

**RICHEMONT**

**RICHEMONT INTERNATIONAL HOLDING S.A.**

*(incorporated as a company with limited liability in Luxembourg)*

**EUR 1,500,000,000 1.000 per cent. Guaranteed Notes due 2026**  
**Issue Price: 98.784 per cent.**  
**and**

**EUR 1,250,000,000 1.500 per cent. Guaranteed Notes due 2030**  
**Issue Price: 98.701 per cent.**  
**and**

**EUR 1,250,000,000 2.000 per cent. Guaranteed Notes due 2038**  
**Tranche 1 Issue Price: 97.805 per cent.**  
**Tranche 2 Issue Price: 98.557 per cent.**

**unconditionally and irrevocably guaranteed by**  
**COMPAGNIE FINANCIÈRE RICHEMONT SA**  
*(incorporated as a company with limited liability in Switzerland)*

The EUR 1,500,000,000 1.000 per cent. Guaranteed Notes due 2026 (the **2026 Notes**), the EUR 1,250,000,000 1.500 per cent. Guaranteed Notes due 2030 (the **2030 Notes**), the EUR 1,000,000,000 2.000 per cent. Guaranteed Notes due 2038 (the **2038 Notes Tranche 1**) and the EUR 250,000,000 2.000 per cent. Guaranteed Notes due 2038 to be consolidated with and form a single series with the 2038 Notes Tranche 1 on the Issue Date (the **2038 Notes Tranche 2** and, together with the 2038 Notes Tranche 1, the **2038 Notes**) (the 2026 Notes, the 2030 Notes and the 2038 Notes together, the **Notes**) are issued by Richemont International Holding S.A. (the **Issuer**).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Compagnie Financière Richemont SA (the **Guarantor**).

References herein to the **Conditions** shall be construed as references to the Terms and Conditions of the 2026 Notes and/or the Terms and Conditions of the 2030 Notes and/or the Terms and Conditions of the 2038 Notes, as the context admits, and references to a numbered “**Condition**” shall be construed accordingly.

Prospective investors should have regard to the factors described in the section headed “*Risk Factors*” herein.

THE ISSUER MAY, AT ITS OPTION, REDEEM ALL (BUT NOT SOME ONLY) OF THE 2026 NOTES AND/OR THE 2030 NOTES AT 100.5 PER CENT. OF THEIR PRINCIPAL AMOUNT TOGETHER WITH ACCRUED INTEREST TO (BUT EXCLUDING) THE DATE OF REDEMPTION IN THE EVENT THAT THE ACQUISITION, AS DESCRIBED IN “RECENT DEVELOPMENTS” BELOW, IS NOT COMPLETED AS DESCRIBED UNDER “*CONDITIONS OF THE NOTES—REDEMPTION AND PURCHASE—ACQUISITION CALL OPTION*”. IN ADDITION, THE ISSUER MAY, AT ITS OPTION, REDEEM ALL (BUT NOT SOME ONLY) OF THE NOTES AT ANY TIME (I) AT THEIR PRINCIPAL AMOUNT PLUS ACCRUED INTEREST, IN THE EVENT OF CERTAIN TAX CHANGES AS DESCRIBED UNDER “*CONDITIONS OF THE NOTES—REDEMPTION AND PURCHASE—REDEMPTION FOR TAXATION REASONS*”; AND (II) AT THE RELEVANT EARLY REDEMPTION AMOUNT (AS DEFINED AND DESCRIBED FURTHER UNDER “*CONDITIONS OF THE NOTES—REDEMPTION AND PURCHASE—REDEMPTION AT THE OPTION OF THE ISSUER*”); UNLESS PREVIOUSLY REDEEMED OR PURCHASED AND CANCELLED, THE ISSUER WILL REDEEM THE 2026 NOTES ON 26 MARCH 2026, THE 2030 NOTES ON 26 MARCH 2030 AND THE 2038 NOTES ON 26 MARCH 2038.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Law dated 10 July 2005 on prospectuses for securities, as amended, (the **Prospectus Law 2005**) to approve this document as a prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Law 2005. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Prospectus to the Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (**Directive 2014/65/EU**).

**The Notes have not been and will not 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. The Notes are being offered and sold outside the United States in accordance with Regulation S under the Securities Act (Regulation S), and may not be offered and sold or delivered within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.**

**PRIIPs Regulation / Prohibition of sales to EEA retail investors** – The Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, **the PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Guarantor has been assigned a long-term issuer credit rating of A+ (stable) by Standard & Poor's Credit Market Services Europe Limited (**Standard & Poor's**). The Notes are expected to be rated A+ by Standard & Poor's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Standard & Poor's is established in the European Union (EU) and is registered under Regulation (EC) No 1060/2009 as amended (the **CRA Regulation**) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority.

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 26 March 2018 (the **Closing Date**) with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 5 May 2018 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See "*Summary of Provisions relating to the Notes while represented by the Global Notes*".

### ***Sole Bookrunner***

**Goldman Sachs International**

### ***Co-Managers***

**Barclays**

**BNP PARIBAS**

**HSBC**

**ING**

## **IMPORTANT INFORMATION**

**This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive. When used in this Prospectus, “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.**

**The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**The Issuer and the Guarantor, having made all reasonable enquiries, confirms that this Prospectus contains all material information with respect to the Issuer, the Guarantor and the Notes (including all information which, according to the particular nature of the Issuer, the Guarantor and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes), that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading.**

**No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Bookrunner or the Co-Managers (together, the “Managers”) as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer and/or the Guarantor. Save for the Issuer and the Guarantor, no other party has verified the information contained herein.**

**No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or the Managers.**

**Neither this Prospectus nor any other information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Guarantor or the Managers that any recipient of this Prospectus or any other information supplied in connection with the 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 and/or the Guarantor. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or the Managers to any person to subscribe for or to purchase any Notes.**

**Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly does not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes. Investors should**

review, *inter alia*, the most recent financial statements, if any, of the Issuer and the Guarantor when deciding whether or not to purchase any Notes.

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF THE NOTES GENERALLY**

The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Managers do not represent that this Prospectus may be lawfully distributed, or that the 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 the Issuer, the Guarantor or the Managers which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus 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 Managers has represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Notes in the United States, the United Kingdom, the EEA and Switzerland (see “*Subscription and Sale*” below).

## **PRESENTATION OF INFORMATION**

References in this document to “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## **STABILISATION**

In connection with the issue of the Notes, Goldman Sachs International (the “Stabilisation Manager”) (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and regulations.

## **SUITABILITY OF INVESTMENT**

The Notes are complex financial instruments and may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Prospective investors should consult their tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## PRESENTATION OF FINANCIAL INFORMATION

### Historical financial information

The audited consolidated financial statements of the Guarantor as of and for the years ended 31 March 2017 and 2016, incorporated by reference into this Prospectus, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The unaudited condensed consolidated interim financial statements of the Guarantor as of 30 September 2017 and for the six-month period ended 30 September 2017, incorporated by reference into this Prospectus, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. The audited non-consolidated financial statements of the Guarantor as of and for the years ended 31 March 2017 and 2016, incorporated by reference into this Prospectus, have been prepared in accordance with Swiss law and the Guarantor’s articles of incorporation.

The audited annual accounts of the Issuer as of and for the years ended 31 March 2017 and 2016, incorporated by reference into this Prospectus have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts (“Lux GAAP”).

### Alternative Performance Measures

In addition to the financial performance measures established by IFRS, this Prospectus contains certain financial measures that are presented for the purpose of assisting securities analysts, investors and other interested parties in understanding the Group’s financial performance. The relevant metrics are identified as alternative performance measures for the purposes of the “Guidelines on Alternative Performance Measures” issued by the European Securities and Markets Authority. The Group presents the following alternative performance measures in this Prospectus:

- **EBITDA:** the Group defines EBITDA as operating profit *plus* the sum of depreciation and amortisation charges.

- **EBITDA margin:** the Group defines EBITDA margin as EBITDA over sales.
- **Capital expenditure (“Capex”):** the Group defines capex as the sum of acquisition of property, plant and equipment, proceeds from disposal of property, plant and equipment, acquisition of intangible assets, proceeds from disposal of intangible assets, acquisition of other non-current assets and proceeds from disposal of other non-current assets. Note that this excludes capital expenditure on investment properties.
- **Cash conversion:** the Group defines cash conversion as EBITDA *minus* capex over EBITDA.
- **Net cash:** the Group defines net cash as the sum of current financial assets held at fair value through profit or loss, cash at bank and on hand, non-current borrowings, current borrowings and bank overdrafts.
- **Net cash / EBITDA:** the Group defines net cash / EBITDA as net cash over EBITDA.
- **Net operating expenses:** the Group defines net operating expenses as the sum of selling and distribution expenses, communication expenses, administrative expenses, other operating expense/(income) and loss/(gain) on disposal of investment property.
- **Free cash flow:** the Group defines free cash flow as the sum of operating profit, operating profit/(loss) from discontinued operations, depreciation, amortisation and other non-cash items, change in net working capital, other operating activities, taxation paid and capex plus acquisition and disposal of investment properties.
- **Change in net working capital:** the Group defines change in net working capital as the sum of decrease/(increase) in inventories, decrease/(increase) in trade receivables, decrease/(increase) in other receivables and prepayments, increase/(decrease) in current liabilities, increase/(decrease) in long term liabilities, and increase/(decrease) in derivative financial instruments.

For a reconciliation of these alternative performance measures, see the tables under the heading “*Alternative Performance Measures*” in the section entitled “*Description of the Guarantor and the Group*”.

Investors should review such alternative performance measures in conjunction with the Guarantor’s consolidated financial statements incorporated into this Prospectus by reference and note the matters referred to below with respect to the reliability, comprehensibility and comparability of alternative performance measures.

The Group presents alternative performance measures as additional information to financial measures presented in the consolidated financial statements prepared in accordance with IFRS. The Group presents alternative performance measures because it believes that these and similar measures better reflect, for prospective investors in the Notes, the operational business performance and facilitate comparisons between financial periods.

Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures that should not be considered in isolation or as a substitute to the IFRS measures. Alternative performance measures may differ from company to company and therefore may not be comparable to other similarly titled measures of other companies. Furthermore, alternative performance measures may not be indicative of the Group’s historical results of operations and are not meant to be predictive of potential future results. The alternative performance measures presented in this Prospectus are unaudited. Accordingly, undue reliance should not be placed on the alternative performance measures presented in this Prospectus.

**Non-financial information operating data**

The non-financial operating data included in this Prospectus has been extracted without material adjustment from the management records of the Guarantor and is unaudited.

**Market, economic and industry data**

Certain information in this Prospectus has been sourced from third parties. The Issuer confirms that all third party information contained in this Prospectus has been accurately reproduced and, so far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third party information has been used in this Prospectus, the source of such information has been identified.



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## **Risk Factors**

*In purchasing Notes, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer or the Guarantor becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer or the Guarantor may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Guarantor's ability to fulfil its obligations under the Guarantee**

#### **Strategic and operational risks**

##### *Group's image and reputation*

The Guarantor and its subsidiaries (together, the “**Group**”) own several of the world's leading companies in the field of luxury goods, with particular strengths in jewellery, luxury watches and premium accessories. The Group's luxury interests encompass prestigious brands such as Cartier, Van Cleef & Arpels, Piaget, Vacheron Constantin, Jaeger-LeCoultre, IWC Schaffhausen, Officine Panerai and Montblanc. The reputation of these brands relies on the product design, distinct character, quality and exclusiveness of their products, their distribution networks, the image of stores, public relations, as well as the promotional and marketing strategies applied. Products or marketing strategies not in line with brand image objectives, brand ambassadors, distributors or suppliers failing to maintain the same standards of quality and exclusivity as the Group does, as well as negative publicity circulating in the media might damage the reputation and integrity of the Group's brands and as a result adversely affect sales.

The Group sells a portion of its products to third party distributors, which are thus responsible for sales to end customers. The reputation of the Group's products thus rests in part on compliance by all distributors with the Group's requirements in terms of their approach to brand image, including the handling and presentation of products, marketing and communications policies.

##### *Protecting the Group's brands*

As the Group's brands enjoy worldwide consumer recognition, the brands, expertise and production methods are subject to counterfeiting, such as unauthorised imitation or replication of designs, trademarks or labelling by third parties from time to time. Its products may be distributed in parallel retail networks, including online sales networks, without the Group's consent. Accordingly, the Group devotes substantial resources to protecting the integrity of its brands through registrations/renewals of designs and trademarks, defence of its existing registrations and other legal protection in the jurisdictions in which it operates.

A significant presence of counterfeit products and parallel distribution in the market has an immediate adverse effect on revenue and profit. Activities in these illegitimate channels may negatively affect the value

and image of the Group's brands over time, result in loss of consumer confidence, and, consequently, adversely affect its sales.

#### *Contractual constraints*

As part of operating its business, the Group enters into multi-year agreements with its partners and some of its suppliers, such as lease, distribution and procurement agreements. In case of early termination of any of these agreements, although compensation is usually provided for under the respective agreements, this would represent an expense without any immediate offsetting income item.

#### *Changes in Group customers' behaviour and preferences*

Identifying new fashion trends, shifts in consumer behaviour and consumer preferences is key for the Group's brands to offer tailored products and experiences that meet the target customers' expectations, which cannot be predicted and are subject to increasingly rapid change. Failing to identify these drivers of consumer demand would threaten the continued success of the brands' products. By cultivating strong ties and consumer loyalty, inspiring trends and stimulating consumers, the Group's various brands continuously aim to better anticipate and respond to their customers' changing needs, in line with each brand's specific identity.

#### *International exposure of the Group*

The Group has an international footprint and as a result is exposed to a number of risks and uncertainties, which include changes in customer purchasing power, regional economic volatility, provisions of corporate or tax law, customs regulations or import restrictions imposed by some countries, which may restrict trade in the brands' products.

In addition, customers who are travelling abroad generate a substantial share of luxury sales. A significant proportion of the Group's sales is therefore directly linked to fluctuations in travel volumes. Events likely to shift travel patterns and reduce the number of tourists (geopolitical instability and insecurity, riots, weakening of the economic environment, financial crises, natural catastrophes, etc.) might have an adverse impact on the Group's sales.

Demand for the Group's products is influenced by a number of factors including macro-economic conditions, availability of consumer credit, taxation and consumer confidence. A significant downturn in macro-economic conditions, or a material reduction in consumers' disposable incomes, in a region in which the Group operates, could have an adverse effect on the Group's sales.

#### *Competition in the Group's markets*

The Group faces strong competition in the luxury consumer goods sector in which it operates. Each of its brands competes with numerous other designers, brands and manufacturers on a global basis. The Group's business encompasses some of the most prestigious names in the sector and is committed to preserving each brand's equity and heritage. However, if the Group is not able to compete successfully against existing or future competitors, new products or services, its market share may fall and it may suffer declines in the volume of its sales or the prices at which it is able to sell its products. Any of these factors could cause a decline in the Group's sales and operating results.

#### *Failure to retain key personnel*

The performance of the Group depends significantly on the efforts and abilities of some key personnel. Failure to address the risk of losing key personnel (including as a result of intense competition over talented

designers and business leaders in all product categories and markets in which the Group operates) could disrupt the Group's business and have an adverse effect on operating results of the Group.

#### *Rise of online retailing and marketing*

The Group is exposed to a number of risks should it fail to implement an effective digital strategy. Over recent years, the Group has experienced a shift in consumer behaviour, with clients having higher expectations of interactivity with the Group's Maisons, not only through physical boutiques, but online. The Group's objective is to provide as seamless an experience as possible to its clients globally, whether they shop online, over the telephone, or in boutique, including in respect of after-sales services, and it intends to allocate resources towards digital marketing and online sales platforms (amongst other solutions) to develop and implement this omni-channel approach. However, should the Group be less successful than its competitors in implementing its digital strategy, it may be exposed to materially adverse effects in the form of decline in sales and erosion of brand image.

#### *Information technology and data security*

Failure of information systems, as a result of a malfunction or malicious intent, poses a risk to the Group's business, which may lead to loss or corruption of sensitive data, including information relating to products, suppliers, customers or financial data. Such an event may also suspend the operation of some information systems, impeding the proper functioning of the business processes affected.

### **Legal and regulatory risks**

#### *Regulatory compliance*

Compliance with foreign laws and regulations that apply to the Group's international business increases the costs of its operations. Such costs may rise in the future as a result of changes in these laws and regulations or in their enforcement. While the Group maintains and implements policies and procedures to facilitate regulatory compliance, there is a risk that the Group's employees, contractors or agents will breach such laws and regulations or the Group's policies. Any such compliance breaches could have a material adverse effect on the Group's financial condition. In addition, the Group may become subject to audits, reviews and investigations of its regulatory compliance.

### **Other business risks**

#### *Consumer safety*

In the European Union and all other countries in which the Group operates, as it manufactures and sells consumer products, the Group's businesses and operations are subject to laws and regulations on general consumer protection and product safety. Some of the Group's products are subject to specific regulations, which apply to production and manufacturing conditions, as well as to sales, consumer safety, product labelling, import and export.

#### *Supply sources and strategic competencies*

The attractiveness and prestige of the Group's products relies on its ability to ensure adequate supplies of certain raw materials, which must meet the Group's rigorous quality standards.

The Group seeks to influence the behaviour of its suppliers that are outside of its direct control by maintaining a Supplier Code of Conduct and collaborating with jewellery and watchmaking peers via the Responsible Jewellery Council.

In addition, the quality and longevity of the Group's goods rely on highly specific skills and expertise. Training is therefore a key component of the Group's strategy and to preserve the skills of master craftsmen within the Group it maintains an apprenticeship and trainee programme. A failure to retain the highly specific skills and expertise within the Group could result in a reduction in the quality and longevity of the Group's goods and an adverse impact of the Group's sales.

#### *Risks related to a Wholesale model*

The Group's brands may be exposed to changes in the structure of the wholesale market in which they operate, as fewer but larger multi-site retailers replace smaller and/or mono-site independently-owned retailers. Although the share of Group wholesale sales has been gradually reducing, ensuring continued positive commercial relationships with these partners remains important to the future success of the Group. Risks in this regard stem from a partial loss of control by the Group to retailers who may market products in a manner which is insensitive to brand image. This may include marketing or promotion activities which may lead to disruption in brand integrity. The Group attempts to manage these risks by negotiating minimum inventory requirements, minimum order quantities as well as online selling conditions with its authorised retailers. The Group has in the past executed ordinary course and exceptional inventory buy-backs and may from time to time rebalance wholesale inventories through such buy-backs and reallocations to other markets. However, this does not prevent some online and/or offline retailers, who do not have authorised dealer agreements with the Group's brands, purchasing from other retailers and selling directly to consumers without limitation, presenting a threat to brand integrity.

#### *Industrial, environmental and climate risks*

In the context of its manufacturing, warehousing and distribution facilities, the Group is exposed to operational risks relating to the occurrence of losses as a result of fires, water damage, strikes, or natural catastrophes. Any resulting interruption of activity in manufacturing, warehousing or distribution facilities may disrupt the operation of the Group's businesses, lead to customers cancelling orders or refusing to accept deliveries or a reduction in sales. This may adversely affect the Group's financial position and operating results.

Exposures relating to property, business interruption, transit and liability risks are partly transferred to the insurance market through the purchase of insurance policies.

### **Financial risks**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk); credit risk; and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department under policies approved by the Board (as defined in the section entitled "*Description of the Guarantor and the Group*"). Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board has approved formal written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

**Market risk: foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc, US dollar, HK dollar, British pound, Chinese yuan, Japanese yen, UAE dirham, Singapore dollar, Taiwan dollar and Korean Won. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. This arises principally from the retranslation impact of euro and US dollar-denominated investments in money market and managed bond funds held in an entity with a Swiss franc functional currency. Changes in foreign exchange rates also impact the repricing of derivative contracts.

The Group's financial risk management policy is to hedge up to 70% of forecast net cash flow exposure arising in currencies including US dollars, HK dollars, British pounds, Chinese yuan, Japanese yen, UAE dirham, Singapore dollar, Taiwan dollar and Korean won for the subsequent twelve months. Group Treasury undertakes the management of the net position in each foreign currency by using external currency derivatives.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from these net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

**Market risk: price risk**

The Group is exposed to commodity price risk, marketable securities' price risk and other price risk.

*Commodity price risk*

The Group is exposed to price risk related to anticipated purchases of certain commodities, namely precious metals and stones for use in its manufacturing processes. There is no financial risk as the commodities are for use as raw materials by the Group's businesses. A change in those prices may alter the gross margin of specific businesses.

*Marketable securities' price risk*

The Group is exposed to marketable securities' price risk in respect of investments in euro- and US dollar-denominated money market and externally managed funds with a minimum credit rating of AA. These are classified in the consolidated statement of financial position as financial assets and liabilities held at fair value through profit or loss.

The price risk associated with the investments in AAA rated money market and government bond funds held by the Group at 31 March 2017 and 31 March 2016 is considered to be minimal, due to the high credit quality of the underlying investments.

**Market risk: interest rate risk***Fair value interest rate risk*

The Group is exposed to fair value interest rate risk linked to its fixed-rate loan. The risk is considered to be the difference between current levels of interest rates and the committed rates.

The Group records its fixed rate borrowings at amortised cost using the effective interest method. The Group does not designate any interest rate swaps as hedging instruments for fair value hedge accounting. The Group uses forward-starting interest rate swaps to help manage its fair value interest rate risk exposure.

The Group is also exposed to the impact of changes in interest rates on its investments in externally managed funds, which are made up of listed bonds.

#### *Cash flow interest rate risk*

The Group is also exposed to future cash flow fluctuation risk due to changes in variable market interest rates.

#### **Credit risk**

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. A short-term credit rating of minimum A1/P1 is applied to cash deposits with financial counterparties. A minimum money market fund rating of AAA is applied to euro-denominated money market funds. A weighted average rating of AA is applied to euro and US dollar- denominated externally managed funds.

#### **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate level of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Local liquidity is ensured by maintaining local bank credit facilities and by funding the excess funding requirements using the Group overlay cash pool.

#### **Factors which are material for the purpose of assessing the market risks associated with the Notes**

##### **Risks related to the Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

*The Conditions contain provisions which may permit their modification without the consent of all investors*

The Conditions 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.

*Investors who purchase Notes in denominations that are not an integral multiple in excess of €100,000 may be adversely affected if definitive Notes are subsequently required to be issued*

The Notes have denominations consisting of a minimum of €100,000 and integral multiples of €1,000 in excess thereof up to and including denominations of €199,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a Holder who, as a result of trading such amounts, holds an amount which is less than €100,000 in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be

printed) and would need to purchase a principal amount of Notes such that its holding amounts to the €100,000 (as applicable).

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

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

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

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes*

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

*The value of the Notes depends on a number of economic, financial and political factors*

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

*If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (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.

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

*Credit ratings may not reflect all risks*

The Issuer's and Guarantor's credit ratings are an assessment by the relevant rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in its credit ratings will generally affect the market value of the Notes. The Notes are expected to be rated A+ by Standard & Poor's. One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the



potential impact of all risks related to the structure and marketing of the Notes and additional factors discussed in this Prospectus or any 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, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

*Laws and practices applicable to the Notes may change*

The Notes are issued under the laws of England in force on the issue date. Any new statutes, ordinances and regulations, amendments to the legislation or changes in application of the law (including any amendments to or changes in application of tax laws or regulations) after the issue date may affect the Notes and/or have a material adverse effect on the Issuer's and/or the Guarantor's business, financial condition, results of operations and future prospects, and, thereby, on the Issuer's and/or the Guarantor's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

*The Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, meaning investors will have to rely on their procedures for transfer, payment and communication with the Issuer*

The Notes will be represented by the Global Notes except in certain limited circumstances described in each Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in each Permanent Capital Global Security, investors will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by the Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such Noteholders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg.

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

*Since the Notes bear interest at a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes*

The Notes bear interest on its outstanding principal amount at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the value of such security could fall as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. If the market interest rate increases, the value of such a security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the value of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to the market interest rate. Consequently, the Noteholders should be aware that movements of the market interest rate can adversely affect the value of the Notes and can lead to losses for the Noteholders if they sell their Notes.

### *Redemption prior to maturity*

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 22 March 2018 (as more fully set out in Condition 7.2 (*Redemption for Taxation Reasons*)), or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

The Notes are also redeemable at the Issuer's option (as more fully set out in Condition 7.3 (*Redemption at the Option of the Issuer*)) and (in respect of the 2026 Notes and 2030 Notes only) Condition 7.4 (*Acquisition Call Option*) of the 2026 Notes and 2030 Notes, and the Issuer may choose to redeem the Notes at a time when the prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

## Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the CSSF in Luxembourg and shall be incorporated by reference in, and form part of, this Prospectus:

- the audited annual accounts of the Issuer for each of the financial years ended 31 March 2016 and 31 March 2017, in each case together with the audit reports thereon;
- the articles of incorporation (*statuts cordonnés*) of the Issuer;
- the audited annual consolidated and non-consolidated financial statements of the Guarantor for each of the financial years ended 31 March 2016 and 31 March 2017, in each case together with the audit reports prepared thereon, which appear on pages 65-127 of the annual report and accounts of the Guarantor for the financial year ended 31 March 2016 and on pages 63-131 of the annual report and accounts of the Guarantor for the financial year ended 31 March 2017; and
- the unaudited interim consolidated financial statements of the Guarantor for the 6 months ended 30 September 2017, which appear on pages 7-22 of the interim report of the Guarantor for the 6 months ended 30 September 2017.

Such documents shall be deemed to be incorporated by reference in, and form part of this Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any information not included in the list above, but included in the documents incorporated by reference, is either not relevant to prospective investors or is covered elsewhere in this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

This Prospectus and copies of documents incorporated by reference in this Prospectus will be published on, and may be obtained, free of charge, from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and may be obtained, free of charge, at the offices of the Fiscal Agent set out at the end of this Prospectus during normal business hours so long as any of the Notes are outstanding.

The cross-reference tables below set out the page number references for certain sections of the documents incorporated by reference into this Prospectus.

### Audited annual accounts of the Issuer as of and for the year ended 31 March 2016

Information incorporated by reference into this Prospectus	Page reference in audited annual accounts of the Issuer as of and for the year ended 31 March 2016
Audit report	Pages 3-4
Balance sheet	Pages 5-10
Profit and loss account	Pages 11-13

Notes to the accounts	Pages 14-22
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**Articles of incorporation (*statuts cordonnés*) of the Issuer**

<b>Information incorporated by reference into this Prospectus</b>	<b>Page reference in articles of incorporation (<i>statuts cordonnés</i>) of the Issuer</b>
Articles of incorporation ( <i>statuts cordonnés</i> )	Pages 3-10

**Audited annual accounts of the Issuer as of and for the year ended 31 March 2017**

<b>Information incorporated by reference into this Prospectus</b>	<b>Page reference in audited annual accounts of the Issuer as of and for the year ended 31 March 2017</b>
Audit report	Pages 3-4
Balance sheet	Pages 5-9
Profit and loss account	Pages 10-11
Notes to the accounts	Pages 12-20

**Annual report and accounts of the Guarantor as of and for the year ended 31 March 2016**

<b>Information incorporated by reference into this Prospectus</b>	<b>Page reference in annual report and accounts of the Guarantor as of and for the year ended 31 March 2016</b>
Consolidated statement of financial position	Page 66
Consolidated statement of comprehensive income	Page 67
Consolidated statement of changes in equity	Page 68
Consolidated statement of cash flows	Page 69
Notes to the consolidated financial statements	Pages 70-120
Report of the Group auditor	Page 121
Company income statement	Page 122
Company balance sheet	Page 123
Notes to the Company financial statements	Pages 124-126

Report of the statutory auditor	Page 127
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**Annual report and accounts of the Guarantor as of and for the year ended 31 March 2017**

<b>Information incorporated by reference into this Prospectus</b>	<b>Page reference in annual report and accounts of the Guarantor as of and for the year ended 31 March 2017</b>
Consolidated balance sheet	Page 64
Consolidated statement of comprehensive income	Page 65
Consolidated statement of changes in equity	Page 66
Consolidated statement of cash flows	Page 67
Notes to the consolidated financial statements	Pages 68-117
Report of the statutory auditor on the audit of the consolidated financial statements	Pages 118-123
Company income statement	Page 124
Company balance sheet	Page 125
Notes to the Company financial statements	Pages 126-128
Report of the statutory auditor on the audit of the financial statements	Pages 129-131

**Unaudited interim report of the Guarantor as of and for the 6 months ended 30 September 2017**

<b>Information incorporated by reference into this Prospectus</b>	<b>Page reference in interim report of the Guarantor as of and for the 6 months ended 30 September 2017</b>
Condensed consolidated balance sheet	Page 7
Condensed consolidated statement of comprehensive income	Page 8
Condensed consolidated statement of changes in equity	Page 9
Condensed consolidated statement of cash flows	Page 10
Notes to the condensed consolidated interim financial statements	Pages 11-22

## General Description of the Notes

*This overview is a general description of the Notes and does not purport to be complete. It is taken from, and is qualified in its entirety by, the remainder of this Prospectus. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see the relevant Conditions.*

*Capitalised terms used and not defined in this section shall have the meaning given in the Terms and Conditions of the 2026 Notes, the 2030 Notes or the 2038 Notes, as the context admits, and references to a numbered Condition shall be construed accordingly.*

Issuer:	Richemont International Holding S.A.
Guarantor:	Compagnie Financière Richemont SA
Sole Bookrunner:	Goldman Sachs International
Co-Managers:	Barclays Bank PLC BNP Paribas HSBC Bank plc ING Bank N.V., Belgian Branch
Notes:	The EUR 1,500,000,000 1.000 per cent. Guaranteed Notes due 2026 (the <b>2026 Notes</b> ), the EUR 1,250,000,000 1.500 per cent. Guaranteed Notes due 2030 (the <b>2030 Notes</b> ), the EUR 1,000,000,000 2.000 per cent. Guaranteed Notes due 2038 (the <b>2038 Notes Tranche 1</b> ) and the EUR 250,000,000 2.000 per cent. Guaranteed Notes due 2038 to be consolidated with and form a single series with the 2038 Notes Tranche 1 on the Issue Date (the <b>2038 Notes Tranche 2</b> and, together with the 2038 Notes Tranche 1, the <b>2038 Notes</b> ) (the 2026 Notes, the 2030 Notes and the 2038 Notes together, the <b>Notes</b> ).
Issue Price:	2026 Notes: 98.784 per cent. 2030 Notes: 98.701 per cent. 2038 Notes Tranche 1: 97.805 per cent. 2038 Notes Tranche 2: 98.557 per cent.
Form of Notes:	Bearer
Issue Date:	26 March 2018
Maturity Dates:	2026 Notes: 26 March 2026 2030 Notes: 26 March 2030 2038 Notes: 26 March 2038
Use of Proceeds:	The net proceeds from the issue of the Notes will be used by the Issuer for general corporate purposes, which may include, without limitation, funding the acquisition of the ordinary shares of YNAP (as defined in the section entitled “ <i>Description of the Guarantor and the Group</i> ”) pursuant to the YNAP Offer (as

	defined in the section entitled “ <i>Description of the Guarantor and the Group</i> ”).
Interest on the 2026 Notes:	<p>The 2026 Notes bear interest on their outstanding principal amount from and including the Issue Date at the rate of 1.000 per cent. per annum.</p> <p>Interest shall be payable annually in arrear on 26 March of each year, commencing on 26 March 2019.</p>
Interest on the 2030 Notes:	<p>The 2030 Notes bear interest on their outstanding principal amount from and including the Issue Date at the rate of 1.500 per cent. per annum.</p> <p>Interest shall be payable annually in arrear on 26 March of each year, commencing on 26 March 2019.</p>
Interest on the 2038 Notes:	<p>The 2038 Notes bear interest on their outstanding principal amount from and including the Issue Date at the rate of 2.000 per cent. per annum.</p> <p>Interest shall be payable annually in arrear on 26 March of each year, commencing on 26 March 2019.</p>
Status/Ranking:	The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 ( <i>Negative Pledges</i> )) unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> , without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations and unsubordinated obligations of the Issuer.
Guarantee:	The Notes are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee are direct, unconditional and (subject to the provisions of Condition 4 ( <i>Negative Pledges</i> )) unsecured obligations of the Guarantor and rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor.
Form and Denomination:	The Notes will be issued in bearer form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including denominations of €199,000.
Final Redemption:	Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes at their principal amount on their respective Maturity Dates.
Early Redemption at the option of the Issuer:	The Issuer may, subject to and in accordance with Condition 7.3 ( <i>Redemption at the option of the Issuer</i> ), on giving notice to the Noteholders, (i) in the period up to and including the date falling three months prior to the relevant Maturity Date redeem all (but not some only) of the Notes at any time at the Relevant Early Redemption Amount (as defined in Condition 7.3 ( <i>Redemption at</i>

*the option of the Issuer*)) together with interest accrued to but excluding the date fixed for redemption; and (ii) in the period from, but excluding, the date falling three months prior to the relevant Maturity Date to but excluding the relevant Maturity Date, redeem all (but not some only) of the Notes at their principal amount together with interest accrued to but excluding the date fixed for redemption.

#### Acquisition Call Option

The Issuer may, in respect of the 2026 Notes and the 2030 Notes only, subject to and in accordance with Condition 7.4 (*Acquisition call option*) of the 2026 Notes and 2030 Notes, on giving notice to the Noteholders, redeem the 2026 Notes and/or 2030 Notes (as applicable) outstanding in whole, but not part, at 100.5 per cent. of their principal amount together with interest accrued but unpaid to (but excluding) the date fixed for redemption if: (a) the Offeror has announced to the public that it does not intend to proceed with the Acquisition (as defined in Condition 7.4 (*Acquisition call option*) of the 2026 Notes and 2030 Notes) for whatever reason (including the non-fulfilment of even only one of the conditions of effectiveness of the Initial Offer without the Offeror's waiver of the same); or (b) for whatever other reason the Acquisition Closing Date (as defined in Condition 7.4 (*Acquisition call option*) of the 2026 Notes and 2030 Notes) does not occur on or before the timing envisaged according to the Initial Offer (as defined in Condition 7.4 (*Acquisition call option*) of the 2026 Notes and 2030 Notes) (as it may be extended and/or renewed due to the several circumstances or events that might occur in the context of the Initial Offer, including counter-offers).

#### Early Redemption for taxation reasons:

The Issuer may, subject to and in accordance with Condition 7.2 (*Redemption Taxation Reasons*), on giving notice to the Noteholders, redeem all, but not some only, of the Notes at any time at their principal amount together with interest accrued to but excluding the date of redemption if, on the occasion of the next payment of interest in respect of the Notes, the Issuer has or will become obliged to pay additional amounts (as provided in Condition 8 (*Taxation*)) as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 22 March 2018 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts.

#### Purchase:

The Issuer or Guarantor or any of the Guarantor's Subsidiaries (as defined in the Conditions) may at any time purchase Notes in any manner and at any price together with all unmatured



Coupons appertaining thereto.

Taxation:	All payments in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes or duties ( <b>Taxes</b> ) of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction (as defined in Condition 8 ( <i>Taxation</i> )), unless the withholding or deduction of the Taxes is required by law. If such a withholding or deduction is required by law, the Issuer or, as the case may be, the Guarantor will be required to gross-up payments to the Noteholders, subject as provided in Condition 8 ( <i>Taxation</i> ).	
Rating:	The Guarantor has been assigned a long-term issuer credit rating of A+ (stable) by Standard & Poor's. The Notes are expected to be rated A+ by Standard & Poor's.	
Governing Law:	The Agency Agreement, the Deed of Covenant, the Guarantee, Notes and the Coupons and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, the laws of England and Wales.	
Listing and Trading:	Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. Such listing and admission to trading are expected to occur as of the Issue Date or as soon as practicable thereafter.	
Clearing Systems:	Euroclear Bank SA/NV ( <b>Euroclear</b> ) and Clearstream Banking, S.A. ( <b>Clearstream, Luxembourg</b> ).	
Selling Restrictions:	There are restrictions in relation to the offer and sale of the Notes in certain jurisdictions. See " <i>Subscription and Sale</i> ".	
ISIN:	2026 Notes:	XS1789751531
	2030 Notes:	XS1789752182
	2038 Notes:	XS1789759195
Common Code:	2026 Notes:	178975153
	2030 Notes:	178975218
	2038 Notes:	178975919

## Terms and Conditions of the 2026 Notes

*The following is the text of the Conditions of the 2026 Notes (as defined above in this Prospectus) which (subject to modification) will be endorsed on each Note in definitive form:*

The €1,500,000,000 1.000 per cent. Guaranteed Notes due 2026 (the **Notes**), which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series with the Notes of Richemont International Holding S.A. (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 26 March 2018 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Compagnie Financière Richemont SA (the **Guarantor**) as guarantor and BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and principal paying agent (the **Fiscal Agent**, and together with any further paying agents appointed from time to time in respect of the Notes, the **Paying Agents**). The holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) are entitled to the benefit of a Deed of Covenant (the **Deed of Covenant**) dated 26 March 2018 and made by the Issuer. The original of the Deed of Covenant is held by the Common Safekeeper for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours by the Noteholders and Couponholders at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 each with Coupons attached on issue.

#### 1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

#### 1.3 Holder Absolute Owner

The Issuer, the Guarantor and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

### 2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledges*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and

unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 3. **GUARANTEE**

#### 3.1 **Guarantee**

The payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the **Guarantee**) dated 26 March 2018 and executed by the Guarantor.

#### 3.2 **Status of the Guarantee**

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledges*)) unsecured obligations of the Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The original of the Guarantee is held by the Fiscal Agent on behalf of, and copies are available during normal business hours for inspection by, the Noteholders and Couponholders at its specified office.

### 4. **NEGATIVE PLEDGES**

#### 4.1 **Negative Pledges**

So long as any of the Notes remains outstanding:

- (a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
  - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; and
- (b) the Guarantor will not create or have outstanding any Security Interest upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Noteholders.

## 4.2 Interpretation

For the purposes of these Conditions:

**Relevant Indebtedness** means: (i) any present or future indebtedness for borrowed money (whether being principal, premium, interest or other amounts) in the form of, or represented by, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness.

## 4.3 Limitation on Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

## 5. INTEREST

### 5.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including 26 March 2018 at the rate of 1.000 per cent. per annum (the **Rate of Interest**), payable annually in arrear on 26 March of each year (each an **Interest Payment Date**). The first payment (representing a full year's interest) (for the period from and including 26 March 2018 to but excluding 26 March 2019 and amounting to €10 per €1,000 principal amount of Notes) shall be made on 26 March 2019.

### 5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

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

### 5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated by applying the Rate of Interest to each €1,000 principal amount of Notes (the **Calculation Amount**) and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The resultant figure shall be rounded to the nearest cent, half a cent being rounded

upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

## **6. PAYMENTS**

### **6.1 Payments in respect of Notes**

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

### **6.2 Method of Payment**

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

### **6.3 Missing Unmatured Coupons**

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

### **6.4 Payments subject to applicable laws**

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

### **6.5 Payment only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 9 (*Prescription*)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **Business Day** means, in relation to any place, a 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 that place and **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

## 6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Guarantor is incorporated.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 26 March 2026 (the **Maturity Date**).

### 7.2 Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 22 March 2018, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in the making payment itself would be required to pay such additional amounts; and
- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor 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 paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating 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 (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment.

### 7.3 Redemption at the Option of the Issuer

The Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Fiscal Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at the Relevant Early Redemption Amount.

In this Condition, **Relevant Early Redemption Amount** means:

- (i) in relation to any date fixed for redemption which falls in the period up to and including the date falling three months prior to the Maturity Date, such amount as is equal to the greater of the amounts in subparagraphs (A) and (B) below together with interest accrued to but excluding the date fixed for redemption:
  - (A) the principal amount outstanding of the Notes; and
  - (B) an amount (as reported in writing to the Issuer and the Fiscal Agent by the Determination Agent) which is equal to the sum of the present values of the principal amount outstanding of the Notes at the date fixed for redemption and the Remaining Term Interest (exclusive of interest accrued to the date fixed for redemption) discounted to the date fixed for redemption on an annual basis at the Reference Bond Rate plus 0.10 per cent.

In this Condition:

**Calculation Date** means the date which is the second TARGET2 Settlement Day prior to the date fixed for redemption;

**Determination Agent** means an investment bank or financial institution of international standing selected by the Issuer and notified to the Fiscal Agent and the Noteholders;

**Reference Bond** means the Federal Government Bund of Bundesrepublik Deutschland due February 2026 (ISIN: DE0001102390) (or, where the Determination Agent advises the Issuer and the Fiscal Agent that, for reasons of illiquidity or otherwise, such government bond is not appropriate for such purpose, such other government bond as the Determination Agent may recommend);

**Reference Bond Price** means, with respect to any date fixed for redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date

fixed for redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date fixed for redemption, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity on an Actual/Actual (ICMA) basis of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date fixed for redemption;

**Reference Government Bond Dealer** means each of the five banks selected by the Issuer after consultation with the Determination Agent, or their affiliates, which are (A) primary government securities dealers, or (B) market makers experienced in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any Calculation Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 3:30 pm (Frankfurt time) on the Calculation Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**Remaining Term Interest** means the aggregate amount of scheduled payment(s) of interest on the Notes for the remaining term of the Notes determined on the basis of the Rate of Interest from and including the date fixed for redemption, and

- (ii) in relation to any date fixed for redemption which falls in the period from, but excluding, the date falling three months prior to the Maturity Date to but excluding the Maturity Date, such amount as is equal to the principal amount outstanding of the Notes together with interest accrued to but excluding the date fixed for redemption.

#### 7.4 Acquisition Call Option

If (a) the Offeror has announced to the public that, for whatever reason (including the non-fulfilment of even only one of the conditions of effectiveness of the Initial Offer without the Offeror's waiver of the same), it does not intend to proceed with the Acquisition, or (b) for whatever other reason the Acquisition Closing Date does not occur on or before the timing envisaged according to the Initial Offer (as it may be extended and/or renewed due to the several circumstances or events that might occur in the context of the Initial Offer, including counter-offers), then the Issuer may having given not less than 30 days' notice nor more than 45 days' notice to the Noteholders in accordance with Condition 12 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not part, at 100.5 per cent. of the principal amount of the Notes together with interest accrued but unpaid to (but excluding) the date fixed for redemption.

For the purpose of this Condition 7.4 (*Acquisition call option*):

- (a) **Acquisition** means the acquisition by the Offeror of all of the Target Shares not owned by the Group pursuant to the terms of the Initial Offer;
- (b) **Acquisition Closing Date** means the date upon which the Offeror completes the Acquisition;



- (c) **CONSOB** means the *Commissione Nazionale per le Società e la Borsa*, the public authority responsible for regulating the Italian securities market;
- (d) **Italian Issuers' Regulation** means the Italian issuer's regulation approved by the CONSOB with resolution No. 11971 of 14 May 1999 (as subsequently amended and supplemented);
- (e) **Initial Offer** means the voluntary tender offer (*offerta pubblica di acquisto volontaria*) launched by the Offeror to the holders of the Target Shares pursuant to which the Offeror has offered to acquire the Target Shares on the terms set out in the Offer Document in accordance with the Italian Consolidated Financial Act and the Italian Issuer's Regulation (including any re-opened offer pursuant to Article 40-bis of the Italian Issuer's Regulation, if applicable);
- (f) **Initial Offer Document** means the public offer document (*documento d'offerta*) to be approved by CONSOB and to be published in relation to, and for the purpose of, the launching of the Initial Offer;
- (g) **Offer Document** means:
  - (a) the Initial Offer Document; and
  - (b) any other offer document (including any relevant notices and communications) as approved by the CONSOB and to be published in relation to, and for the purposes of, launching of any subsequent offer;
- (h) **Offeror** means RLG Italia Holding S.p.A.; and
- (i) **Target Shares** means the ordinary share capital of Yoox Net-a-Porter Group S.p.A. as more particularly described in the Initial Offer Document.

## 7.5 Clean-Up Redemption

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to Condition 7 (*Redemption and Purchase*), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and specify the date fixed for redemption), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount plus interest accrued to but excluding the date of such redemption.

## 7.6 Purchases

The Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (as defined in the Agency Agreement) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

## 7.7 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (as defined in the Agency Agreement) will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

## 7.8 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 (*Redemption for Taxation Reasons*), Condition 7.3 (*Redemption at the Option of the Issuer*) or Condition 7.4 (*Acquisition Call Option*) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

## 8. TAXATION

### 8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder of which is liable for Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Note or Coupon; or
- (b) presented for payment in Switzerland; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 6 (*Payments*)).

### 8.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and
- (b) **Relevant Jurisdiction** means Luxembourg or any political subdivision or any authority thereof or therein having power to tax (in the case of payments to the Issuer) or Switzerland or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having the power to tax to which the Issuer or the Guarantor, as the case may be, to which payments of principal and interest on the Notes and Coupons or payments made under the Guarantee become generally subject to tax.

### 8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## 9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6 (*Payments*).

## 10. EVENTS OF DEFAULT

### 10.1 Events of Default

The holder of any Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events (**Events of Default**) shall have occurred and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or
- (b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Guarantee and the failure continues for the period of 30 days following the service by any Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, or the Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (or as the case may be, within any originally applicable grace period thereunder); (iii) any security given by the Issuer or the Guarantor for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce such security; or (iv) default is made by the Issuer or the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this subparagraph Condition 10.1(c) (*Events of Default*), shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €50,000,000 (or its equivalent in any other currency); or
- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or the Guarantor save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- (e) if the Issuer, or the Guarantor ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, or the Issuer, or the Guarantor stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of

its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (f) if (i) proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official, or an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed, in relation to the Issuer or the Guarantor or, as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) is not discharged within 14 days; or
- (g) if the Issuer or the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (h) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or
- (i) if the Issuer ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by the Guarantor.

## 10.2 Interpretation

For the purposes of this Condition:

- (a) **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

## 11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 12. NOTICES

### 12.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, published in one daily newspaper in Luxembourg or the Luxembourg Stock

Exchange's website, [www.bourse.lu](http://www.bourse.lu). It is expected that publication in a newspaper will normally be made in the *Financial Times* and the *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

## **12.2 Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

## **13. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### **13.1 Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or the Guarantee or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of the Guarantee or certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

### **13.2 Modification**

The Fiscal Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification of, the Notes, the Coupons or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law, or

- (b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

#### **14. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

#### **15. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

##### **15.1 Governing Law**

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant or the Notes and the Coupons are governed by, and construed in accordance with English law. The provisions of Articles 470-3 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded.

##### **15.2 Submission to Jurisdiction**

- (a) Subject to Condition 15.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

##### **15.3 Appointment of Process Agent**

The Issuer irrevocably appoints Richemont International Limited at 15 Hill Street, London W1J 5QT, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Richemont International Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

#### **15.4 Other Documents and the Guarantor**

Each of the Issuer and, where applicable, the Guarantor has in the Agency Agreement, the Deed of Covenant and the Guarantee submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

#### **16. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## Terms and Conditions of the 2030 Notes

*The following is the text of the Conditions of the 2030 Notes (as defined above in this Prospectus) which (subject to modification) will be endorsed on each Note in definitive form:*

The €1,250,000,000 1.500 per cent. Guaranteed Notes due 2030 (the **Notes**), which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series with the Notes of Richemont International Holding S.A. (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 26 March 2018 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Compagnie Financière Richemont SA (the **Guarantor**) as guarantor and BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and principal paying agent (the **Fiscal Agent**, and together with any further paying agents appointed from time to time in respect of the Notes, the **Paying Agents**). The holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) are entitled to the benefit of a Deed of Covenant (the **Deed of Covenant**) dated 26 March 2018 and made by the Issuer. The original of the Deed of Covenant is held by the Common Safekeeper for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours by the Noteholders and Couponholders at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 each with Coupons attached on issue.

#### 1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

#### 1.3 Holder Absolute Owner

The Issuer, the Guarantor and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

### 2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledges*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and



unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 3. **GUARANTEE**

#### 3.1 **Guarantee**

The payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the **Guarantee**) dated 26 March 2018 and executed by the Guarantor.

#### 3.2 **Status of the Guarantee**

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledges*)) unsecured obligations of the Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The original of the Guarantee is held by the Fiscal Agent on behalf of, and copies are available during normal business hours for inspection by, the Noteholders and Couponholders at its specified office.

### 4. **NEGATIVE PLEDGES**

#### 4.1 **Negative Pledges**

So long as any of the Notes remains outstanding:

- (a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
  - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; and
- (b) the Guarantor will not create or have outstanding any Security Interest upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Noteholders.

## 4.2 Interpretation

For the purposes of these Conditions:

**Relevant Indebtedness** means: (i) any present or future indebtedness for borrowed money (whether being principal, premium, interest or other amounts) in the form of, or represented by, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness.

## 4.3 Limitation on Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

## 5. INTEREST

### 5.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including 26 March 2018 at the rate of 1.500 per cent. per annum (the **Rate of Interest**), payable annually in arrear on 26 March of each year (each an **Interest Payment Date**). The first payment (representing a full year's interest) (for the period from and including 26 March 2018 to but excluding 26 March 2019 and amounting to €15 per €1,000 principal amount of Notes) shall be made on 26 March 2019.

### 5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

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

### 5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated by applying the Rate of Interest to each €1,000 principal amount of Notes (the **Calculation Amount**) and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The resultant figure shall be rounded to the nearest cent, half a cent being rounded

upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

## **6. PAYMENTS**

### **6.1 Payments in respect of Notes**

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

### **6.2 Method of Payment**

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

### **6.3 Missing Unmatured Coupons**

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

### **6.4 Payments subject to applicable laws**

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

### **6.5 Payment only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 9 (*Prescription*)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **Business Day** means, in relation to any place, a 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 that place and **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

## 6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Guarantor is incorporated.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 26 March 2030 (the **Maturity Date**).

### 7.2 Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 22 March 2018, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in the making payment itself would be required to pay such additional amounts; and
- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor 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 paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating 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 (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment.

### 7.3 Redemption at the Option of the Issuer

The Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Fiscal Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at the Relevant Early Redemption Amount.

In this Condition, **Relevant Early Redemption Amount** means:

- (i) in relation to any date fixed for redemption which falls in the period up to and including the date falling three months prior to the Maturity Date, such amount as is equal to the greater of the amounts in subparagraphs (A) and (B) below together with interest accrued to but excluding the date fixed for redemption:
  - (A) the principal amount outstanding of the Notes; and
  - (B) an amount (as reported in writing to the Issuer and the Fiscal Agent by the Determination Agent) which is equal to the sum of the present values of the principal amount outstanding of the Notes at the date fixed for redemption and the Remaining Term Interest (exclusive of interest accrued to the date fixed for redemption) discounted to the date fixed for redemption on an annual basis at the Reference Bond Rate plus 0.15 per cent.

In this Condition:

**Calculation Date** means the date which is the second TARGET2 Settlement Day prior to the date fixed for redemption;

**Determination Agent** means an investment bank or financial institution of international standing selected by the Issuer and notified to the Fiscal Agent and the Noteholders;

**Reference Bond** means the Federal Government Bund of Bundesrepublik Deutschland due February 2028 (ISIN: DE0001102440) (or, where the Determination Agent advises the Issuer and the Fiscal Agent that, for reasons of illiquidity or otherwise, such government bond is not appropriate for such purpose, such other government bond as the Determination Agent may recommend);

**Reference Bond Price** means, with respect to any date fixed for redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date

fixed for redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date fixed for redemption, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity on an Actual/Actual (ICMA) basis of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date fixed for redemption;

**Reference Government Bond Dealer** means each of the five banks selected by the Issuer after consultation with the Determination Agent, or their affiliates, which are (A) primary government securities dealers, or (B) market makers experienced in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any Calculation Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 3:30 pm (Frankfurt time) on the Calculation Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**Remaining Term Interest** means the aggregate amount of scheduled payment(s) of interest on the Notes for the remaining term of the Notes determined on the basis of the Rate of Interest from and including the date fixed for redemption, and

- (ii) in relation to any date fixed for redemption which falls in the period from, but excluding, the date falling three months prior to the Maturity Date to but excluding the Maturity Date, such amount as is equal to the principal amount outstanding of the Notes together with interest accrued to but excluding the date fixed for redemption.

#### 7.4 Acquisition Call Option

If (a) the Offeror has announced to the public that, for whatever reason (including the non-fulfilment of even only one of the conditions of effectiveness of the Initial Offer without the Offeror's waiver of the same), it does not intend to proceed with the Acquisition, or (b) for whatever other reason the Acquisition Closing Date does not occur on or before the timing envisaged according to the Initial Offer (as it may be extended and/or renewed due to the several circumstances or events that might occur in the context of the Initial Offer, including counter-offers), then the Issuer may having given not less than 30 days' notice nor more than 45 days' notice to the Noteholders in accordance with Condition 12 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not part, at 100.5 per cent. of the principal amount of the Notes together with interest accrued but unpaid to (but excluding) the date fixed for redemption.

For the purpose of this Condition 7.4 (*Acquisition call option*):

- (a) **Acquisition** means the acquisition by the Offeror of all of the Target Shares not owned by the Group pursuant to the terms of the Initial Offer;
- (b) **Acquisition Closing Date** means the date upon which the Offeror completes the Acquisition;

- (c) **CONSOB** means the *Commissione Nazionale per le Società e la Borsa*, the public authority responsible for regulating the Italian securities market;
- (d) **Italian Issuers' Regulation** means the Italian issuer's regulation approved by the CONSOB with resolution No. 11971 of 14 May 1999 (as subsequently amended and supplemented);
- (e) **Initial Offer** means the voluntary tender offer (*offerta pubblica di acquisto volontaria*) launched by the Offeror to the holders of the Target Shares pursuant to which the Offeror has offered to acquire the Target Shares on the terms set out in the Offer Document in accordance with the Italian Consolidated Financial Act and the Italian Issuer's Regulation (including any re-opened offer pursuant to Article 40-bis of the Italian Issuer's Regulation, if applicable);
- (f) **Initial Offer Document** means the public offer document (*documento d'offerta*) to be approved by CONSOB and to be published in relation to, and for the purpose of, the launching of the Initial Offer;
- (g) **Offer Document** means:
  - (a) the Initial Offer Document; and
  - (b) any other offer document (including any relevant notices and communications) as approved by the CONSOB and to be published in relation to, and for the purposes of, launching of any subsequent offer;
- (h) **Offeror** means RLG Italia Holding S.p.A.; and
- (i) **Target Shares** means the ordinary share capital of Yoox Net-a-Porter Group S.p.A. as more particularly described in the Initial Offer Document.

## 7.5 Clean-Up Redemption

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to Condition 7 (*Redemption and Purchase*), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and specify the date fixed for redemption), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount plus interest accrued to but excluding the date of such redemption.

## 7.6 Purchases

The Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (as defined in the Agency Agreement) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

## 7.7 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (as defined in the Agency Agreement) will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

## 7.8 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 (*Redemption for Taxation Reasons*), Condition 7.3 (*Redemption at the Option of the Issuer*) or Condition 7.4 (*Acquisition Call Option*) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

## 8. TAXATION

### 8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder of which is liable for Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Note or Coupon; or
- (b) presented for payment in Switzerland; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 6 (*Payments*)).

### 8.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and
- (b) **Relevant Jurisdiction** means Luxembourg or any political subdivision or any authority thereof or therein having power to tax (in the case of payments to the Issuer) or Switzerland or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having the power to tax to which the Issuer or the Guarantor, as the case may be, to which payments of principal and interest on the Notes and Coupons or payments made under the Guarantee become generally subject to tax.



### 8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## 9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6 (*Payments*).

## 10. EVENTS OF DEFAULT

### 10.1 Events of Default

The holder of any Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events (**Events of Default**) shall have occurred and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or
- (b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Guarantee and the failure continues for the period of 30 days following the service by any Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, or the Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (or as the case may be, within any originally applicable grace period thereunder); (iii) any security given by the Issuer or the Guarantor for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce such security; or (iv) default is made by the Issuer or the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this subparagraph Condition 10.1(c) (*Events of Default*), shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €50,000,000 (or its equivalent in any other currency); or
- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or the Guarantor save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- (e) if the Issuer, or the Guarantor ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, or the Issuer, or the Guarantor stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of

its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (f) if (i) proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official, or an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed, in relation to the Issuer or the Guarantor or, as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) is not discharged within 14 days; or
- (g) if the Issuer or the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (h) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or
- (i) if the Issuer ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by the Guarantor.

## 10.2 Interpretation

For the purposes of this Condition:

- (a) **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

## 11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 12. NOTICES

### 12.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, published in one daily newspaper in Luxembourg or the Luxembourg Stock

Exchange's website, [www.bourse.lu](http://www.bourse.lu). It is expected that publication in a newspaper will normally be made in the *Financial Times* and the *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

## **12.2 Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

## **13. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### **13.1 Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or the Guarantee or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of the Guarantee or certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

### **13.2 Modification**

The Fiscal Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification of, the Notes, the Coupons or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law, or

- (b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

#### **14. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

#### **15. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

##### **15.1 Governing Law**

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant or the Notes and the Coupons are governed by, and construed in accordance with English law. The provisions of Articles 470-3 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded.

##### **15.2 Submission to Jurisdiction**

- (a) Subject to Condition 15.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

##### **15.3 Appointment of Process Agent**

The Issuer irrevocably appoints Richemont International Limited at 15 Hill Street, London W1J 5QT, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Richemont International Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

#### **15.4 Other Documents and the Guarantor**

Each of the Issuer and, where applicable, the Guarantor has in the Agency Agreement, the Deed of Covenant and the Guarantee submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

#### **16. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## Terms and Conditions of the 2038 Notes

*The following is the text of the Conditions of the 2038 Notes (as defined above in this Prospectus) which (subject to modification) will be endorsed on each Note in definitive form:*

The €1,250,000,000 2.000 per cent. Guaranteed Notes due 2038 (the **Notes**), which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series with the Notes of Richemont International Holding S.A. (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 26 March 2018 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Compagnie Financière Richemont SA (the **Guarantor**) as guarantor and BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and principal paying agent (the **Fiscal Agent**, and together with any further paying agents appointed from time to time in respect of the Notes, the **Paying Agents**). The holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) are entitled to the benefit of a Deed of Covenant (the **Deed of Covenant**) dated 26 March 2018 and made by the Issuer. The original of the Deed of Covenant is held by the Common Safekeeper for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours by the Noteholders and Couponholders at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 each with Coupons attached on issue.

#### 1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

#### 1.3 Holder Absolute Owner

The Issuer, the Guarantor and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

### 2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledges*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and

unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 3. **GUARANTEE**

#### 3.1 **Guarantee**

The payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the **Guarantee**) dated 26 March 2018 and executed by the Guarantor.

#### 3.2 **Status of the Guarantee**

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledges*)) unsecured obligations of the Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The original of the Guarantee is held by the Fiscal Agent on behalf of, and copies are available during normal business hours for inspection by, the Noteholders and Couponholders at its specified office.

### 4. **NEGATIVE PLEDGES**

#### 4.1 **Negative Pledges**

So long as any of the Notes remains outstanding:

- (a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
  - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; and
- (b) the Guarantor will not create or have outstanding any Security Interest upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Noteholders.

## 4.2 Interpretation

For the purposes of these Conditions:

**Relevant Indebtedness** means: (i) any present or future indebtedness for borrowed money (whether being principal, premium, interest or other amounts) in the form of, or represented by, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness.

## 4.3 Limitation on Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

## 5. INTEREST

### 5.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including 26 March 2018 at the rate of 2.000 per cent. per annum (the **Rate of Interest**), payable annually in arrear on 26 March of each year (each an **Interest Payment Date**). The first payment (representing a full year's interest) (for the period from and including 26 March 2018 to but excluding 26 March 2019 and amounting to €20 per €1,000 principal amount of Notes) shall be made on 26 March 2019.

### 5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

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

### 5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated by applying the Rate of Interest to each €1,000 principal amount of Notes (the **Calculation Amount**) and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The resultant figure shall be rounded to the nearest cent, half a cent being rounded



upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

## **6. PAYMENTS**

### **6.1 Payments in respect of Notes**

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

### **6.2 Method of Payment**

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

### **6.3 Missing Unmatured Coupons**

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

### **6.4 Payments subject to applicable laws**

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

### **6.5 Payment only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 9 (*Prescription*)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **Business Day** means, in relation to any place, a 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 that place and **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

## 6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Guarantor is incorporated.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 26 March 2038 (the **Maturity Date**).

### 7.2 Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 22 March 2018, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in the making payment itself would be required to pay such additional amounts; and
- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor 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 paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating 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 (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment.

### 7.3 Redemption at the Option of the Issuer

The Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Fiscal Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at the Relevant Early Redemption Amount.

In this Condition, **Relevant Early Redemption Amount** means:

- (i) in relation to any date fixed for redemption which falls in the period up to and including the date falling three months prior to the Maturity Date, such amount as is equal to the greater of the amounts in subparagraphs (A) and (B) below together with interest accrued to but excluding the date fixed for redemption:
  - (A) the principal amount outstanding of the Notes; and
  - (B) an amount (as reported in writing to the Issuer and the Fiscal Agent by the Determination Agent) which is equal to the sum of the present values of the principal amount outstanding of the Notes at the date fixed for redemption and the Remaining Term Interest (exclusive of interest accrued to the date fixed for redemption) discounted to the date fixed for redemption on an annual basis at the Reference Bond Rate plus 0.15 per cent.

In this Condition:

**Calculation Date** means the date which is the second TARGET2 Settlement Day prior to the date fixed for redemption;

**Determination Agent** means an investment bank or financial institution of international standing selected by the Issuer and notified to the Fiscal Agent and the Noteholders;

**Reference Bond** means the Federal Government Bund of Bundesrepublik Deutschland due January 2037 (ISIN: DE0001135275) (or, where the Determination Agent advises the Issuer and the Fiscal Agent that, for reasons of illiquidity or otherwise, such government bond is not appropriate for such purpose, such other government bond as the Determination Agent may recommend);

**Reference Bond Price** means, with respect to any date fixed for redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date

fixed for redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date fixed for redemption, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity on an Actual/Actual (ICMA) basis of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date fixed for redemption;

**Reference Government Bond Dealer** means each of the five banks selected by the Issuer after consultation with the Determination Agent, or their affiliates, which are (A) primary government securities dealers, or (B) market makers experienced in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any Calculation Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 3:30 pm (Frankfurt time) on the Calculation Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**Remaining Term Interest** means the aggregate amount of scheduled payment(s) of interest on the Notes for the remaining term of the Notes determined on the basis of the Rate of Interest from and including the date fixed for redemption, and

- (ii) in relation to any date fixed for redemption which falls in the period from, but excluding, the date falling three months prior to the Maturity Date to but excluding the Maturity Date, such amount as is equal to the principal amount outstanding of the Notes together with interest accrued to but excluding the date fixed for redemption.

#### **7.4 Clean-Up Redemption**

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to Condition 7 (*Redemption and Purchase*), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and specify the date fixed for redemption), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount plus interest accrued to but excluding the date of such redemption.

#### **7.5 Purchases**

The Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (as defined in the Agency Agreement) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

#### **7.6 Cancellations**

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (as defined in the Agency Agreement) will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

## 7.7 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 (*Redemption for Taxation Reasons*), or Condition 7.3 (*Redemption at the Option of the Issuer*) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

## 8. TAXATION

### 8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder of which is liable for Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Note or Coupon; or
- (b) presented for payment in Switzerland; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 6 (*Payments*)).

### 8.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and
- (b) **Relevant Jurisdiction** means Luxembourg or any political subdivision or any authority thereof or therein having power to tax (in the case of payments to the Issuer) or Switzerland or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having the power to tax to which the Issuer or the Guarantor, as the case may be, to which payments of principal and interest on the Notes and Coupons or payments made under the Guarantee become generally subject to tax.

### 8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## 9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6 (*Payments*).

## 10. EVENTS OF DEFAULT

### 10.1 Events of Default

The holder of any Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events (**Events of Default**) shall have occurred and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or
- (b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Guarantee and the failure continues for the period of 30 days following the service by any Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, or the Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (or as the case may be, within any originally applicable grace period thereunder); (iii) any security given by the Issuer or the Guarantor for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce such security; or (iv) default is made by the Issuer or the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this subparagraph Condition 10.1(c) (*Events of Default*), shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €50,000,000 (or its equivalent in any other currency); or
- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or the Guarantor save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- (e) if the Issuer, or the Guarantor ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, or the Issuer, or the Guarantor stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (i) proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other

receiver, manager, administrator, liquidator or other similar official, or an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed, in relation to the Issuer or the Guarantor or, as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) is not discharged within 14 days; or

- (g) if the Issuer or the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (h) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or
- (i) if the Issuer ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by the Guarantor.

## 10.2 Interpretation

For the purposes of this Condition:

- (a) **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

## 11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 12. NOTICES

### 12.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, published in one daily newspaper in Luxembourg or the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu). It is expected that publication in a newspaper will normally be made in the *Financial Times* and the *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

## **12.2 Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

## **13. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### **13.1 Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or the Guarantee or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of the Guarantee or certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

### **13.2 Modification**

The Fiscal Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification of, the Notes, the Coupons or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law, or
- (b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).



## **14. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

## **15. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **15.1 Governing Law**

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant or the Notes and the Coupons are governed by, and construed in accordance with English law. The provisions of Articles 470-3 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded.

### **15.2 Submission to Jurisdiction**

- (a) Subject to Condition 15.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **15.3 Appointment of Process Agent**

The Issuer irrevocably appoints Richemont International Limited at 15 Hill Street, London W1J 5QT, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Richemont International Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

### **15.4 Other Documents and the Guarantor**

Each of the Issuer and, where applicable, the Guarantor has in the Agency Agreement, the Deed of Covenant and the Guarantee submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

## **16. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## Summary of provisions relating to the Notes while represented by the Global Notes

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the **Global Notes**) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes. This section should be construed as applying separately to each of the 2026 Notes, the 2030 Notes and the 2038 Notes.*

### 1. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 10 (*Events of Default*) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

### 2. Payments

On and after 5 May 2018, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

### 3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 12 (*Notices*), provided that, so long as the Notes are listed on the Luxembourg Stock Exchange, all requirements of the Luxembourg Stock Exchange, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Fiscal Agent and the applicable clearing system may approve for this purpose.

#### 4. Interest Calculation

For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the Rate of Interest to the principal sum for the time being outstanding of the Global Note and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the Accrual Date) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

#### 5. Exchange and benefits

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if (each of the following being an **Exchange Event**):

- (a) an event of default (as set out in Condition 10 (*Events of Default*)) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. Thereupon, in the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. Exchanges will be made upon presentation of the Permanent Global Note at the office of the Fiscal Agent on any day on which banks are open for general business in Luxembourg. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

In the event that (a) the Global Note (or any part of it) has become due and repayable in accordance with the Conditions or that the maturity date of the Notes has occurred and, in either case, payment in full of the amount due has not been made to the bearer, or (b) following an Exchange Event, the Permanent Global Note is not duly exchanged for definitive Notes by the day provided in the Permanent Global Note, then from 8.00 p.m. (London time) on such day each Accountholder will become entitled to proceed directly against the Issuer on, and subject to, the terms of the Deed of Covenant executed by the Issuer on

26 March 2018 in respect of each of the Notes and the bearer will have no further rights under the Global Note (but without prejudice to the rights any person may have under the Deed of Covenant).

**6. Prescription**

Claims against the Issuer and the Guarantor in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 (*Taxation*)).

**7. Cancellation**

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

**8. Euroclear and Clearstream, Luxembourg**

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

**9. Eurosystem Eligibility**

The Global Notes will be issued in New Global Note (NGN) form. This means that the Notes are intended upon issue to be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg (each acting in its capacity as International Central Securities Depository) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

### **Use of Proceeds**

The net proceeds of the issue of the Notes will be used for general corporate purposes of the Group, which may include, without limitation, funding the acquisition of the ordinary shares of YNAP pursuant to the YNAP Offer.

## Description of the Issuer

The Issuer is a société anonyme registered in Luxembourg with its registered office at 35 Boulevard Prince Henri, L-1724 Luxembourg. It was incorporated on 10 June 1997 for an indefinite term with registered number B59435. The telephone number of the Issuer is +352 22 42 10.

The Issuer is an investment holding company within the Group and a subsidiary of the Guarantor. The Issuer has 24,137,402 shares in issue, which are held by the Guarantor.

The main activity of the Issuer is the holding of investments. The Issuer also operates two boutiques in Luxembourg City whose primary activities are the retail sale of luxury goods.

The Issuer opened a branch office in Switzerland on 13 November 2008, whose primary activity is the financing of companies belonging directly or indirectly to the Guarantor.

Pursuant to Article 3 of the Issuer's Articles of Incorporation, the objects of the Issuer are to hold participations in Luxembourg and foreign companies, the acquisition by purchase, subscription or in any other manner, as well as the transfer by sale, exchange or otherwise, of stock, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio.

The directors of the Issuer and their respective occupations are:

<i>Director</i>	<i>Role</i>
Rupert Brooks	Director
John Fontaine	Director
Swen Grundmann	Director
Kurt Nauer	Director
Yves Prussen	Director

There are no potential conflicts of interests between any duties to the Issuer of the directors listed above and their private interests and/or other duties.

The business address of each of the directors of the Issuer is that of the registered office of the Issuer.

## Description of the Guarantor and the Group

### Company Overview

The Guarantor is a Swiss registered company with its registered office at 50, chemin de la Chênaie, CH-1293 Bellevue, Geneva. It was incorporated on 16 August 1988 for an indefinite term with a unique enterprise identification number (UID) of CHE-106.325.524. The telephone number of the Guarantor is +41 22 721 3000.

The Guarantor is the holding company of the Group, whose principal business involves holding participations in its subsidiaries. Pursuant to Article 3 of the Guarantor's Articles of Incorporation, the objects of the Guarantor are to acquire or hold, directly or indirectly, participations in other companies in Switzerland or abroad, to finance affiliated companies as well as to execute any placement and investment.

The directors regard Compagnie Financière Rupert, Bellevue, Geneva, Switzerland to be the Group's controlling party, as 50 per cent. of the voting rights of the Guarantor are held by that entity (see "*Significant Shareholdings*" below).

### History

The Group was founded in 1988, and owned minority holdings in Cartier Monde SA and Rothmans International, which also held investments in Cartier Monde, Alfred Dunhill and, through Alfred Dunhill, Montblanc and Chloé. The watchmakers Piaget and Baume & Mercier were acquired in 1988 by a subsidiary of Cartier Monde.

In 1996, the Group acquired watchmakers Vacheron Constantin, and in 1997 it acquired watchmaker Officine Panerai and leather goods brand Lancel.

Since 1998, following the buyout of Vendôme Luxury Group minority shareholders, the Group owns 100 per cent. of its luxury goods interests.

In 1999, the Group acquired a controlling 60 per cent. interest in Van Cleef & Arpels, one of the world's most renowned jewellery Maisons, and subsequently acquired further stakes, bringing Van Cleef & Arpels into full ownership by the Group by 2003.

In 2000, the Group acquired Jaeger-LeCoultre, IWC Schaffhausen and A. Lange & Söhne. In 2007, it acquired an interest in Azzedine Alaïa, the Parisian fashion house, and in 2008 a controlling 60 per cent. interest in Manufacture Roger Dubuis SA; the remaining minority interest in Roger Dubuis was acquired in 2015 by the Group.

In 2008, the Group's luxury goods businesses were separated from its other interests, with Reinet Investments S.C.A. established as a separately traded vehicle for holding the non-luxury goods businesses formerly held by the Group.

In 2010, the Group acquired the majority of the shares of NET-A-PORTER.COM, the premier online luxury fashion retailer, and in 2015, The Net-A-Porter Group merged with YOOX Group in an all-share transaction, resulting in the Group retaining 50% of the share capital of the combined YOOX Net-A-Porter Group with its voting rights limited to 25%.



## Industry Overview

The Group operates within the personal luxury goods sector of the global luxury market. The global luxury market comprises a number of sections, including personal luxury goods, luxury cars, luxury hospitality, luxury wines and spirits, luxury food, fine art, private jets and yachts and luxury cruises. The total annual sales of the global luxury market was approximately EUR 1.2 trillion in 2017, and the total annual sales of the personal luxury goods sector was approximately EUR 262 billion in 2017.<sup>1</sup>

The personal luxury goods market has demonstrated long term stable growth, with recent growth supported by the rising Chinese middle class and increasing spending from the millennial generation. Other trends identified in the market include the recovery of mature-market consumers, the growing relevance of the younger generation as a driver of market growth, and the increasing harmonisation of channels, with online continuing to play a key role.<sup>2</sup>

Wholesale remains the largest channel for luxury goods across the personal luxury goods market as a whole, accounting for approximately two-thirds of all sales. However, the retail channel has also continued to grow as companies increasingly seek to control the experience they deliver to customers. Mono-brand stores are the largest sales channel by format, followed by department stores and specialty stores. The remaining channels by format comprise off-price stores, online sales and airport stores, which all showed strong growth in 2017, with the greatest annual increase coming in online sales. Accessories (including handbags and shoes) make up the largest proportion of sales by category, followed by apparel, hard luxury (jewellery and watches), beauty and other categories.<sup>3</sup>

## Business

The Group has interests in many of the world's leading luxury goods companies, encompassing various luxury brands who produce a range of jewellery, watches, premium accessories and other luxury products. The Group was listed as second in Deloitte's Global Powers of Luxury Goods Top 100 in 2017.

The Group operates in three business areas: (i) jewellery; (ii) watchmaking; and (iii) other businesses (which includes writing instruments, leather and accessories, and other luxury products), through a variety of different brands (each a "**Maison**"). Each of the Maisons enjoys a high degree of autonomy, with its own management group under a chief executive officer. To complement those businesses, the Group has established central functions and a regional structure around the world to provide central controlling and support services in terms of distribution, finance, legal and administration services.

The Group's operations comprise these key business divisions operating under multiple Maisons, which are outlined below.

### *Jewellery Maisons*

The Group's Jewellery Maisons include the Cartier, Van Cleef & Arpels and Giampiero Bodino businesses. These Maisons have a network of global boutiques and benefit from an exclusive and luxury brand image. During the 6 months ended 30 September 2017, the Jewellery Maisons were responsible for 57 per cent. of the Group's sales.

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<sup>1</sup> Bain & Company, Luxury Goods Worldwide Market Study, October 2017.

<sup>2</sup> Bain & Company, Luxury Goods Worldwide Market Study, October 2017.

<sup>3</sup> Bain & Company, Luxury Goods Worldwide Market Study, October 2017.

### ***Specialist Watchmakers Maisons***

The Group's Specialist Watchmakers Maisons encompass a number of brands within the luxury watch market including A.Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Officine Panerai, Piaget, Roger Dubuis and Vacheron Constantin. During the 6 months ended 30 September 2017, these Maisons were responsible for 27 per cent. of the Group's sales.

Over the past 10 years, the Group has made significant investments in its mono-brand store portfolio (in relation to its Specialist Watchmaking Maisons). These mono-brand stores are typically located in prominent positions in order to showcase Maisons in the most brand-sensitive manner and enhance brand image.<sup>4</sup>

### ***Other Maisons***

The Group owns various other brands within the broader luxury goods market including Alaïa, Alfred Dunhill, Chloé, Lancel, Montblanc, Peter Millar and Purdey. During the 6 months ended 30 September 2017, these Maisons were responsible for 16 per cent. of the Group's sales.

### ***Responsible Jewellery Council***

The Responsible Jewellery Council (the "RJC") promotes responsible, ethical, human rights, social and environmental practices in the gold and diamond supply chains. The RJC is widely recognised as the leading standard for the jewellery and watchmaking industry and is a member of the ISEAL Alliance. All of the Group's Maisons, which use gold and diamonds, are certified members of the RJC. Together, those Maisons account for over 90 per cent. of the Group's consolidated sales. The RJC's membership spans from mining houses to the retailers of jewellery and watches.

### ***Distribution channels***

The Group operates through various distribution channels, including wholesale, retail, franchise and online, as part of its multi-channel distribution strategy.

The Group has approximately 1,815 mono-brand points of sale across all brands, of which approximately 1,115 are own retail and approximately 700 are franchise, and approximately 3,500 watch multi-brand points of sale. During the financial year ended 31 March 2017, 60 per cent. of the Group's sales were through the retail channel and 40 per cent. through the wholesale and franchise channels. Retail sales as a percentage of the Group's total sales have increased as a result of the Group's strategy to develop its own retail network as part of its multi-channel distribution strategy.

The Group has long-established relationships in many countries with multi-brand watch and jewellery retailers. The number of such retailers which are independently-owned is diminishing and the importance of larger, often multi-site, retailers is growing as the watch and jewellery market consolidates in many historically large markets. Although the share of Group wholesale sales has been gradually reducing, ensuring continued positive commercial relationships with these partners remains important to the Group.

Over recent years, the Group has experienced a shift in consumer behaviour, with clients having higher expectations of interactivity with the Group's Maisons, not only through physical boutiques, but online. The Group's objective is to provide as seamless an experience as possible to its clients globally, whether they shop online, over the telephone, or in boutique, including in respect of after-sales services, and it intends to allocate resources towards digital marketing and online sales platforms (amongst other things) to develop and implement this multi-channel approach.

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<sup>4</sup> Barclays, European Luxury & Global Brands, pp. 12 and 13.

During the 6 months ended 30 September 2017, 39 per cent. of the Group's sales was attributable to sales in the Asia Pacific region, with 29 per cent. attributable to sales in Europe, 16 per cent. in the Americas, 8 per cent. in Japan, and 8 per cent. in the Middle East and Africa region.

The Group's brands are distributed through internal and external boutiques globally. Internal boutiques are points of sale managed directly by the Group's brands; external boutiques are franchises of mono-brand boutiques, operated by third parties. The table below sets out the number of boutiques per brand as at 30 September 2017.

<b>Brand</b>	<b>Total boutiques</b>	<b>Internal boutiques</b>	<b>External boutiques</b>
Montblanc	581	273	308
Cartier	276	198	78
Chloé	185	109	76
Van Cleef & Arpels	127	86	41
Alfred Dunhill	93	87	6
Piaget	92	67	25
Jaeger-LeCoultre	87	54	33
IWC	86	51	35
Lancel	78	69	9
Officine Panerai	75	40	35
Vacheron Constantin	65	32	33
Others	70	49	21
<b>Total</b>	<b>1,815</b>	<b>1,115</b>	<b>700</b>

The tables below set out the Group's sales for the 6 months ended 30 September 2017 and 30 September 2016 by region and by segment.

<b>Region</b>	<b>Sales for 6 months ended 30 September 2017 (€m)</b>	<b>Sales for 6 months ended 30 September 2016 (€m)</b>
<b>Europe</b>	1,623	1,587
<b>Asia Pacific</b>	2,175	1,769
<b>Americas</b>	890	821
<b>Japan</b>	479	477
<b>Middle East / Africa</b>	438	432
<b>Total</b>	<b>5,605</b>	<b>5,086</b>

<b>Segment</b>	<b>Sales for 6 months ended 30 September 2017 (€m)</b>	<b>Sales for 6 months ended 30 September 2016 (€m)</b>
<b>Jewellery Maisons</b>	3,163	2,755
<b>Specialist Watchmakers</b>	1,527	1,445
<b>Other</b>	915	886
<b>Total</b>	<b>5,605</b>	<b>5,086</b>

The tables below set out the Group's sales for the financial years ended 31 March 2017 and 31 March 2016 by region and by segment.

Region	Sales for financial year ended 31 March 2017 (€m)	Sales for financial year ended 31 March 2016 (€m)
Europe	3,068	3,388
Asia Pacific	3,903	3,937
Americas	1,781	1,745
Japan	1,010	1,031
Middle East / Africa	885	975
Total	10,647	11,076

Segment	Sales for financial year ended 31 March 2017 (€m)	Sales for financial year ended 31 March 2016 (€m)
Jewellery Maisons	5,927	6,048
Specialist Watchmakers	2,879	3,225
Other	1,841	1,803
Total	10,647	11,076

## Board of Directors

The directors of the Guarantor (together, the “**Board**”) are responsible for the overall strategic direction of the Group and the appointment of senior management. In addition, the Board is responsible for establishing financial controls and appropriate procedures for the management of risk within the Group as well as the overall supervision of the business. The Board is responsible for the preparation of the financial statements of the Guarantor and of the Group and for the organisation of shareholder meetings.

The Board is composed principally of non-executive directors with diverse professional and business backgrounds. Nine nationalities are represented on the Board, which was composed of 19 members at 31 January 2018. Board members are proposed for election on an individual basis at each year's AGM for a term of one year. All directors are eligible to stand for re-election each year, details of nominations being given in the notice of the AGM. There is no restriction on the number of times a director may seek re-election and no formal age limit for directors.

The directors, the business address of each of whom should be regarded for the purposes of this Prospectus as at 50, chemin de la Chênaie, CH-1293 Bellevue, Geneva are at the date of this Prospectus as follows:

<i>Director and Role</i>	<i>Background</i>
Johann Rupert <i>Chairman</i>	Mr Rupert was first appointed to the Board in 1988 and served as Chairman from 2002 to 2013. Following a sabbatical year, he was reappointed Chairman in September 2014. He is Chairman of the Nominations Committee and the Senior Executive Committee.  Mr Rupert is the Managing Partner of Compagnie Financière Rupert. He studied economics and company law at the University of Stellenbosch. After working for the Chase Manhattan Bank and Lazard Freres in New York, he founded Rand Merchant

	<p>Bank in 1979. In 1985 he joined Rembrandt. He founded Richemont in 1988 and became Group Chief Executive. He also served as Chief Executive Officer from 2003 to 2004 and from 2010 to 2013. He is Non-Executive Chairman of Remgro Limited, and Chairman of Reinet Investments Manager SA, the management company of Reinet Investments S.C.A..</p> <p>Mr Rupert holds honorary doctorates in Law, Economics and Commerce, is the Chancellor of the University of Stellenbosch and is Chairman of the Peace Parks Foundation.</p>
<p>Josua Malherbe</p> <p><i>Non-executive Deputy Chairman</i></p>	<p>Mr Malherbe was appointed to the Board in 2010 as a non-executive director and has served as Deputy Chairman since September 2013. He also serves as Chairman of the Audit Committee and is a member of the Strategic Security and Nominations Committees.</p> <p>He qualified as a Chartered Accountant in South Africa and worked with the predecessor firm of PricewaterhouseCoopers before joining Rand Merchant Bank in 1985. In 1990 he joined Rembrandt Group Limited and was involved with Richemont at that time. Since its formation in 2000, he served first as Chief Executive Officer and then as Deputy Chairman of VenFin Limited until 2009 when that company was acquired by Remgro Limited.</p> <p>Mr Malherbe continues to serve as a director of Richemont Securities S.A., Remgro Limited, Reinet Investments Manager S.A., Pension Corporation Group Limited, and Renshaw Bay Limited.</p>
<p>Nicolas Bos</p> <p><i>Chief Executive Officer of Van Cleef &amp; Arpels</i></p>	<p>Mr Bos was appointed to the Board in 2017 and is a member of the Senior Executive Committee. He joined Richemont in 1992, initially working with the Foundation Cartier pour l'Art contemporain in Paris. In 2000, he joined Van Cleef &amp; Arpels as International Marketing Director. In 2009, he became Vice President and Creative Director and in 2010 was also appointed President of Van Cleef &amp; Arpels, Americas. In January 2013, Mr Bos became global President and CEO of Van Cleef &amp; Arpels.</p>
<p>Cyrille Vigneron</p> <p><i>Chief Executive Officer of Cartier</i></p>	<p>Mr Vigneron was appointed to the Board in 2016 and is a member of the Senior Executive Committee. On 1 January 2016, he succeeded Mr Stanislas de Quercize as Chief Executive Officer of Cartier. Prior to his new role, Mr Vigneron was President of LVMH Japan and worked with Richemont from 1988 to 2013: principally with Cartier, rising to become Managing Director of Cartier Japan, President of Richemont Japan, and finally, Managing Director of Cartier Europe.</p>
<p>Burkhardt Grund</p> <p><i>Chief Financial Officer</i></p>	<p>Mr Grund was appointed to the Board in 2017 and is a member of the Senior Executive Committee. He is a graduate in Business Administration of Georgia Southern University, US and completed his graduate studies in International Finance at Münster University, Germany. Prior to joining the Group, he held various positions in the Finance department at Wella AG and was appointed Chief Financial Officer of the Wella subsidiary in Chile in 1996. He moved to Richemont in 2000 to be Chief Financial Officer of Montblanc France, a position which he held until 2006 when he then joined Van Cleef &amp; Arpels as Vice President and Chief Financial Officer. In 2016, Mr Grund was appointed Group Deputy Finance Director, and became a member of the Group Management Committee. On 1 August 2017, Mr Grund was appointed Group Chief Finance Officer.</p>
<p>Jérôme Lambert</p> <p><i>Chief Operating Officer</i></p>	<p>Mr Lambert was appointed to the Board in 2017 and is a member of the Senior Executive Committee. He graduated from ESG Management School, Paris and completed post-graduate studies at the Swiss Graduate School of Public Administration. Prior to joining the Group, he held financial roles in Switzerland's public postal and telecommunications service. Mr Lambert joined Jaeger-LeCoultre in</p>

	<p>1996 as the Manufacturer's financial controller and became Chief Financial Officer three years later. In 2002, he was appointed its Chief Executive Officer and served in that role until June 2013. Mr Lambert then served as Chief Executive Officer of Montblanc until March 2017. In addition, Mr Lambert has served as Chairman of A. Lange &amp; Söhne since 2009 and served as its Chief Executive for two years. From 1 April 2017, Mr Lambert serves as Head of Operations responsible for central and regional services and all Maisons other than Jewellery and Specialist Watchmakers. In November 2017, Mr Lambert was appointed as Chief Operating Officer.</p>
<p>Clay Brendish</p> <p><i>Lead Independent Director</i></p>	<p>Mr Brendish, was appointed to the Board as a non-executive director and the Lead Independent Director in 2017. He also serves as the Chairman of the Strategic Security and Compensation Committees and is a member of the Audit and Nominations Committees. He is a graduate of Imperial College, London and is a Chartered Engineer. His professional background is in the Information Technology and Communications industry, having founded Admiral plc in 1979 (now part of CGI UK). He was a former Non-Executive Director of BT plc and Chairman of the Met. Office. He was also a Trustee of the Economist Newspaper. Prior to his nomination to the Board of Richemont, Mr Brendish has served as an advisor to Richemont's Strategic Security Committee.</p>
<p>Nikesh Arora</p> <p><i>Non-executive Director</i></p>	<p>Mr Arora was appointed to the Board as a non-executive director in 2017 and is a member of the Nominations Committee. He holds degrees from the Indian Institute of Technology, Boston College and Northeastern University as well as a being a Chartered Financial Analyst. In the USA, Mr Arora has held a number of senior positions in the finance and technology sectors. He was Senior Vice President and Chief Business Officer of Google until 2014. He was most recently President and COO of Softbank, the global telecommunications and technology company and technology investor. Prior to that, Mr Arora has worked at Deutsche Telekom, Putnam Investments and Fidelity Investments.</p>
<p>Jean-Blaise Eckert</p> <p><i>Non-executive Director</i></p>	<p>Maître Eckert was appointed to the Board as a non-executive director in 2013 and is a member of the Audit and Nominations Committees.</p> <p>He graduated from Neuchâtel University, Switzerland, and holds an MBA from Berkeley, University of California, USA. Maître Eckert has been a practising lawyer since 1989 and a Partner of Lenz &amp; Staehelin since 1999, advising on national and international corporate, commercial and tax law.</p> <p>Maître Eckert also serves on the Board of several Swiss companies, including Ladurée International SA and UL (Underwriters Laboratories) AG, and on the Board of several not-for-profit organisations, including the Fondation pour la Musique et la Culture, Genève. He is also a member of a number of Swiss and international professional organisations.</p>
<p>Keyu Jin</p> <p><i>Non-executive Director</i></p>	<p>Dr Jin was appointed to the Board as a non-executive director in 2017 and is a member of the Nominations Committee. She is an Associate Professor of Economics at the London School of Economics. From Beijing, Dr Jin holds a BA, MA and PhD from Harvard University. Her specific areas of expertise are international macroeconomics, international finance and the Chinese economy.</p>
<p>Ruggero Magnoni</p> <p><i>Non-executive Director</i></p>	<p>Mr Magnoni was appointed to the Board as a non-executive director in 2006 and is a member of the Audit and Nominations Committees. In 2006 he became a partner of Compagnie Financière Rupert.</p> <p>He graduated from Bocconi University, Italy and holds an MBA from Columbia University, USA.</p>

	<p>Mr Magnoni joined Lehman Brothers in 1977 and held a number of senior roles across that firm's international activities. In 2000, Mr Magnoni became Head of the European Private Equity division and Vice Chairman of Lehman Brothers Inc and in 2002, Chairman of Lehman Brothers International Italy. Between 2008 and 2013, Mr Magnoni served as Chairman of Nomura International plc's Investment Banking division for Europe, Middle East and Africa. He was a member of the Board of Overseers of Reinet Investments S.C.A. up to September 2009.</p> <p>He is also involved with various philanthropic activities, including Fondazione Laureus Italia. He is a member of the Advisory Committee of the Bocconi Foundation.</p>
<p>Jeff Moss</p> <p><i>Non-executive Director</i></p>	<p>Mr Moss was appointed to the Board as a non-executive director in 2016. He also serves as a member of the Nominations and the Strategic Security Committees.</p> <p>Mr Moss is a computer security and internet security expert. He currently serves as: a member of the U.S. Department of Homeland Security Advisory Council; and a member of the Council on Foreign Relations. He is a Non-resident Senior Fellow at the Atlantic Council, and a member of the Georgetown University School of Law Cybersecurity Advisory Committee. Previously Mr Moss has served as: Chief Security Officer of the Internet Corporation for Assigned Names and Numbers, and as a director at Secure Computing Corporation. He is the founder of the Black Hat Briefings and DEF CON.</p>
<p>Vesna Nevistic</p> <p><i>Non-executive Director</i></p>	<p>Dr Nevistic was appointed to the Board as a non-executive director in 2017 and is a member of the Nominations Committee. She holds Swiss and Croatian citizenship and has a PhD in Electrical Engineering and the Swiss Federal Institute of Technology. She has gained extensive experience in international consulting and finance, having been a partner at McKinsey and Goldman Sachs. From 2009 to 2012, Dr Nevistic was a Group Managing Director at UBS and part of the team which reconstructed that bank's operations following the financial crisis.</p>
<p>Guillaume Pictet</p> <p><i>Non-executive Director</i></p>	<p>Mr Pictet was appointed to the Board as a non-executive director in 2010 and is a member of the Audit, Compensation and Nominations Committees. He is a graduate of HEC, Lausanne University. His career in private banking has included membership of Darier Hentsch &amp; Cie's senior management. He has also served as an international economist in Switzerland's Federal Department of Economic Affairs.</p> <p>Since 1996, Mr Pictet has been Founding Partner and Vice-Chairman of de Pury Pictet Turrettini &amp; Cie SA. He also serves as Chairman of EIC Partner AG and of Sécheron SA.</p>
<p>Alan Quasha</p> <p><i>Non-executive Director</i></p>	<p>Mr Quasha was appointed to the Board as a non-executive director in 2000 and is a member of the Nominations Committee.</p> <p>He is a graduate of Harvard College, Harvard Business School, Harvard Law School and New York University Law School. After practising law, he moved into commerce and since 1987 has been President of Quadrant Management Inc.</p> <p>Mr Quasha served as a director of Richemont SA, Luxembourg from 1988 until 2000. He was Chief Executive Officer of North American Resources Limited between 1988 and 1998. He was a member of the Board of Overseers of Reinet Investments S.C.A. up to September 2009; he has indirect interests in certain investments held by Reinet and is involved as a manager of a fund in which Reinet has invested. He was a director of American Express Funds, a former Governor of the American Stock Exchange, and a former Chairman of the Visiting Committee of the Weatherhead Centre for International Affairs.</p>

	Mr Quasha is currently Managing Partner of Vanterra Capital; Chairman of Brean Murray; Carret & Co; and Carret Asset Management Group LLC. He is also Chairman of the American Brain Trauma Foundation.
<p>Maria Ramos</p> <p><i>Non-executive Director</i></p>	<p>Ms Ramos was appointed to the Board as a non-executive director in 2011 and is a member of the Compensation and Nominations Committees. She holds degrees from the University of the Witwatersrand and the University of London and is a member of the Institute of Bankers. She also holds honorary doctorates from the University of Stellenbosch and Free State University.</p> <p>Previous positions held by Ms Ramos include Director-General of the National Treasury of South Africa and Group Chief Executive of Transnet Limited. She has also served as a Non-Executive and Independent director on the boards of Sanlam Limited, SABMiller PLC, and Remgro Limited.</p> <p>She is the current Chairman of the Banking Association of South Africa, and serves on the Executive Committee of the World Economic Forum's International Business Council and the Global Board of Advisors, Council on Foreign Relations (US). She is also a member of the Group of Thirty.</p>
<p>Anton Rupert</p> <p><i>Non-executive Director</i></p>	Mr Anton Rupert was appointed to the Board as a non-executive director in 2017 and is a member of the Strategic Security and Nominations Committees. He brings valuable insight into changing consumer behaviour in digital marketing and web-based commerce. Over the past eight years, he has had extensive exposure to all of the Group's businesses.
<p>Jan Rupert</p> <p><i>Non-executive Director</i></p>	<p>Mr Jan Rupert joined the Group as Manufacturing Director in 1999 and served as an executive director from 2006 to 2012. He has served as a non-executive director since 2012, and is a member of the Strategic Security and Nominations Committees.</p> <p>Mr Rupert is a graduate in mechanical engineering from Stellenbosch University, South Africa and has had an extensive career in production management in the tobacco and watchmaking industries. Prior to joining Richemont, he was Manufacturing Director of Rothmans International.</p>
<p>Gary Saage</p> <p><i>Non-executive Director</i></p>	<p>Mr Saage was appointed to the Board in 2010 and is a member of the Nominations Committee. Mr Saage is a graduate of Fairleigh Dickinson University, USA and is a Certified Public Accountant.</p> <p>Following an early career in public accounting with Coopers &amp; Lybrand, he joined Cartier's US business in 1988. Between 1988 and 2006, he served as Chief Operating Officer of Richemont North America and of Alfred Dunhill in London. From 2006 to 2010, he served as Group Deputy Finance Director, subsequent to which he was appointed Chief Financial Officer, a position he held from 2010 to 31 July 2017. Since 1 August 2017 he has been serving as a non-executive director. In addition, he is the Chairman of Richemont North America and a Director of Peter Millar LLC. Mr Saage is also a non-executive director of Arendale Holdings Corp.</p>

The Guarantor's Company Secretary is Swen Grundmann.

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

There are no potential conflicts of interests between any duties to the Guarantor of the directors listed above and their private interests and/or other duties.



Pursuant to the Guarantor's Company Regulations, each member of the Board is obliged to arrange his personal and business affairs so as to avoid, as far as possible, any conflict of interest with the Guarantor. Where any such conflict of interest may arise, the relevant director is obliged to make a full declaration of the potential conflict to the Board or, between meetings of the Board, to the Chairman or Lead Independent Director, who shall ensure that the matter is raised with the board no later than at its next meeting.

Depending on the nature of the potential conflict, a director may be asked by the Board to stand down from the Board, to withdraw from one or more meetings of the Board or to recuse themselves from discussions on a particular topic.

Transactions between the Group and members of the Board, or corporate bodies, or persons with whom they are related, should at all times be carried out on an arm's length basis and should be approved by the Board without the participation of the party concerned.

### ***Senior Executive Committee***

The Senior Executive Committee is composed of the Board's executive directors together with the heads of certain Group functions. The Committee is chaired by the Chairman of the Board. Other managers are invited to participate on an ad hoc basis at the Chairman's discretion.

The Senior Executive Committee meets on a regular basis to review matters associated with the implementation of the Group's strategic policies.

## **Share Capital Structure**

### ***Share Capital***

The Guarantor has 522,000,000 'A' registered shares and 522,000,000 'B' registered shares in issue. The Guarantor's 'A' registered shares are listed and traded on SIX Swiss Exchange. The 'B' registered shares are not listed and are held by Compagnie Financière Rupert. Each 'A' registered share has a par value of CHF 1.00 and each 'B' registered share has a par value of CHF 0.10. The authorised and issued capital therefore amounts to CHF 574,200,000 as at 31 March 2017. During the three years ended 30 September 2017, there was no change to the Guarantor's capital structure.

At 31 March 2017, the Guarantor's market capitalisation, based on a closing price of CHF 79.20 per share and a total of 522,000,000 'A' shares in issue, was CHF 41,342 million. The overall valuation of the Group at the end of its financial year ended 31 March 2017, reflecting the value of both the listed 'A' shares and the unlisted 'B' shares, was CHF 45,476 million.

The ISIN of the Guarantor's registered 'A' shares is CH0210483332 and the Swiss '*Valorennummer*' is 21048333.

### ***Significant shareholdings***

As at 31 March 2017, Compagnie Financière Rupert is the only shareholder in the Guarantor holding 3 per cent. or more of the voting rights.

Compagnie Financière Rupert, a Swiss partnership limited by shares, holds 522,000,000 Richemont 'B' registered shares representing 9.1 per cent. of the equity of the Guarantor and controlling 50 per cent. of the Guarantor's voting rights as at 31 March 2017. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert. Prof Juergen Schrempp, who retired as non-

executive director of the Guarantor in September 2017, and Mr Ruggero Magnoni, who is a non-executive director of the Guarantor, are partners of Compagnie Financière Rupert.

Compagnie Financière Rupert does not itself hold any Richemont ‘A’ shares. Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2,836,664 ‘A’ shares or ‘A’ share equivalents at 31 March 2017.

### ***Director’s shareholdings***

The Guarantor recognises that directors and executives should be encouraged to become shareholders in Richemont. Through the Group’s long-term share-based compensation scheme, many executives have become shareholders. However, the ownership of the Guarantor’s shares may, in itself, put a director in a position where they may find themselves as having a conflict of interest. The Board has adopted a code of conduct for Dealings of Directors and Employees of the Guarantor in its shares or related securities to ensure that directors, certain employees and persons connected with them do not abuse, and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have, especially in periods leading up to the announcement of results.

### **Corporate Governance**

The Group is committed to maintaining a high standard of corporate governance. It subscribes to the principles laid down in the Swiss Code of Best Practice for Corporate Governance published by ‘*economiesuisse*’, the Swiss Business Federation, and the SIX Swiss Exchange. In addition to Swiss law, the Group complies with the Listing Rules of the SIX Swiss Exchange. It also complies with the rules of the Johannesburg stock exchange, to the extent that they apply to companies with secondary listings there.

The Group’s corporate governance principles are embodied in the Articles of Incorporation of the Guarantor, in its Corporate Governance Regulations and in the terms of reference of the Audit, Compensation, Nominations and Strategic Security Committees of the Board. The Group’s corporate governance principles and practices are reviewed by the Audit Committee and the Board on an annual basis in the light of prevailing best practices.

The Board believes that the Guarantor’s corporate governance arrangements continue to serve its shareholders well. The Board is confident that its governance structure reinforces its ability to deliver the Group’s strategy of growing value for shareholders over the long term through the sustained growth of its Maisons.

### ***Committees***

In terms of the Group’s framework of corporate governance, the Board has established various committees including an Audit Committee, a Compensation Committee, a Nominations Committee and a Strategic Security Committee.

Each Board committee has its own written charter outlining its duties and responsibilities and a Chairman elected by the Board. The Chairman of each committee presents a summary of the activities of each committee meeting to the Board. All Board committees are entitled to invite members of senior management and external specialists to attend meetings for specific matters on an ad hoc basis.

### ***Audit Committee***

The Audit Committee’s principal tasks are to:

- satisfy itself that the consolidated financial statements follow approved accounting principles and give a true and fair view of the Group's financial position and results;
- recommend to the Board the appointment, reappointment or dismissal of the external auditor and keep under review their independence and objectivity as well as their level of compensation;
- examine and review, with both the external and internal auditor, the adequacy and effectiveness of the Group's management information systems as well as accounting, financial and operational controls;
- oversee the effectiveness of the Group's Internal Audit function and liaise with the Head of Internal Audit on all matters of significance arising from the department's work;
- oversee the adequacy and effectiveness of risk management practices in the Group and advise the Board on its responsibility to perform regular risk assessments;
- examine and review the adequacy, effectiveness and integrity of the processes to assure the Group's compliance with all applicable laws and regulations; and
- ensure compliance with the Group's internal Corporate Governance Regulations, including the Code of Conduct for Dealings in Securities, and its Group Investment Procedures.

The Chairman of the Audit Committee reports the findings of each Committee meeting to the Board and makes recommendations to management on behalf of the Board.

The Guarantor has a risk management process which gives consideration to both strategic and operational risks. All identified risks are modelled according to their probability of occurrence and potential impact and subsequently prioritised by management. A consolidated risk report, which includes action plans prepared by the Group executive directly responsible for addressing the risk, is reviewed annually by the Audit Committee and the Board.

### ***Compensation Committee***

The purpose of the Compensation Committee is to support the Board in establishing and reviewing the compensation strategy and guidelines as well as in preparing the proposals to the general meeting of shareholders regarding the compensation of the Board and the Senior Executive Committee. The Compensation Committee may submit proposals to the Board on other compensation-related issues.

The Compensation Committee oversees the administration of the Group's long-term incentive plans for executive members of the Board and, inter alia: approves the awards granted to executive directors; and approves the awards made to other executives in aggregate, recognising that the Senior Executive Committee has the authority to make awards to executives other than those serving on the Board. In addition, the Compensation Committee oversees any material amendment to existing long-term incentive plans or the creation of any other long-term incentive plan pertaining to senior management.

### ***Nominations Committee***

The principal functions of the Nominations Committee are to advise the Board in areas such as the composition and size of the Board and the criteria to be applied in the selection of new members of the Board and senior management. In addition, the Committee is responsible for the nomination of directors to serve on Board Committees.

Succession planning is established throughout the Group's operations. At the level of Board membership, the Nominations Committee is responsible for continuity as directors reach retirement or indicate their intention to resign.

The Group's succession plans seek to preserve the current balance of executive directors, former executive directors in a non-executive capacity, and non-executive directors who have not held operational responsibilities within the Group. While this balance will be preserved in the long term, as the continuity it brings to strategic discussions is one of the Group's strengths, the profile of individual appointments may vary from time to time. Such variations take account of the Board's evolving requirements in terms of experience and diversity.

### ***Strategic Security Committee***

The purpose of the Strategic Security Committee is to advise the Board in all aspects of security policy. It aims to protect the Company's assets, including confidential business information and intellectual property, and its operations against intrusive actions. It also oversees the protection of Richemont's employees and physical assets.

### **Alternative Performance Measures**

The tables below set out certain alternative performance measures relating to the Group as at and for the financial years ended 31 March 2013 to 2017 (see also "*Alternative Performance Measures*" in the section entitled "*Presentation of Financial Information*").

The Group defines EBITDA as operating profit *plus* the sum of depreciation and amortisation charges and EBITDA margin as EBITDA over sales. The following table shows the reconciliation from operating profit to EBITDA and the calculation of EBITDA margin for the financial years ended 31 March 2013 to 2017.

	<b>Financial year ended 31 March 2017</b>	<b>Financial year ended 31 March 2016</b>	<b>Financial year ended 31 March 2015</b>	<b>Financial year ended 31 March 2014</b>	<b>Financial year ended 31 March 2013</b>
Operating profit (€m)	1,764	2,061	2,670	2,427	2,426
Depreciation and amortisation charges (€m)	561	541	463	395	383
<b>EBITDA (€m)</b>	<b>2,325</b>	<b>2,602</b>	<b>3,133</b>	<b>2,822</b>	<b>2,809</b>
Sales (€m)	10,647	11,076	10,410	10,023	10,150
<b>EBITDA Margin (%)</b>	<b>21.8</b>	<b>23.5</b>	<b>30.1</b>	<b>28.2</b>	<b>27.7</b>

The Group defines cash conversion as EBITDA minus capex over EBITDA. The following table shows the reconciliation from EBITDA to cash conversion for the financial years ended 31 March 2013 to 2017.

	Financial year ended 31 March 2017	Financial year ended 31 March 2016	Financial year ended 31 March 2015	Financial year ended 31 March 2014	Financial year ended 31 March 2013
EBITDA (€m)	2,325	2,602	3,133	2,822	2,809
Capex (€m) <sup>1</sup>	(592)	(719)	(738)	(675)	(630)
EBITDA – Capex (€m)	1,733	1,883	2,395	2,147	2,179
<b>Cash Conversion (%)</b>	<b>74.5</b>	<b>72.4</b>	<b>76.4</b>	<b>76.1</b>	<b>77.6</b>

<sup>1</sup> For a reconciliation of capex, see below.

The Group defines net cash as the sum of current financial assets held at fair value through profit or loss, cash at bank and on hand, non-current borrowings, current borrowings and bank overdrafts and net cash / EBITDA as net cash over EBITDA. The following table shows the reconciliation of net cash and net cash / EBITDA for the financial years ended 31 March 2013 to 2017.

	Financial year ended 31 March 2017	Financial year ended 31 March 2016	Financial year ended 31 March 2015	Financial year ended 31 March 2014	Financial year ended 31 March 2013
Current financial assets held at fair value through profit or loss	3,481	3,247	2,858	2,839	2,712
Cash at bank and on hand	4,450	4,569	5,654	3,389	2,443
Non-current borrowings	(402)	(379)	(405)	(318)	(345)
Current borrowings	(53)	(77)	(186)	(76)	(142)
Bank overdrafts	(1,685)	(2,021)	(2,502)	(1,175)	(1,453)
<b>Net Cash (€m)</b>	<b>5,791</b>	<b>5,339</b>	<b>5,419</b>	<b>4,659</b>	<b>3,215</b>
EBITDA (€m)	2,325	2,602	3,133	2,822	2,809
<b>Net Cash / EBITDA</b>	<b>2.5</b>	<b>2.1</b>	<b>1.7</b>	<b>1.7</b>	<b>1.1</b>

The Group defines capex as the sum of acquisition of property, plant and equipment, proceeds from disposal of property, plant and equipment, acquisition of intangible assets, proceeds from disposal of intangible assets, acquisition of other non-current assets and proceeds from disposal of other non-current assets while excluding capital expenditure on investment properties. The following table shows the reconciliation of capex for the financial years ended 31 March 2013 to 2017.

	Financial year ended 31 March 2017 (€m)	Financial year ended 31 March 2016 (€m)	Financial year ended 31 March 2015 (€m)	Financial year ended 31 March 2014 (€m)	Financial year ended 31 March 2013 (€m)
Acquisition of property, plant and equipment	(536)	(630)	(601)	(577)	(541)

Proceeds from disposal of property, plant and equipment	15	17	16	35	17
Acquisition of intangible assets	(63)	(80)	(107)	(98)	(71)
Proceeds from disposal of intangible assets	14	1	3	-	1
Acquisition of other non-current assets	(36)	(58)	(67)	(65)	(51)
Proceeds from disposal of other non-current assets	14	31	18	30	15
<b>Capex</b>	<b>(592)</b>	<b>(719)</b>	<b>(738)</b>	<b>(675)</b>	<b>(630)</b>

The following table sets out the Group's capex by category and the Group's capex as a percentage of sales for the financial years ended 31 March 2013 to 2017.

	<b>Financial year ended 31 March 2017 (€m)</b>	<b>Financial year ended 31 March 2016 (€m)</b>	<b>Financial year ended 31 March 2015 (€m)</b>	<b>Financial year ended 31 March 2014 (€m)</b>	<b>Financial year ended 31 March 2013 (€m)</b>
Networks	(295)	(305)	(316)	(249)	(247)
Manufacturing	(128)	(182)	(171)	(203)	(199)
IT	(34)	(43)	(47)	(47)	(67)
Office / others	(136)	190	(204)	(176)	(117)
<b>Capex</b>	<b>(592)</b>	<b>(719)</b>	<b>(738)</b>	<b>(675)</b>	<b>(630)</b>
<i>As % of Sales</i>	<i>5.6%</i>	<i>6.5%</i>	<i>7.1%</i>	<i>6.7%</i>	<i>6.2%</i>

The Group defines net operating expenses as the sum of selling and distribution expenses, communication expenses, administrative expenses, other operating expense/(income) and loss/(gain) on disposal of investment property. The following table shows the reconciliation of net operating expenses for the financial years ended 31 March 2013 to 2017.

	<b>Financial year ended 31 March 2017 (€m)</b>	<b>Financial year ended 31 March 2016 (€m)</b>	<b>Financial year ended 31 March 2015 (€m)</b>	<b>Financial year ended 31 March 2014 (€m)</b>	<b>Financial year ended 31 March 2013 (€m)</b>
Selling and distribution expenses	3,044	2,950	2,554	2,309	2,265
Communication expenses	1,119	1,093	1,010	927	939
Administrative expenses	1,015	992	874	827	876
Other operating expense/(income)	(143)	22	2	1	13
Loss/(gain) on disposal of investment property	-	-	(234)	-	-
<b>Net operating expenses</b>	<b>5,035</b>	<b>5,057</b>	<b>4,206</b>	<b>4,064</b>	<b>4,093</b>

The Group defines change in net working capital as the sum of decrease/(increase) in inventories, decrease/(increase) in trade receivables, decrease/(increase) in other receivables and prepayments, increase/(decrease) in current liabilities, increase/(decrease) in long term liabilities, and increase/(decrease) in derivative financial instruments. The following table shows the reconciliation of increase in net working capital for the financial years ended 31 March 2013 to 2017.

	<b>Financial year ended 31 March 2017 (€m)</b>	<b>Financial year ended 31 March 2016 (€m)</b>	<b>Financial year ended 31 March 2015 (€m)</b>	<b>Financial year ended 31 March 2014 (€m)</b>	<b>Financial year ended 31 March 2013 (€m)</b>
Decrease/(increase) in inventories	123	(139)	(506)	(144)	(582)
Decrease/(increase) in trade receivables	42	(2)	8	(53)	(91)
Decrease/(increase) in other receivables and prepayments	5	(16)	(81)	5	(60)
Increase /(decrease) in current liabilities	(90)	103	16	18	(209)
Increase/(decrease) in long term liabilities	12	1	8	22	4
Increase/(decrease) in derivative financial instruments	(121)	(118)	(23)	118	-
<b>Change in net working capital</b>	<b>(29)</b>	<b>(171)</b>	<b>(578)</b>	<b>(34)</b>	<b>(938)</b>

The Group defines free cash flow as the sum of operating profit, operating profit/(loss) from discontinued operations, depreciation, amortisation and other non-cash items, change in net working capital, other operating activities, taxation paid and capex plus acquisition and disposal of investment properties. The following table presents the reconciliation from operating profit to free cash flow for the financial years ended 31 March 2013 to 2017.

	<b>Financial year ended 31 March 2017 (€m)</b>	<b>Financial year ended 31 March 2016 (€m)</b>	<b>Financial year ended 31 March 2015 (€m)</b>	<b>Financial year ended 31 March 2014 (€m)</b>	<b>Financial year ended 31 March 2013 (€m)</b>
Operating profit	1,764	2,061	2,670	2,427	2,426
Operating profit/(loss) from discontinued operations	-	(91)	1	(8)	-
<i>Depreciation of property plant and equipment</i>	<i>467</i>	<i>455</i>	<i>395</i>	<i>339</i>	<i>295</i>
<i>Depreciation of investment property</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>0</i>
<i>Amortisation of other intangible assets</i>	<i>94</i>	<i>95</i>	<i>106</i>	<i>90</i>	<i>88</i>
<i>Impairment of</i>	<i>2</i>	<i>2</i>			

<i>property plant and equipment</i>					
<i>Impairment of goodwill</i>	0	16			
<i>Loss on disposal of property plant and equipment</i>	11	5	7	2	6
<i>Loss/(profit) on disposal of other intangible assets</i>	(5)	4	3	2	1
<i>Profit on disposal of investment property</i>	(195)	0	(252)	0	0
<i>Increase in long term provisions</i>	44	7	19	46	49
<i>(Decrease)/increase in retirement benefit obligations</i>	(287)	4	(9)	(11)	(5)
<i>Non-cash items</i>	30	31	24	20	22
Depreciation, amortisation and other non-cash items	161	620	294	490	456
Change in net working capital	(29)	(171)	(578)	(34)	(938)
<i>Interest received</i>	78	58	16	16	12
<i>Interest paid</i>	(69)	(68)	(39)	(34)	(30)
<i>Dividends from equity accounted investments</i>	2	1	-	-	-
<i>Other investment income</i>	-	-	-	2	3
Other operating activities	11	(9)	(23)	(16)	(15)
Taxation paid	(288)	(446)	(660)	(365)	(361)
<i>Capex</i>	(592)	(719)	(738)	(675)	(630)
<i>Acquisition of investment property</i>	-	-	-	(1)	(18)
<i>Proceeds from disposal of investment property</i>	-	-	552	-	-
Capex plus acquisition and disposal of investment properties	(592)	(719)	(186)	(676)	(648)
<b>Free Cash Flow</b>	<b>1,027</b>	<b>1,245</b>	<b>1,518</b>	<b>1,818</b>	<b>920</b>

## Significant Recent Developments

### *Increase in interest held in Dufry AG*

During August 2017, the Group increased its stake in Dufry AG from approximately 5 per cent. to 7.5 per cent.. Dufry is a leading travel retail specialist listed on the Swiss stock exchange. This acquisition is reflective of the Guarantor's view that travel retail spending will increase over time.

### *Sale of the Shanghai Tang Maison*

On 30 June 2017, the Group announced that it has completed the sale of its wholly-owned subsidiary, Shanghai Tang to an entity controlled by Mr Alessandro Bastagli, an Italian entrepreneur. The transaction will



have no material impact on the Group's balance sheet, cash flow or results for the year ending 31 March 2018.

***Announcement of intention to launch voluntary public tender offer for YOOX NET-A-PORTER***

On 22 January 2018, the Group announced that it has notified YOOX NET-A-PORTER GROUP S.p.A ("YNAP") and the relevant market authorities of its intention to launch a voluntary public tender offer (the "**YNAP Offer**") to acquire all the issued and to be issued ordinary shares of YNAP that it or its affiliates do not already own. Under the terms of the YNAP Offer, for each ordinary YNAP share held, YNAP shareholders would receive EUR 38.00 per share.

The Guarantor intends to finance the cash consideration payable to YNAP shareholders pursuant to the YNAP Offer from existing cash resources and/or third party debt. The Guarantor has entered into a bank facility with Goldman Sachs International Bank to provide backstop financing for the YNAP Offer. The Group considers that the YNAP Offer provides a meaningful opportunity to strengthen the Group's presence and focus on the digital channel, which is becoming critically important in meeting luxury consumers' needs.

## Selected Financial Information

### Historical financial information

The consolidated balance sheet, consolidated statement of comprehensive income and consolidated statement of cash flows data set out in the tables below are extracted from the audited consolidated financial statements of the Guarantor for the financial year ended 31 March 2017, which are incorporated by reference into this Prospectus.

For more detailed information in respect of documents incorporated by reference into this Prospectus, refer to the section of this Prospectus entitled “*Documents Incorporated by Reference*” above.

### Consolidated balance sheet at 31 March

	2017 €m	2016 €m
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	2 558	2 476
Goodwill	298	291
Other intangible assets	391	421
Investment property	12	191
Equity-accounted investments	1 307	1 283
Deferred income tax assets	724	700
Financial assets held at fair value through profit or loss	7	7
Other non-current assets	430	398
	5 727	5 767
Current assets		
Inventories	5 302	5 345
Trade and other receivables	996	1 021
Derivative financial instruments	20	41
Prepayments	163	135
Financial assets held at fair value through profit or loss	3 481	3 247
Cash at bank and on hand	4 450	4 569
Assets of disposal group held for sale	21	—
	14 433	14 358
<b>Total assets</b>	<b>20 160</b>	<b>20 125</b>
<b>Equity and liabilities</b>		
Equity attributable to owners of the parent company		
Share capital	334	334
Treasury shares	(432)	(412)
Share option reserve	327	289
Cumulative translation adjustment reserve	3 004	2 725
Retained earnings	12 296	12 111
<b>Total equity</b>	<b>15 529</b>	<b>15 047</b>

**Liabilities**

Non-current liabilities		
Borrowings	<b>402</b>	379
Deferred income tax liabilities	<b>8</b>	10
Employee benefits obligation	<b>98</b>	290
Provisions	<b>91</b>	79
Other long-term financial liabilities	<b>132</b>	124
	<b>731</b>	882
Current liabilities		
Trade and other payables	<b>1 508</b>	1 526
Current income tax liabilities	<b>365</b>	268
Borrowings	<b>53</b>	77
Derivative financial instruments	<b>67</b>	93
Provisions	<b>215</b>	211
Bank overdrafts	<b>1 685</b>	2 021
Liabilities of disposal group held for sale	<b>7</b>	–
	<b>3 900</b>	4 196
Total liabilities	<b>4 631</b>	5 078
Total equity and liabilities	<b>20 160</b>	20 125

**Consolidated statement of comprehensive income**  
for the year ended 31 March

	2017 €m	2016 €m
<b>Sales</b>	<b>10 647</b>	11 076
Cost of sales	(3 848)	(3 958)
<b>Gross profit</b>	<b>6 799</b>	7,118
Selling and distribution expenses	(3 044)	(2 950)
Communication expenses	(1 119)	(1 093)
Administrative expenses	(1 015)	(992)
Other operating income/(expense)	143	(22)
<b>Operating profit</b>	<b>1 764</b>	2 061
Finance costs	(233)	(166)
Finance income	73	168
Share of post-tax results of equity-accounted investments	(34)	(5)
<b>Profit before taxation</b>	<b>1 570</b>	2 058
Taxation	(360)	(370)
<b>Profit for the year from continuing operations</b>	<b>1 210</b>	1 688
Profit for the year from discontinued operations	–	539
<b>Profit for the year</b>	<b>1 210</b>	2 227
<b>Other comprehensive income:</b>		
<b>Items that will never be reclassified to profit or loss</b>		
Defined benefit plan actuarial losses	(99)	(59)
Tax on defined benefit plan actuarial losses	(20)	11
Share of other comprehensive income of equity-accounted investments	–	2
	(119)	(46)
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Currency translation adjustments		
– movement in the year	279	(545)
– reclassification to profit or loss	–	(36)
Share of other comprehensive income of equity-accounted investments	–	–
	279	(581)
Other comprehensive income, net of tax	160	(627)
<b>Total comprehensive income</b>	<b>1 370</b>	1 600
<b>Total comprehensive income attributable to:</b>		
Owners of the parent company	1 370	1 600
– continuing operations	1 370	1 111
– discontinued operations	–	489
	1 370	1 600
<b>Earnings per share attributable to owners of the parent company during the year (expressed in EUR per share)</b>		
<b>From profit for the year</b>		
Basic	2.145	3.947
Diluted	2.141	3.935
<b>From continuing operations</b>		
Basic	2.145	2.992
Diluted	2.141	2.983

**Consolidated statement of cash flows**  
for the year ended 31 March

	2017 €m	2016 €m
<b>Cash flows from operating activities</b>		
Cash flow generated from operations	1 896	2 419
Interest received	78	58
Interest paid	(69)	(68)
Dividends from equity-accounted investments	2	1
Taxation paid	(288)	(446)
Net cash generated from operating activities	1 619	1 964
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary undertakings and other businesses, net of cash acquired	(3)	(131)
Proceeds from disposal of subsidiary undertakings, net of cash	370	(5)
Acquisition of equity-accounted investments	(55)	(11)
Acquisition of property, plant and equipment	(536)	(630)
Proceeds from disposal of property, plant and equipment	15	17
Acquisition of intangible assets	(63)	(80)
Proceeds from disposal of intangible assets	14	1
Investment in money market and externally managed funds	(4 183)	(6 428)
Proceeds from disposal of money market and externally managed funds	3 988	6 007
Acquisition of other non-current assets	(36)	(58)
Proceeds from disposal of other non-current assets	14	31
Net cash used in investing activities	(475)	(1 287)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	101	105
Repayment of borrowings	(131)	(205)
Dividends paid	(878)	(854)
Payment for treasury shares	(95)	(144)
Proceeds from sale of treasury shares	47	50
Acquisition of non-controlling interests in subsidiaries	–	(152)
Capital element of finance lease payments	(2)	(1)
Net cash used in financing activities	(958)	(1 201)
Net change in cash and cash equivalents	186	(524)
Cash and cash equivalents at the beginning of the year	2 548	3 152
Exchange gains/(losses) on cash and cash equivalents	31	(80)
<b>Cash and cash equivalents at the end of the year</b>	<b>2 765</b>	<b>2 548</b>

## Taxation

The statements below in relation are general in nature and neither these statements nor any other statements in this Prospectus are to be regarded as advice on the tax position of any holder of the Notes or any person purchasing, selling or otherwise dealing in Notes. Prospective holders of the Notes and holders of the Notes who are in doubt about their tax position should consult their own professional advisers.

### Luxembourg Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

#### *Withholding Tax*

##### (a) *Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

##### (b) *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

### The Common Reporting Standard (CRS)

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (the **CRS**) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Holders of the Notes may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction (including Luxembourg) that has signed the OECD's multilateral competent authority

agreement (the **Agreement**) may provide this information to other jurisdictions that have signed the Agreement.

Prospective holders of Notes should consult their professional advisors on the impact of CRS.

### **The Foreign Account Tax Compliance Act (FATCA)**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, “foreign financial institutions” (such as clearing systems, their participants and other financial intermediaries between the Issuer and the holder of the Notes) may be required to withhold on certain payments they make (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg) have entered into intergovernmental agreements with the United States to implement FATCA (the **IGAs**), which modify the way in which FATCA applies in their jurisdiction. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. A foreign financial institution resident in an IGA jurisdiction must comply with specific due diligence procedures to identify their account holders and provide the U.S. Internal Revenue Service (directly or indirectly through its local tax authority) with information on financial accounts held by U.S. persons and recalcitrant account holders. Consequently, holders of the Notes may be requested to provide certain information and certifications to any financial institution through which payments on the Notes are made.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019.

Holders of the Notes should consult their professional advisors regarding how these rules may apply to their investment in the Notes.

### **Swiss Taxation**

The net proceeds from each issue of Notes will be applied by the Issuer outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

### **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 Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal 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.**



## Subscription and Sale

Goldman Sachs International (the **Sole Bookrunner**), Barclays Bank PLC, BNP Paribas, HSBC Bank plc and ING Bank N.V., Belgian Branch (the **Co-Managers**, and together with the Sole Bookrunner, the **Managers**) have, pursuant to a Subscription Agreement dated 22 March 2018 between the Issuer, the Guarantor and the Managers, agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the 2026 Notes at an issue price equal to 98.784 per cent. of their principal amount, the 2030 Notes at an issue price equal to 98.701 per cent. of their principal amount, the 2038 Notes Tranche 1 at an issue price equal to 97.805 per cent. of their principal amount, and the 2038 Notes Tranche 2 at an issue price equal to 98.557 per cent. of their principal amount, less fees. In addition, the Issuer (failing which, the Guarantor) will pay certain costs incurred by it and the Managers in connection with the issue of the Notes. The Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes.

## United States

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

Each of the Managers has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will have sent to each distributor or manager to which it sells Notes during such 40-day 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 this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

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

## United Kingdom

Each of the Managers has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the 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 or the Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Prohibition of Sales to EEA Retail Investors**

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## **General**

Each of the Managers has agreed to observe, to the best of its knowledge and belief, all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or has in its possession or distribute this Prospectus or any other offering material relating to the Notes.

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

## **General Information**

### **Authorisation**

The creation and issue of the Notes has been duly authorised by a resolution of the Committee of the Board of Directors of the Guarantor (the “**Committee**”) passed on 5 March 2018, which Committee was appointed by a resolution of the Board of Directors of the Guarantor passed on 8 February 2018, and the giving of the Guarantee has been duly authorised by a resolution of the Committee passed on 26 February 2018.

The creation and issue of the Notes have further been duly authorised by a resolution the Board of Directors of the Issuer passed on 14 February 2018 and a resolution of a committee of the Board of Directors of the Issuer passed on 2 March 2018, which committee was appointed by the aforementioned resolution of the Board of Directors of the Issuer.

### **Listing and Admission to Trading of Notes on the Luxembourg Stock Exchange**

It is expected that the official listing of the 2026 Notes, the 2030 Notes and the 2038 Notes will be granted on or about 26 March 2018 subject only to the issue of the 2026 Temporary Global Note, the 2030 Temporary Global Note and the 2038 Temporary Global Note, respectively. Application has been made to the CSSF for the 2026 Notes, the 2030 Notes and the 2038 Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). The Issuer estimates that the total expenses related to the admission to trading will be approximately €26,800.

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

The International Securities Identification Number (ISIN) for the 2026 Notes is XS1789751531 and the Common Code is 178975153.

The International Securities Identification Number (ISIN) for the 2030 Notes is XS1789752182 and the Common Code is 178975218.

The International Securities Identification Number (ISIN) for the 2038 Notes is XS1789759195 and the Common Code is 178975919.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### **Documents Available**

Copies of the following documents may be inspected during normal business hours at the registered office of the Issuer and from the specified office of the Fiscal Agent in London:

- (i) the constitutional documents (with an English translation thereof) of the Issuer and the constitutional documents (with an English translation thereof) of the Guarantor;

- (ii) the audited annual financial statements of the Issuer for each of the financial years ended 31 March 2016 and 31 March 2017 (in English), in each case together with the audit reports prepared in connection therewith;
- (iii) the audited annual consolidated and non-consolidated financial statements of the Guarantor for each of the financial years ended 31 March 2016 and 31 March 2017 (in English), in each case together with the audit reports prepared in connection therewith;
- (iv) the Agency Agreements;
- (v) the Deed of Covenant;
- (vi) the Guarantee; and
- (vii) a copy of this Prospectus.

## **Yield**

On the basis of the issue price of the 2026 Notes of 98.784 per cent. of their principal amount, the yield on the 2026 Notes is 1.160 per cent. on an annual basis.

On the basis of the issue price of the 2030 Notes of 98.701 per cent. of their principal amount, the yield on the 2030 Notes is 1.620 per cent. on an annual basis.

On the basis of the issue price of the 2038 Notes Tranche 1 of 97.805 per cent. of their principal amount, the yield on the 2038 Notes Tranche 1 is 2.136 per cent. on an annual basis.

On the basis of the issue price of the 2038 Notes Tranche 2 of 98.557 per cent. of their principal amount, the yield on the 2038 Notes Tranche 2 is 2.089 per cent. on an annual basis.

The yield is calculated on the Closing Date on the basis of the issue price of the Notes. It is not an indication of future yield.

## **Significant or Material Change**

There has been no significant change in the financial or trading position of the Issuer since 31 March 2017 and no material adverse change in the prospects of the Issuer since 31 March 2017.

There has been no significant change in the financial or trading position of the Guarantor or the Group since 30 September 2017 and no material adverse change in the prospects of the Guarantor or the Group since 31 March 2017.

## **Material Contracts**

There are, at the date of this Prospectus, no material contracts that are not entered into in the ordinary course of the Issuer or the Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer or the Guarantor's ability to meet its obligations to Noteholders in respect of the Notes being issued.

## **Legal and Administrative Proceedings**

Neither the Issuer nor the Guarantor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or

threatened of which the Issuer or the Guarantor is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor or the Group.

## **Auditors**

The statutory auditors of the Issuer are PricewaterhouseCoopers Société coopérative, independent auditors (*réviseur d'entreprises agréé*), a member of the Luxembourg *Institut des Réviseurs D'Entreprises*, with business address at 2, rue Gerhard Mercator, B.P. 1443, L-1014, Luxembourg. PricewaterhouseCoopers Société coopérative have audited Richemont International Holding S.A.'s financial statements for each of the two financial years ended 31 March 2016 and 31 March 2017, as stated in their reports included elsewhere in this Prospectus.

The statutory auditors of the Guarantor are PricewaterhouseCoopers SA, a member of EXPERTsuisse – Swiss Expert Association for Audit, Taxes and Fiduciary, with business address at 50 avenue Giuseppe-Motta 1202 Geneva Switzerland. PricewaterhouseCoopers SA have audited Compagnie Financière Richemont SA's consolidated and non-consolidated financial statements for each of the two financial years ended 31 March 2016 and 31 March 2017, as stated in their reports included elsewhere in this Prospectus.

## **Conflicts**

The Managers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and/or the Guarantor and their respective affiliates in the ordinary course of business. The Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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

**ISSUER**

**Richemont International Holding S.A.**

35 Boulevard Prince Henri  
L-1724 Luxembourg  
Luxembourg

**GUARANTOR**

**Compagnie Financière Richemont SA**

50 chemin de la Chênaie  
CP 30, 1293 Bellevue  
Geneva  
Switzerland

**FISCAL AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Luxembourg

**SOLE BOOKRUNNER**

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**CO-MANAGERS**

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**

10 Harewood Avenue  
London  
NW1 6AA  
United Kingdom

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**ING Bank N.V., Belgian Branch**

Marnixlaan 24  
Brussels 1000  
Belgium

## **LEGAL ADVISERS**

*To the Issuer and the Guarantor as to Luxembourg law*

**Elvinger Hoss Prussen**  
2, place Winston Churchill  
L-1340 Luxembourg  
Luxembourg

*To the Issuer and the Guarantor as to Swiss law*

**Lenz & Staehelin**  
Route de Chêne 30  
CH-1211 Geneva 6  
Switzerland

*To the Issuer and the Guarantor as to English law*

**Slaughter and May**  
One Bunhill Row  
London EC1Y 8YY  
United Kingdom

*To the Managers as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

## **AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers Société coopérative**

2, rue Gerhard Mercator  
B.P. 1443  
L-1014, Luxembourg

## **AUDITORS TO THE GUARANTOR**

**PricewaterhouseCoopers SA**

50 avenue Giuseppe-Motta  
1202 Geneva  
Switzerland

## **LUXEMBOURG LISTING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Luxembourg