the products sold by each of those franchises are included in Pharmaceuticals operating segment. Sanofi is also active in emerging markets, selling products from both of its principal activities (pharmaceuticals and vaccines). The performance of Emerging Markets operations is monitored primarily on the basis of net sales.

Within its pharmaceuticals activity, which generated net sales of €29,244 million in 2016, Sanofi specialises in the following therapeutic areas:

- Rare Diseases: with a portfolio of enzyme replacement therapies including Cerezyme® and Cerdelga® for Gaucher disease, Myozyme®/Lumizyme® for Pompe disease, Fabrazyme® for Fabry disease, and Aldurazyme® for mucopolysaccharidosis Type 1 (MPS I);
- Multiple sclerosis: with Aubagio® a once-daily oral immunomodulator, and Lemtrada®, a monoclonal antibody. Both products have been developed to treat patients with relapsing forms of MS;
- Oncology: with Jevtana®, a taxane derivative, indicated for patients with prostate cancer; Taxotere®, a taxoid representing a cornerstone therapy for several cancer types; Eloxatin®, a platinum agent, which is a key treatment for colorectal cancer; Thymoglobulin®, a broad immunosuppressive and immunomodulating agent; Mozobil®, a hematopoietic stem cell mobiliser for patients with hematologic malignancies; and Zaltrap®, a recombinant fusion protein, indicated for patients with metastatic colorectal cancer that is resistant to or has progressed following an oxaliplatin-containing regimen;
- Diabetes: with Lantus® (insulin glargine), a long-acting human insulin analog which is the world-leading brand in the insulin market; Toujeo®, insulin glargine 300 U/mL; Amaryl®, an oral once-daily sulfonylurea; Apidra®, a rapid-acting human insulin analog; Insuman®, a range of rapid-acting or intermediate-acting human insulins; Lyxumia® (lixisenatide), a once-daily GLP-1 receptor agonist and Soliqua™ 100/33 / Suliqua™; a once-daily combination of insulin glargine and lixisenatide;
- Cardiovascular diseases: with Praluent® a cholesterol-lowering drug that inhibits PCSK9 and Multaq®, for patients with heterozygous familial hypercholesterolemia or with clinical atherosclerotic cardiovascular disease, and Multaq®, an anti-arrhythmic drug in atrial fibrillation (AF);
- Established Prescription Products: with Plavix®, an anti-platelet agent indicated for a number of atherothrombotic conditions; Lovenox®, a low molecular weight heparin for prophylaxis and treatment of venous thromboembolism and of acute coronary syndrome; Aprovel® and CoAprovel®, anti-hypertensives Renegel® and Renvela®, oral

phosphate binders for use in patients undergoing dialysis; Synvisc® and Synvisc-One®, viscosupplements used to reduce pain in patients suffering from osteoarthritis of certain joints. Stilnox®, for in the short-term treatment of insomnia, and Allegra®, a long-lasting (12- and 24-hour) non-sedating prescription anti-histamine for the treatment of seasonal allergic rhinitis (hay fever) and uncomplicated hives.

- Consumer Healthcare (CHC): CHC sales are supported by a wide range of products. On 1 January 2017, we acquired BI's CHC business in most markets except China;
- Generics: pharmaceuticals portfolio also includes a wide range of generics. In October 2016, Sanofi announced its intention to initiate a carve-out process in order to divest its European Generics business.

The Vaccines activity is operated through Sanofi Pasteur. Net sales from vaccines amounted to €4,577 million in 2016, with leading vaccines in five areas: pediatric vaccines, influenza vaccines, adult and adolescent booster vaccines, Meningitis vaccines, and travel and endemic vaccines. At the end of December 2016, Sanofi Pasteur and MSD ended their vaccines joint venture in Europe and integrated their respective European vaccines business into their own operations.

Sanofi obtained regulatory approval for one new product in 2016: Soliqua™ 100/33 in the US and Suliqua™ in the EU in January 2017.

Collaborations are essential to Sanofi's business and a certain number of its products, whether on the market or under development, are in-licensed products relying on third-party rights or technologies.

The contact address of the directors and senior management, as described under "Item 6. Directors, Senior Management and Employees" of the 2016 Annual Report on Form 20-F incorporated by reference herein, is the same as the registered office of the Issuer as found on page 126 of this Base Prospectus.

#### *Issue of U.S. commercial paper*

As at 31 December 2016, no U.S. commercial paper of Sanofi was outstanding. An aggregate amount of U.S. \$ 1.5 billion of U.S. commercial paper has been issued by Sanofi since 1 January 2017. The total aggregate amount of U.S. commercial paper outstanding as at 23 March 2017 was U.S. \$ 1 billion.

# PRO FORMA FINAL TERMS

Final Terms dated [●]

Sanofi

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

under the Euro 20,000,000,000

Euro Medium Term Note Programme

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 27 March 2017 [and the Supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (as defined in the Base Prospectus dated 27 March 2017) (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [However, a summary of the issue of the Notes is annexed to these Final Terms.]<sup>2</sup> [The Base Prospectus [and the Supplement[s] to the Base Prospectus] and the Final Terms are available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address] and will be available on the *Autorité des marchés financiers* (the "**AMF**") website ([www.amf-france.org](http://www.amf-france.org)).]

*[In case of an offer of Notes initiated under the Base Prospectus dated 27 March 2017 that shall be continued beyond the validity of this Base Prospectus, insert the following text: The validity of the Base Prospectus dated 27 March 2017, under which the Notes described in these Final Terms have been offered, ends on 27 March 2018. From this point in time, these Final Terms are to be read in conjunction with the most recent base prospectus of Sanofi for the issuance of Notes (including, for the avoidance of doubt, the Conditions contained in such most recent base prospectus) which follows such most recent base prospectus and any reference in these Final Terms to "Base Prospectus" shall be read as reference to that most recent base prospectus. Such most recent base prospectus of Sanofi for the issuance of Notes will be available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address] and will be available on the *Autorité des marchés financiers* (the "**AMF**") website ([www.amf-france.org](http://www.amf-france.org)).]*

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "[2012/2013/2014/2015/2016] **Conditions**") set forth in the base prospectus dated [3 May 2012/27 March 2013/27 March 2014/27 March 2015/24 March 2016]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (as defined in the Base Prospectus dated 27 March 2017) and must be read in conjunction with the Base Prospectus dated 27 March 2017 [and the Supplement[s] to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the [2012/2013/2014/2015/2016] Conditions which are extracted from the base prospectus dated [3 May 2012/27 March 2013/27 March 2014/27 March 2015/24 March 2016] and are incorporated by reference hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 27 March 2017 and the [2012/2013/2014/2015/2016] Conditions [and the Supplement[s] to the Base Prospectus dated [●] and [●]]. [A summary of the issue of the Notes is annexed to these Final Terms.]<sup>3</sup> [The Base Prospectus [and the Supplement[s] to the Base Prospectus] are available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address] and will be available on the *Autorité des marchés financiers* (the "**AMF**") website ([www.amf-france.org](http://www.amf-france.org)).]

1. (i) Series Number: [●]
- (ii) Tranche Number: [●]
- (iii) Date on which Notes become [Not Applicable/The Notes shall be consolidated, form a single series

<sup>2</sup> Applicable for retail issues only

<sup>3</sup> Applicable for retail issues only

- fungible: and be interchangeable for trading purposes with the [*identify earlier tranche*] on [●]/the Issue Date which is expected to occur on or about [●]]
2. Specified Currency or Currencies: [●]
  3. Aggregate Nominal Amount of Notes: [●]
    - (i) Series: [●]
    - [(ii) Tranche: [●]]
  4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]] (*in the case of fungible notes only, if applicable*)
  5. Specified Denomination(s): [●] (*one denomination only for Dematerialised Notes*)  
[●]
  6. (i) Issue Date: [●]
    - [(ii) Interest Commencement Date:] [[●]/Issue Date/Not Applicable]
  7. Maturity Date: [[●] *or* (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
  8. Interest Basis: [●] per cent. Fixed Rate]  
[[●] +/- [●] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified below)
  9. Change of Interest Basis: For the period from (and including) the Interest Commencement Date, up to (but excluding) [●] paragraph [13]/[14] applies and for the period from (and including) [●], up to (and including) the Maturity Date, paragraph [13]/[14] applies/ [Not Applicable].
  10. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Make-whole Redemption] [*will apply unless otherwise specified*]  
[Clean-up call option]  
[(further particulars specified below)]
  11. (i) Status of the Notes: [Unsubordinated Notes/Subordinated Notes]
    - (ii) Date of Board approval for issuance of Notes obtained: [●] [and [●], respectively]]
  12. Method of Distribution: [Syndicated/Non-Syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
13. **Fixed Rate Note Provisions** (Condition 5(a)) [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
    - (i) Rate[s] of Interest: [●] per cent. *per annum* [payable [annually/semi-annually/quarterly/monthly/other [●]] in arrear]

- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [insert Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"]<sup>4</sup>/ [not adjusted]
- (iii) Fixed Coupon Amount[s]: [•] per [•] in Nominal Amount<sup>5</sup>
- (iv) Broken Amount(s): [[•] per Specified Denomination, payable on the Interest Payment Date falling [in/on] [•]]/[Not Applicable]
- (v) Fixed Day Count Fraction: [30-360]/[Actual-Actual (ICMA)]/[Actual-360]
- (vi) Fixed Interest Dates: [•] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Only relevant where Fixed Day Count Fraction is Actual-Actual (ICMA)*)
- (vii) Party responsible for calculation of Interest Amounts (if not the Fiscal Agent)<sup>6</sup>: [[•]/Not Applicable]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
(Condition 5(b)) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): [•]
- (ii) Interest Payment Dates: [•]
- (iii) First Interest Payment Date: [•]
- (iv) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Additional Business Centre(s): [•]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [•]
- (viii) Screen Rate Determination:
- Reference Rate: [LIBOR/EURIBOR/[•]]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [•]
- (ix) FBF Determination
- Floating Rate: [•]

<sup>4</sup> Applicable for CNY Notes

<sup>5</sup> Not applicable for CNY Notes

<sup>6</sup> Applicable for CNY Notes

- Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
- (x) ISDA Determination:
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Relevant Financial Centre: [●]
  - Reset Date: [●]
- (xi) Margin(s): [+/-][ ] per cent. *per annum*
- (xii) Minimum Rate of Interest: [[Zero / [●]] per cent. *per annum*]
- (xiii) Maximum Rate of Interest: [[●] per cent. *per annum* / Not Applicable]
- (xiv) Day Count Fraction: [Actual/Actual] / [Actual/365 (FBF)] / [Actual/365 (Fixed)] / [Actual/Actual (FBF)] / [Actual/360 (adjusted/unadjusted)] / [30/360] / [360/360] / [Bond Basis] / [30E-360] / [Eurobond Basis] / [30E-360 (FBF)] / [30E-360 (ISDA)] / [Not Applicable]

**15. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Accrual Yield: [●] per cent. *per annum*
- (ii) Reference Price: [●]

**PROVISIONS RELATING TO REDEMPTION**

**16. Call Option** [Applicable/Not Applicable]  
 (Condition 7(c)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s) (Call): [●]
- (ii) Optional Redemption Amount(s) (Call) of each Note: [●] per Note of [●] specified denomination
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [●]
  - (b) Maximum Redemption Amount: [●]
- (iv) Notice period: [●]

**17. Put Option** [Applicable/Not Applicable]  
 (Condition 7(e)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] specified denomination



- (iii) Notice period: [•]
18. **Make-whole Redemption** [Applicable/Not Applicable]  
(Condition 7(f))  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount (if other than set out in Condition 7(f)): [[•]/Not Applicable]
- (ii) Make-whole Redemption Margin: [•]
- (iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual]
- (iv) Reference Security: [Not Applicable/give details]
- (vi) Reference Dealers: [Not Applicable/give details]
- (vii) Quotation Agent: [•] / [Not Applicable]
19. **Clean-up call option** [Applicable/Not Applicable]  
(Condition 7(d))
20. **Early Redemption Amount (for tax reasons)** (Early Redemption Amount(s) per Specified Denomination payable on redemption for tax reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions):  
(Condition 7(b) and 7(g))  
[Not Applicable] / [[100] / [•] per cent.]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: **[Dematerialised Notes/Materialised Notes]** (*Materialised Notes are only in bearer form*) (*Delete as appropriate*)
- (i) Form of Dematerialised Notes: [Not Applicable/Bearer dematerialised form (*au porteur*)]/[Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable / Applicable] (*if Applicable give name and details. Note that a Registration Agent must be appointed in relation to Registered Notes only.*)
- (iii) Temporary Global Certificate: Temporary Global Certificate exchangeable for Definitive Materialised Notes on [•] (the "**Exchange Date**"), being 40 calendar days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
22. Additional Financial Centre(s) or other special provisions relating to Payment Business Days: [Not Applicable]/[Applicable] (*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 13(ii) and 14(iv) relates*)
23. Talons for future Coupons to be attached to Definitive Notes (and dates on which such [Yes]/[No] (*Only applicable to Materialised Notes*)

Talons mature):

24. Redenomination, renominatisation and reconventioning provisions: [Not Applicable]/[The provisions [in Condition 16] apply]
25. Consolidation provisions: [Not Applicable/The provisions [in Condition 15] apply]
26. Representation of holders of Notes<sup>7</sup>/Masse: [Condition 13 applies]/[Condition 13 replaced by the full provisions of French Code of Commerce relating to the Masse] (*Note that in respect of any Tranche of Notes issued inside France, Condition 13 must be disapplied in its entirety and replaced by the provisions of French Code of Commerce relating to the Masse.*)
- [The Initial Representative shall be: [•]]
- [The Alternative Representative shall be: [•]]
- [The Representative will be entitled to a remuneration of [•] per year/The Representative will not be entitled to a remuneration]

## DISTRIBUTION

27. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/[•]]
- (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.*)
- (ii) Date of [Subscription] Agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/[•]] (*If applicable, give name*)
28. If non-syndicated, name and address of Dealer: [Not Applicable/[•]]
29. [Total commission and concession: [•] per cent. of the Aggregate Nominal Amount]
30. US Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
31. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [Name and address of Authorised Offeror]] other than pursuant to Article 3(2) of the Prospectus Directive in (*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*) ("**Public Offer Jurisdictions**") during the period from [•] until [•] ("**Offer Period**"). [*Any additional conditions to the consent of the Issuer to such offer to be specified*].

Signed on behalf of the Issuer:

By: .....  
Duly authorised

<sup>7</sup> The provisions of the French Code de Commerce relating to the Masse of holders of Notes are applicable in full to French domestic issues of Notes. Pursuant to Article L.228-90 of the French Code de Commerce, the Masse provisions contained in the French Code de Commerce are NOT mandatory for international issues (*emprunts émis à l'étranger*); accordingly for international issues the Masse provisions contained in the French Code de Commerce may be varied along the lines of the provisions of Condition 13.

## PART B – OTHER INFORMATION

### 1. ADMISSION TO TRADING AND LISTING

- (i) Admission to trading and listing: [Application has been made by the Issuer (or on its behalf) for the Notes to be [listed and] admitted to trading on [Euronext Paris] / [specify relevant regulated market] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be [listed and] admitted to trading on [●]] with effect from [●].] [Not Applicable.]

The Issuer has securities of the same class listed on [●]. (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)

- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: The Notes to be issued [have been / are expected to be] rated:

[S&P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[[Insert the full name of the credit rating agency/ies] [is/are] established in the European Union and [has/have] applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**"), as amended, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]<sup>8</sup>

[[Insert the full name of the credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), as amended. As such, [insert credit rating agency/ies] [is/are] included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.]

[[Insert the full name of the credit rating agency/ies] [is/are] not established in the European Union but will be endorsed by a credit rating agency which is established in the European Union and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), as amended.]

[[Insert the full name of the credit rating agency/ies] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), as amended, but which is certified under the CRA

<sup>8</sup> It is important for the Issuer to liaise with the relevant credit rating agencies to determine (i) the specific legal entity which will issue the credit ratings and (ii) the status of any application which has been made to the relevant competent authority by that entity. It is recommended that these enquiries are made at an early stage to allow sufficient time for the information to be obtained.

Regulation.]

*(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

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

"Save as discussed in [●], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." [Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

**4. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: [General financing purposes of the Issuer and its consolidated subsidiaries.]/ [●]

*(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

[[ (ii) Estimated net proceeds: [●].

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[[ (iii) Estimated total expenses: [●].

**5. [Fixed Rate Notes only – YIELD**

[●].

Indication of yield:

**6. [Floating Rate Notes only - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

**8. [TERMS AND CONDITIONS OF THE OFFER**

(i) Conditions, offer statistics, expected timetable and action required to apply for the offer: [●]

(ii) Conditions to which the offer is subject: [●]

(iii) Total amount of the Issue: [●]

(iii) Description of the application process (including the time period during which the offer will be open and any possible

amendments):

- (iv) Details of the minimum and/or maximum amount of application<sup>9</sup>: [•]
  - (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [•]
  - (vi) Details of method and time limits for paying up and delivering securities: [•]
  - (vii) Manner in and date in which results of the offer are to be made public: [•]
  - (viii) Procedure for exercise of right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [•]
  - (ix) Tranche(s) reserved for certain countries<sup>10</sup>: [•]
  - (x) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [•]
  - (xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [•]
  - (xii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [•]
- 9. [PLACING AND UNDERWRITING<sup>11</sup> [•]**
- (i) Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: [•]
  - (ii) Name and address of any paying agents and depository agents in each country (in addition to the [•]

<sup>9</sup> Whether in number of securities or aggregate amount to invest.

<sup>10</sup> If the offer is being made simultaneously in the markets of two or more countries and if a Tranche has been or is being reserved for certain of these, indicate any such Tranche.

<sup>11</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

Principal Paying Agent):

- (iii) Names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:<sup>12</sup> [•]
- (iv) When the underwriting agreement has been or will be reached: [•]

#### 10. OPERATIONAL INFORMATION

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) Depositories:
  - (a) Euroclear France to act as Central Depository: [Yes/No] (Address)
  - (b) Common Depository for Euroclear Bank and Clearstream Banking, société anonyme: [Yes/No](Address)
- (iv) Any clearing system(s) other than Euroclear France, Euroclear Bank SA/NV and Clearstream Banking société anonyme and the relevant identification number(s): [Not Applicable/[•]] (If applicable, give name(s) and number(s) [and address(es)])
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of initial Paying Agents: BNP Paribas Securities Services  
(affiliated with Euroclear France under number 29106)  
9, rue Débarcadère  
93761 Pantin cedex  
France
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]

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<sup>12</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

## TAXATION

The following is an overview limited to certain tax considerations in France and the PRC relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This overview is based on the laws in force in France and the PRC as of the date of this Base Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes and should not apply information set out below to other areas including (but not limited to) the legality of transactions involving the Notes.

### French Tax Considerations

1. Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under Notes issued by the Issuer are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent., subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* (BOI-INT-DG-20-50-20140211, n° 550 and n° 990, BOI-RPPM-RCM-30-10-20-40-20140211, n° 70 and n° 80 and BOI-IR-DOMIC-10-20-20-60-20150320, n° 10, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a state other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided that* such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators *provided that* such depository or operator is not located in a Non-Cooperative State.

In addition, they will not be subject to either the Deductibility Exclusion or the withholding tax set out under Article 119 bis 2 of the French *Code général des impôts* solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

2. Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125A of the French *Code général des impôts* and subject to certain exceptions, interest and other similar revenues received by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

#### **PRC Taxation**

The holders of CNY Notes who are not resident in the PRC for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their CNY Notes or any repayment of principal and payment of interest made thereon.



## SUBSCRIPTION AND SALE

The Dealers have in an amended and restated dealer agreement (the "**Dealer Agreement**") dated 27 March 2017, agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe or procure subscribers for Notes. Any such agreement will extend to those matters stated under "Terms and Conditions of the Notes" above. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the maintenance of the Programme and the issue of Notes under the Programme.

### United States of America

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that Materialised Notes having a maturity of more than one year are subject to U.S. tax requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Notes, deliver Notes, of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 calendar days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager (as specified in the relevant Subscription Agreement), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

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

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

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive (as defined below) is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) **Approved Prospectus:** if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another

Relevant Member State and notified to the competent authority in that Relevant Member State, *provided that* any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) **Qualified investors:** at any time to any individual or legal entity being a qualified investor as defined in the Prospectus Directive;
- (c) **Fewer than 150 offerees:** at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided that* no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in the Relevant Member State.

#### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

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

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

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

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

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under

circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## France

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

- (a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France on or after the date of the publication of the Base Prospectus relating to those Notes and, if any, the Drawdown Prospectus relating to those Notes, approved by the AMF, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, implementing the EU Prospectus Directive 2003/71/EC, as amended, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

- (b) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms, the Drawdown Prospectus, as the case may be, or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## Selling Restrictions Addressing Additional Netherlands Securities Laws

For selling restrictions in respect of The Netherlands, see "Public Offer Selling Restriction under the Prospectus Directive" above and in addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) *Specific Dutch selling restriction for exempt offers*: it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms or Drawdown Prospectus in relation thereto, to the public in The Netherlands and in reliance on Article 3(2) of the Prospectus Directive, unless:
- (i) such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or
  - (ii) standard logo and exemption wording are incorporated in the Final Terms or Drawdown Prospectus, as required by article 5:20(5) of the FSA; or
  - (iii) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable,

**provided that** no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "**offer of Notes to the public**" in relation to any Notes in The Netherlands; and (ii) "**Prospectus Directive**", have the meaning given to them above in the paragraph headed with "Public Offer Selling Restriction Under the Prospectus Directive".

- (b) *Compliance with Dutch Savings Certificates Act*: Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext (Amsterdam) admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V., in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required:

(a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche of Notes are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Decree No. 58") and defined in Article 34-*ter*, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("Regulation No. 11971") or
- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**" as amended), as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

### ***Provisions relating to the secondary market in the Republic of Italy***

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-*bis* of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain

circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

### **Hong Kong**

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

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

### **People's Republic of China**

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

### **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
  - (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- (x) securities (as defined in Section 239(1) of the SFA) of that corporation or (y) beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) where the transfer of such securities or such beneficiaries' rights and interests in a trust is (A) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or (B) to any person and the transfer arises from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2005 of Singapore.

### **General**

Other than with respect to the listing of the Notes on such stock exchange as may be specified in the Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the relevant Dealer or, as the case may be, the Dealers. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document. The relevant Dealers will be required to comply with such selling restrictions as so supplemented and/or modified.

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Materialised Notes may only be issued outside France.

## GENERAL INFORMATION

### 1. Authorisation

The issue of Notes under the Programme constituting *obligations* under French law requires a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer and a decision of the *Directeur Général* (Chief Executive Officer), the dates of which will be specified in the Final Terms.

A resolution was passed by the *Conseil d'administration* (Board of Directors) of the Issuer on 7 February 2017 whereby the Board of Directors authorised for a duration of one year from 7 February 2017, the issue of Notes up to an aggregate amount of €7,000,000,000.

### 2. Listing and admission to trading of Notes

Application has been made to Euronext Paris for Notes issued under this Base Prospectus to be admitted to trading.

However, Notes may be issued pursuant to the Programme which will not be admitted to trading on Euronext Paris or any other stock exchange or which will be listed or admitted to trading on such stock exchange as the Issuer and the relevant Dealer may agree.

### 3. Dealers transacting with the Issuer

Certain of the Dealers and their affiliates (including their parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, and their affiliates in the ordinary course of business.

### 4. Documents Available

So long as any Notes are capable of being issued under the Programme and/or remain outstanding, copies of the following documents will, when published, be available from the registered office of the Issuer, and the office of the Fiscal Agent:

- (i) the constitutional documents (together with an English translation) of the Issuer;
- (ii) the 2016 Annual Report on Form 20-F;
- (iii) the Agency Agreement;
- (iv) a copy of this Base Prospectus; and
- (v) any future prospectuses (including Final Terms (save those Final Terms relating to an unlisted Note will only be available for inspection by a Holder of such Note and such Holder must produce evidence satisfactory to the Fiscal Agent as to the identity of such Holder)) and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

This Base Prospectus and any supplement to the Base Prospectus will be made available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

### 5. Clearing Systems

Application may be made for the Notes to be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent. The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Final Terms.

**6. Trend Information and No Significant Change**

There has been no material adverse change in the prospects of the Issuer since 31 December 2016, nor has there been any significant change in the financial or trading position of the Issuer or of the Group since 31 December 2016.

**7. Litigation and Arbitration Proceedings**

Save as disclosed under the heading "Information on Legal or Arbitration Proceedings" on pages 181 to 184 and pages F-85 to F-92 of the 2016 Annual Report on Form 20-F incorporated by reference herein, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and /or the Group.

**8. Administrative, Management and Supervisory Bodies' Conflicts of Interest**

Sanofi's corporate governance structure is disclosed at "Item 6. Directors, Senior Management and Employees" on pages 132 to 178 of the 2016 Annual Report on Form 20-F incorporated by reference herein, there has been no change to such corporate governance structure as of the date of this Base Prospectus. The Issuer believes that there are currently no potential conflicts of interest between the duties of the directors and chief corporate officers to the Issuer, their private interests or other duties.

**9. Statutory Auditors**

Ernst & Young et Autres of Tour First, 1-2 place des Saisons, 92400 Courbevoie, Paris La Défense and PricewaterhouseCoopers Audit of 63, rue de Villiers, 92200 Neuilly-sur-Seine have audited the Issuer's consolidated financial statements as of and for the years ended 31 December 2016, 2015 and 2014. The Issuer's consolidated financial statements are in conformity with International Financial Reporting Standards as adopted by the European Union. Ernst & Young et Autres and PricewaterhouseCoopers Audit are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, and carry out their duties in accordance with French audit standards and with the standards of the Public Company Accounting Oversight Board (United States).

**10. Yield**

The yield in respect of the Notes is calculated on the basis of the issue price of the Notes and the rate of interest applicable to the Notes and will be specified in the relevant Final Terms. It is not an indication of future yield.

**11. Interests of Natural and Legal Person involved in the Issue/Offer**

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



## PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

### In the name of the Issuer

To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Sanofi  
54, rue La Boétie  
75008 Paris  
France

Duly represented by Olivier Klaric, Senior Vice President Financing and Treasury

Signed in Paris  
Dated 27 March 2017



In accordance with Articles L.412-1 and L.621-8 of the *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (AMF), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus its visa n°17-106 on 27 March 2017. This Base Prospectus was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and that the information contained within it is coherent". It does not imply the approval by the AMF that any transaction completed hereunder is or would be advisable nor that the AMF has verified the accounting and financial data set out herein. In accordance with Article 212-32 of the AMF's General Regulations (*Règlement Général*), any issuance or admission to trading of notes on the basis of the Base Prospectus shall be subject to the publication of final terms setting out the terms of the securities being issued.

**SANOFI**  
**REGISTERED AND HEAD OFFICE**

54, rue La Boétie  
75008 Paris  
France

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

**BNP Paribas Securities Services**  
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France

**DEALERS**

**BANCO SANTANDER, S.A.**

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**CITIGROUP GLOBAL MARKETS LIMITED**

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**MERRILL LYNCH INTERNATIONAL**

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**MORGAN STANLEY & CO.**

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United Kingdom

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AS NATWEST MARKETS)**

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United Kingdom

**UNICREDIT BANK AG**

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Germany

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*To the Issuer as to French Law*

**Internal Counsel to the Issuer**

Claire Terrazas  
Vice-President, Corporate Legal Affairs

*To the Dealers as to French law*

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**AUDITORS**

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**Ernst & Young et Autres**

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