

Contrat d'Emission des OCA

A l'attention des lecteurs

Nous vous informons que le contrat d'émission d'obligations convertibles conclu le 11 septembre 2017 entre la Société d'une part et DIC Corporation d'autre part tel que présenté ci-après n'est pas reproduit dans son intégralité car ce dernier est soumis au secret des affaires.

TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

INTO NEW SHARES OF

FERMENTALG SA

SUBSCRIBED BY

DIC CORPORATION

On SEPTEMBER 11, 2017

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Schedule B The shareholders' resolutions of the Issues in Relation with the Issuance

Schedule 1 Draft Mortgage Agreement (Work in Progress)

Schedule 13.4 Conversion Request

- A. The following document contains, in accordance with the Bonds Purchase Agreement, the terms and conditions of the one (1) million bonds convertible into new ordinary shares of Fermentalg SA, due three years from the Issue Date (as defined below), which is expected to be around October 23, 2020 (the “Bonds”) for an aggregate principal amount of five (5) million euros (the “Terms and Conditions”).
- B. The Bonds will be issued subject to the approval by the shareholders of the Issuer of the draft resolutions attached as Schedule B; it being specified that the Issuer’s shareholders general meeting which will be called to approve such resolutions will be convened to be held no later than October 19, 2017.
- C. The Bonds, which will be issued on the Issue Date (as defined below) by the Issuer, constitute securities that confer certain rights to receive New Shares of the Issuer within the meaning of articles L. 228-91 *et seq.* of the French “*Code de commerce*”.

1 DEFINITIONS

In addition to the terms defined above and other terms defined in other Sections, the following initially capitalized terms have the meanings set forth below for purposes of those Terms and Conditions:

“Affiliate” means, in relation to any specified person, a person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control (as the notion of control is defined in article L.233-3 of the French “*Code de commerce*”) with such person;

“Bonds Purchase Agreement” means the bond purchase agreement entered into between the Bondholder and the Issuer on September 11, 2017;

“Bondholder” means DIC Corporation, a company incorporated under the laws of Japan, whose principal office is located at 7-20, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-8233, Japan,;

“Bondholders’ Representative” is deemed to be a reference to the Bondholder so long as the Bonds are held by the sole Bondholder and to the Bondholders’ Representative upon appointment of such Bondholders’ Representative in case of plurality of Bondholders;

“Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Paris and on which Euroclear France is operating;

“JDA” means a collaboration agreement to be entered into between the Bondholder and the Issuer on September 11, 2017;

“Guarantee” means the mortgage (“*hypothèque*”) to be granted by the Company as a security for the payment of all sums under the Bonds on the following buildings:

- **Building A:** building of 1.636 m² located 4 rue Rivière in Libourne (33500) and registered at the “cadastre” of Libourne under references BE1. This building has a ground floor and a first floor and is dedicated to the use of offices and to the research laboratories;
- **Building B:** building of 859 m² (including a 404 m² parking) located 11 rue Rivière in Libourne

(33500) and registered at the “cadastre” of Libourne under references [BD250, BD251, and BD253]. This building has a basement dedicated to the “souchothèque” and to the stocks, and a ground floor dedicated to the parking;

- **Building C:** former habitation of 443 m² located 6 rue Rivière in Libourne (33500) and registered at the “cadastre” of Libourne under references BE2. This building has a ground floor and a first floor and is used as a meeting place;

(all together, the “Company’s Buildings”),

which is formalized in the draft notarized mortgage contract attached as Schedule 1 (the “Mortgage Agreement”) to be finalized and executed as mentioned in Article 6.1 (b) of the Bonds Purchase Agreement.

“**Issuer**” means Fermentaig a “*société anonyme*” incorporated under the laws of France registered with the companies registry of Libourne under number 509 935 151, whose registered office is located 4, rue de Libourne (33500);

“**Issuance**” means the issuance of the Bonds on the Issue Date;

“**Issue Date**” has the meaning set forth in Section 10;

“**New Share**” means any new Share to be issued upon the exercise of the Conversion Right;

“**Section**” means any section of the Terms and Conditions;

“**Shares**” means the ordinary shares of the Issuer, with a nominal value of €0,04 each, currently traded on Euronext Paris under ISIN code FR0011271600 and which will continue to be traded on Euronext Paris or another Regulated Market; and

“**Trading Day**” means a day on which (i) Euronext Paris SA (“Euronext”) trades the Shares on its Compartment C market in Paris or, as the case may be, regulated market in Paris (“Euronext Paris”) or (ii) as the case may be, any other market operator of a regulated market or similar market where the Shares are listed.

2 NOMINAL AMOUNT – PAR VALUE OF THE BONDS – ISSUE PRICE OF THE BONDS

The nominal amount of the Issuance will be five (5) millions euros represented by one (1) million Bonds each with a par value of five (5) euros (the “Par Value”).

The issue price per Bond will be equal to five (5) euros, representing 100% of the Par Value.

The Issuance will be subject to a single settlement-delivery on expected on October 23, 2017.

3 FORM AND METHOD OF REGISTRATION OF THE BONDS

The Bonds shall be in fully registered form (*forme nominative pure*). The ownership of the Bonds will be recorded as book entries in securities accounts opened in their name and held in a register by the Issuer.

No document evidencing the ownership of the Bonds (including representative certificates under article R. 211-7 of the French "*Code monétaire et financier*") will be issued in connection with the Bonds.

In accordance with articles L. 211-15 and L. 211-17 of the French "*Code monétaire et financier*", and subject to Section 11, the Bonds are transferred from one account to another, and the transfer of ownership of the Bonds will occur upon their book entry registration in the Bondholder's securities account.

No request for the admission of the Bonds to the operations of Euroclear France, Euroclear Bank S.A. /N.V. and/or Clearstream Banking, *société anonyme* (Luxembourg) will be made.

4 CURRENCY OF THE BONDS

The Bonds will be denominated in euros.

5 RANKING OF THE BONDS

5.1 Status

The Bonds and the interests thereon constitute direct, general and unconditional debt obligations of the Issuer, ranking equally among themselves and, subject to mandatory exceptions imposed by French law, *pari passu* with all other present or future direct, general and unconditional bonds instruments issued or to be issued by the Issuer.

5.2 Guarantee

The payment of all sums in principal, interests (including delay interests), fees and other costs due in relation to the Bonds will be irrevocably and unconditionally guaranteed by the Guarantee.

6 INTERESTS

6.1 Interest Rate - Calculation of Interests

As from the Issue Date and until the Maturity Date (inclusive), the Bonds will bear interests at the nominal annual rate of 5% (the "*Interests*").

Accrued Interests shall be computed on the basis of a 360-day year composed of twelve 30-day months.

Interests will cease to accrue as from the date of redemption of the Bonds (whether at Maturity Date or earlier in case of redemption or conversion in the conditions set forth in Sections 7.2 or 13).

6.2 Interests payment date

The Interests are payable annually in arrears on 31st December of each year and, for the first time, from the Issue Date to December 31st 2017 on a *pro rata temporis* basis.

In case of conversion or early redemption of the Bonds, as the case may be, the Interests shall be payable on the second Business Day following the Exercise Date (as defined in Section 13.4) or the date on which the Bonds are early redeemed in accordance with the Section 7.2.

Such dates are all referred as an "*Interests Payment Date*".

If the Interests Payment Date is not a Business Day, Interests will be paid on the first following Business Day.

7 REDEMPTION OF THE BONDS

7.1 Redemption at maturity

Unless the Bonds are previously converted, redeemed or purchased and cancelled pursuant to the Sections below, the Bonds will be redeemed in full at a price of 100% of the Par Value on the third anniversary date of the Issue Date (the "Maturity Date") (or the next Business Day if such date is not a Business Day).

7.2 Early redemption of the Bonds

(a) Issuer's Call

In the event of an early termination of the JDA, the Issuer may redeem, at its sole option and at any time before the Maturity Date, all of the outstanding Bonds at a price of 110% of the Par Value plus accrued Interests (the "Issuer's Call").

To validly exercise the Issuer's Call, the Issuer shall notify the Bondholder in accordance with Section 14 of (i) the early termination of the JDA together with written evidences of this termination, (ii) the number of Bonds to be redeemed, (iii) the related redemption price, (iv) the amount of the accrued Interests and (v) the completion date of the redemption (the "Notification of the Issuer's Call").

It is specified that the redemption of the Bonds shall be completed before the expiration of a one hundred eighty (180) calendar days period starting from the date of the termination of the JDA.

Interests shall cease to accrue on the effective date on which the Bonds will be redeemed by the Issuer.

(b) Bondholder's Put

- (i) The Bondholder shall be entitled, at its option, to request the early redemption of all of the outstanding Bonds at a price of 110% of the Par Value plus any accrued Interest between the last Interest Payment Date (or, if applicable, from the Issue Date) and the date set forth for the early redemption of the Bonds, in the event of the filing by a third party, of:

1. a mandatory tender offer on the share capital and/or voting rights of the Issuer pursuant to the first paragraph of article 234-2 of the general regulations of the French market authority, *Autorité des marchés financiers* ("AMF") "*Règlement général de l'AMF*" ("AMF General Regulations");
2. a voluntary tender offer on the share capital and/or voting rights of the Issuer which will result in an offeror gaining the control of the Issuer (as defined by article L.233-3 I of the French "*Code de commerce*"),

at a price per Issuer's Share inferior to five (5) euros, which would be approved ("*déclarée conforme*") by the AMF in accordance with the provisions of article 231-23 of the AMF General Regulations (a "*Relevant Tender Offer*"),

(the "*Bondholder's Put*").

In the event of (1) or (2) above, the Issuer shall inform the Bondholder in accordance with Section 14 and by means of a notice sent to the Bondholder via a letter and mail with acknowledgement receipt within three (3) calendar days following the date on which the AMF approved a Relevant Tender Offer. This notice shall remind Bondholder of its option for early redemption of the Bonds and indicate (w) the number of Bonds for which the Bondholder is entitled to request the early redemption, (x) the related redemption price, (y) the amount of the accrued Interests and (z) the completion date of the redemption (the "Notification of the Bondholder's Put").

The Bondholder shall have forty-five (45) calendar days after the Notification of the Bondholder's Put to exercise the Bondholder's Put. If the Bondholder requests the early redemption of all of the outstanding Bonds, the Issuer shall have no more than fifteen (15) calendar days to redeem the Bonds as from the date on which the Bondholder notified the Issuer on accordance of Section 14 of its intention to request early redemption of the Bonds.

In the case described above, the Bondholder will keep the ability to exercise its Conversion Right on or before the date of Notification of the Bondholder's Put.

- (ii) In the event of an early termination of the JDA, the Bondholder may request the early redemption, at its sole option and at any time before the Maturity Date, of all of the outstanding Bonds at a price of 100% of the Par Value plus any accrued interest between the last Interest Payment Date (or, if applicable, from the Issue Date) and the date set forth for the early redemption of the Bonds.

If the Bondholder requests the early redemption of all of the outstanding Bonds, the Issuer shall have no more than one hundred eighty (180) calendar days to redeem the Bonds from the date of the termination of the JDA.

With respect to paragraphs (i) and (ii) above, Interests shall cease to accrue on the effective date on which the Bonds will be redeemed by the Issuer.

(c) Events of Default

In any of the following events (each an "Event of Default"):

1. the default of the Issuer in the performance and/or enforcement of the provisions set forth in Sections 5, 6 and 13 (with the exception of Sections 13.2 and 13.5) and such default has not been cured within twenty (20) Business Days after receipt by the Issuer of written notice of such default;
2. the Issuer is subject to a safeguard proceeding (*procédure de sauvegarde*) (including any accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or any accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*)), or a judgment is rendered for the judicial reorganisation (*redressement judiciaire*), or for the judicial liquidation (*liquidation judiciaire*) or judgement for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer and any other similar insolvency or bankruptcy proceedings or grants any assignment for the benefit of its creditors;
3. the Issuer ceases to carry on all or substantially all of its business;
4. the Shares are no longer admitted to trading on Euronext Paris or another regulated market of the EEA;

the Bondholder, or as the case may be, the Bondholder's Representative, may, upon written notice sent to the Issuer, requires that all of the Bonds be redeemed at 110% of the Par Value plus accrued Interests from the last Interest Payment Date (or, if applicable, the Issue Date) until the date set for early redemption, it being specified that:

- the Issuer shall, subject to relevant supporting documents being notified to the Issuer, indemnify the Bondholder against any expense reasonably incurred and duly justified in collecting unpaid amount hereunder;
- forthwith upon knowledge of the occurrence of any Event of Default or of any triggering event which if not cured during the applicable cure period would constitute an Event of Default, the Issuer will inform the Bondholder, or the Bondholders' Representative, in writing of such occurrence and forthwith thereafter deliver to the Bondholder(s), a certificate of the Chief Executive Officer (*Président Directeur Général*) or any other legal representative of the Issuer, specifying the nature and period of existence thereof and the action which the Issuer is taking and proposes to take with respect thereto, it being specified that should the Event of Default constitute inside information ("*information privilégiée*") within the meaning of Section 7 of the European Regulation no 596/2014 on April 16th, 2014, the Issuer shall not communicate such information to the Bondholder before it is made public to the investment community through a press release.

For the avoidance of doubt, it is specified that the notification by the Investor to the Company of a Notice of Claim pursuant to Section 8.11.2 of the Bonds Purchase Agreement shall not constitute an Event of Default and/or shall not trigger the enforcement of the Guarantee.

(d) Cancellation of the Bonds

Bonds that have been redeemed at or prior to the Maturity Date, as well as converted or repurchased Bonds, will be cancelled in accordance with French law.

8 PRESCRIPTION

8.1 Interests

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

8.2 Redemption

Any claims filed against the Issuer seeking redemption of the Bonds will be prescribed at the expiration of a period of ten years from the normal or early redemption date.

9 REPRESENTATION OF BONDHOLDERS

In accordance with article L. 228-103 of the French "*Code de commerce*", if the Bonds are held by two or more Bondholders, such Bondholders will be grouped together in a collective group with legal personality (the "*Masse*") to defend their common interests.

The Bondholders' general meeting is competent to authorise amendments to the Sections of the Bonds and to vote on all decisions that require its approval under applicable law. The Bondholders' general meeting also deliberates on merger or spin-off proposals presented by the Issuer pursuant

to the applicable provisions of articles L. 228-65, I, 3°, L. 236-13, L. 236-18 and L. 228-73 of the French "*Code de commerce*".

Each Bond carries the right to one vote. The Bondholders' general meeting may not validly deliberate unless the Bondholders present or represented hold at least a-fourth of the Bonds carrying voting rights at the first meeting convocation and at least one-fifth at the second meeting convocation. Decisions made by the Bondholders' general meeting are only valid if approved by a majority of two-thirds of the votes of the present or represented Bondholders.

9.1 Representative of the *Masse* of Bondholders

In accordance with article L. 228-47 of the French "*Code de commerce*", the *Masse* will be represented by an appointed representative (the "**Bondholders' Representative**").

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

The Bondholders' Representative will exercise such duties until his death, dissolution, resignation, dismissal by the Bondholders' general meeting or in the event of a conflict. His appointment shall automatically cease on the date of total redemption of the Bonds, whether at or prior to the Maturity Date. This term may be automatically extended, as the case may be, until the final resolution of any legal proceedings in which the Bondholders' Representative is involved and the enforcement of any judgments rendered or settlements made pursuant thereto, if applicable.

9.2 General

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

Bondholders' general meetings will be held at the registered office of the Issuer or such other place as will be specified in the notice convening the meeting. Each Bondholder will have the right, during the [15] calendar days period preceding such meeting, to review or procure a written copy, whether on his own or by proxy, at the registered head office of the Issuer or any other location specified in the notice of the meeting, of the resolutions to be proposed and reports to be presented at such meeting.

In the event that future issuances of bonds give subscribers identical rights to those under the Bonds and if the Terms and Conditions of such future bonds so permit, the holders of all such bonds shall be grouped together in a single *Masse*.

For the sake of clarity, the Issuer will be entitled to rely (without investigation) on any action taken by the Bondholders' Representative as being taken on behalf of each of the Bondholders and fully authorized by each Bondholder. Any notification sent to the Bondholders' Representative by the Issuer shall be considered as sent to all the Bondholders

10 ISSUE DATE

The Bonds are expected to be issued on October 23, 2017, or any other date jointly defined by the Parties (the "**Issue Date**").

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

11 RESTRICTIONS ON THE TRANSFERABILITY OF THE BONDS

With the exception of any transfers by the Investor to any of its Affiliates, the Bonds will not be transferable as from the Closing Date and until the Maturity Date.

12 TAXATION

All payments of principal, Interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law or any equivalent mandatory rule.

If any law or any equivalent mandatory rule should require that payments of principal or interest in respect of any Bonds be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, the Issuer will not be required to pay any additional amounts in respect of any such deduction or withholding.

13 RIGHT TO THE ALLOCATION OF SHARES – CONVERSION OF BONDS INTO SHARES

13.1 Nature of the Conversion Right

The Bondholder will have the right, at any time from the Issue Date, up to and including the fifth day before the Maturity Date or, if applicable/permitted, the relevant redemption date, to exercise its Conversion Right pursuant to Section 13.3 and to receive New Shares (the “Conversion Right”), which will be offset against the principal amount owed under each Bond, in accordance with the Terms and Conditions below, and subject to the provisions of Section 13.8.

13.2 Suspension of the Conversion Right

In the event of the issuance of new shares or securities conferring rights to receive Shares, or other financial transactions conferring preferential subscription rights or reserving a priority subscription period for the benefit of shareholders of the Issuer, or in case of a merger or spin-off, in accordance with article L.225-149-1 and R.225-133 of the French “*Code de commerce*”, the Issuer will be entitled to suspend the exercise of the Conversion Right for a period not to exceed three months or such other period as may be established by applicable regulations. Any such suspension may not cause the Bondholder called for redemption to lose their Conversion Right or the exercise period set out in Section 13.3.

The Issuer’s decision to suspend the Conversion Right of Bondholders will be notified to Bondholder via (i) a letter with acknowledgement of receipt in accordance with applicable regulations and (ii) a mail with acknowledgement of receipt. This notice will be published or sent at least seven days prior to the date on which such suspension comes into effect and will indicate both the date on which the suspension comes into effect and the date on which it comes to an end.

13.3 Exercise period and Conversion Ratio

The Bondholder may exercise its Conversion Right at any time from the Issue Date of the Bonds up to and including the fifth day before the Maturity Date at the ratio subject to Sections 13.7 and 13.8, of one New Share, with a par value of five (5) euros, for one Bond (the “Initial Conversion Ratio”).

With respect to Bonds redeemed or repurchased at, or prior to, the Maturity Date, the Conversion Right will expire at the redemption date.

13.4 Terms of exercise of the Conversion Right

(a) Procedure

To exercise its Conversion Right, the Bondholder must make a request to the Issuer (at last on the fifth day before the Maturity Date), which may not be revoked once it is received by the Issuer.

The conversion request (a template of which is attached as Schedule 13.4) will be deemed to have been validly made on the Business Day on which the Issuer has received the exercise request transmitted by the Bondholder by 4:00 p.m., Paris time, or on the next Business Day if this condition is fulfilled after 4:00 p.m., Paris time (the "Exercise Date"). The Bondholder will then receive delivery of New Shares no later than the fifth Business Day following the Exercise Date.

The Issuer will determine the number of New Shares to be allocated, which, subject to Section 13.8, will be equal to, for the Bondholder, the product of the Initial Conversion Ratio in effect on the Exercise Date and the number of Bonds for which the Bondholder made an exercise request.

(b) Retroactive adjustments

In the event that a transaction constituting an adjustment event (see Section 13.7) whose Record Date (as defined in Section 13.7) occurs between the Exercise Date and the delivery date of the Shares issued or granted upon exercise of the Conversion Right (excluded), the Bondholders will have no right to participate in such transaction (subject to their adjustment right) at any time up to (but excluding) the delivery date of the Shares.

If the Record Date of a transaction subject to an adjustment referred to in Section 13.7 occurs:

- on an Exercise Date or prior to such date, but is not taken into consideration in the Conversion Ratio in effect as of such Exercise Date, or
- between an Exercise Date and the delivery date of the Shares (excluded),

the Issuer will allocate, on the basis of the new conversion ratio determined by the Issuer, the number of additional Shares, subject to the provisions of Section 13.8.

13.5 Mandatory Conversion

At any time before the Maturity Date, in the event the Issuer notifies the Bondholder that the weighted average share price of the Issuer has been superior to seven (7) euros for more than 120 consecutive trading days, the Bondholder undertakes to convert all its outstanding Bonds into New Shares within fifteen (15) calendars' days from the written request of this conversion made by the Issuer in accordance with Section 14.

In any such case the Conversion Ratio in effect on the date on which the Bondholder exercises its Conversion Right shall apply.

13.6 Right of the Bondholder to Interests on the Bonds and to dividends attached to the Shares allocated

In the event of the exercise of the Conversion Right, Interests will be payable to the Bondholder in respect of the period from the last Interests Payment Date (or, if applicable, the Issue Date) until the date on which the New Shares are delivered.

New Shares issued upon conversion will carry rights to dividends paid following the date of delivery.

13.7 Preservation of Bondholders' rights

For the avoidance of doubt, the Rights Issue shall not give rise to an adjustment referred to in this Section 13.7.

(a) Specific provisions

In accordance with the provisions of article L. 228-98 of the French "*Code de commerce*", as of the Issue Date and up to the Maturity Date:

1. the Issuer may not change its corporate form or corporate purpose without requesting the approval of the Bondholder's general meeting;
2. the Issuer may, without requesting authorization from the Bondholder, redeem its share capital, change its profit distribution or issue preferred shares, provided, so long as any Bonds are outstanding, that it takes the necessary measures to preserve the Bondholder's rights;
3. in the event of a reduction of the share capital resulting from losses and realised through the decrease in the par value or the number of New Shares comprising the share capital, the rights of the Bondholder will be reduced accordingly, as if they had exercised their Conversion Right before the date such share capital reduction occurred. In the event of a reduction of the share capital by a decrease in the number of Shares, the new conversion ratio will be equal to the product of the conversion ratio in effect before the decrease in the number of Shares and the following ratio:

$$\frac{\text{Number of Shares comprising the share capital after the transaction}}{\text{Number of Shares comprising the share capital before the transaction}}$$

(b) Adjustments of the Conversion Ratio in the event of certain financial transactions by the Issuer

Subsequent to any of the following transactions:

1. financial transactions with listed preferential subscription rights or effected by the free allocation of listed warrants or financial instruments other than shares;
2. free distribution of shares to shareholders (excluding the allocation of free shares to employees, managers and directors in the context of incentive scheme program);
3. incorporation into the share capital of reserves, profits, premiums by an increase in the par value of the Issuer's Shares;
4. allocation of reserves and/or premiums, in cash or in kind;

5. free distribution to the shareholders of any financial instrument other than the Shares;
6. merger or spin-off;
7. repurchase by the Issuer of its own Shares at a price higher than the market price;
8. redemption of share capital;
9. change in profit distribution and/or creation of preferred shares,

which the Issuer may carry out as from the Issue Date, for which the Record Date (as defined below) occurs before the delivery date of Shares issued or granted upon exercise of the Conversion Right, the rights of bondholders will be maintained until the delivery date (excluded), by means of an adjustment to the Conversion Ratio, in accordance with the terms set forth below.

The “Record Date” is the date on which the holding of Shares is fixed so as to determine which shareholders are beneficial owners of a transaction or may participate in a transaction, and in particular to which shareholders a dividend, distribution, or an allotment, announced or approved on or before such date, should be paid or delivered.

This adjustment will be carried out such that the value of the Shares that would have been allocated if the Conversion Right had been exercised immediately before the completion of any of the transactions listed above is equal, to the nearest thousandth of a share, to the value of the Shares to be allocated upon exercise of the Conversion Right immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs (i) to (ix) below, the new Conversion Ratio will be calculated to three decimal places by rounding to the nearest thousandth (with 0.0005 being rounded upwards to the nearest thousandth, i.e., 0.001). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded Conversion Ratio. However, because the Conversion Ratio may result only in the delivery of a whole number of Shares, fractional entitlements will be treated as specified in Condition 13.7.

1. (a) In the event of a financial transaction conferring listed preferential subscription rights, the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

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

For the purpose of the calculation of this ratio, the values of the Share after detachment of the preferential subscription right and of the preferential subscription right will be equal to the arithmetic average of their first trading price on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other Regulated Market or on a similar market on which the Shares or preferential subscription rights are listed) on each Trading Day included in the subscription period.

- (b) In the event of a financial transaction involving the free distribution of listed warrants to shareholders with the corresponding ability to place the securities resulting from the exercise of warrants that were unexercised by their holders at the end of the subscription period that applies to them, the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the Shares after distribution of the warrant
+ Value of the warrant
Value of the Shares after distribution of the warrant**

For the purpose of the calculation of this ratio,

- the value of the Share after distribution of the warrant will be equal to the volume-weighted average of (i) the price of the Shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other Regulated Market or on a similar market on which the Shares are listed) on each Trading Day included in the subscription period, and (ii) (a) the transfer price of the securities sold within the framework of the placement, if such securities are shares fungible with the existing Shares, applying the volume of Shares sold within the framework of the placement to the transfer price or (b) the price of the Shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the Shares are listed) on the determination date of the sale price of the securities sold within the framework of the placement if such securities are not shares fungible with the existing Shares.

- the value of the warrant will be equal to the volume-weighted average of (i) the prices of the warrants on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the warrants are listed) on each Trading Day included in the subscription period, and, (ii) the implicit value (*valeur implicite*) of the warrants resulting from the sale price of the securities sold within the framework of the placement — which corresponds to the difference (if it is positive), adjusted by the warrants' exchange ratio, between the sale price of the securities sold within the framework of the placement and the subscription price of the securities through exercise of the warrants — by applying the volume of exercised warrants to the price so determined in order to allocate the securities sold within the framework of the placement.

2. In the event of the free distribution of Shares to shareholders, Share split or reverse Share split, the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\frac{\text{Number of Shares comprising the share capital after the transaction}}{\text{Number of Shares comprising the share capital before the transaction}}$$

3. In the event of a share capital increase by capitalisation of reserves, profits or premiums carried out by increase in the nominal value of the Shares, the nominal value of the Shares to be allocated to bondholders exercising their Conversion Right will be increased accordingly.
4. In the event of a distribution of reserves or premiums in cash or in kind (portfolio securities, etc.), the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

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

For the purpose of the calculation of this ratio:

- the value of the Share before distribution will be equal to the VWAP of the Shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market on which the Shares are listed) during the three

Trading Days immediately preceding the Trading Day on which the Shares are listed ex-distribution;

- if the distribution is made in kind:
 - in the event of a distribution of securities already listed on a Regulated Market or similar market, the value of the securities distributed will be determined as indicated above;
 - in the event of the distribution of securities that are not already listed on a Regulated Market or similar market, the value of the securities distributed will be equal, if they are expected to be listed on a Regulated Market or similar market within ten Trading Days starting on the date on which the Shares are listed ex-distribution, to the VWAP on such market during the first three Trading Days of such period during which such securities are listed; and
 - in other cases (distribution of securities that are not listed on a Regulated Market or a similar market or are listed for fewer than three Trading Days within the period of ten Trading Days referred to above or a distribution of assets), the value of the securities or assets allocated per Share will be determined by an Independent Expert.

5. In the event of a free distribution to the Issuer's shareholders of financial instruments or securities other than the Shares, and subject to paragraph 1(b) above, the new Conversion Ratio will be determined as follows:

- (a) if the right to the free allocation of financial instruments or securities was admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market), by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

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

For the purpose of the calculation of this ratio:

- the value of the Share ex-right to free allocation will be equal to the volume-weighted average Share price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market on which the Share ex-right to free allocation is listed) of the Share ex-right to free allocation during the first three Trading Days on which the Shares are listed ex-right to free allocation;
 - the value of the free allocation right will be determined as indicated in the paragraph above. If the free allocation right is not listed during each of the three Trading Days, then its value will be determined by an Independent Expert.
- (b) if the right to free allocation of financial instruments or securities was not admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market), by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\frac{\text{Value of the Share ex-right to free allocation} + \text{Value of the security or financial instrument allocated per Share}}{\text{Value of the Share ex-right to free allocation}}$$

For the purpose of the calculation of this ratio:

- the value of the Share ex-right to free allocation will be determined as indicated in paragraph 5(a) above;
 - if the financial instruments or securities allocated are listed or may become listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market), within ten Trading Days beginning on the date on which the Shares are listed ex-distribution, then the value of the financial instruments allocated per Share will be equal to the volume-weighted average of the price of such financial instruments recorded on such market during the first three Trading Days of this period during which such securities are listed. If the financial instruments allocated are not listed on each of the first three Trading Days, then the value of the financial instruments allocated per Share will be determined by an Independent Expert.
6. In the event that the Issuer is merged into another company (absorption) or is merged with one or more companies forming a new company (fusion) or is spun-off (scission), the Bonds will be convertible into and/or exchangeable for shares of the absorbing or new company or of the beneficiary companies of such spin-off.

The new Conversion/ Ratio will be determined by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of Shares to the shares of the acquiring or new company or the beneficiary companies of a spin-off. These latter companies will be substituted ipso jure for the Issuer with regard to its obligations towards the bondholders.

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

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

For the purpose of the calculation of this ratio:

- Share value means the VWAP of the Shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market on which the Share is listed) during the three Trading Days immediately preceding such repurchase (or the option to repurchase);
 - Pc% means the percentage of repurchased capital; and
 - Repurchase price means the actual price at which Shares are repurchased.
8. In the event of a redemption of share capital, the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Value of the Share before redemption

Value of the Share before redemption – Amount of redemption per Share

For the purpose of the calculation of this ratio, the value of the Share before redemption will be equal to the VWAP of the Shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market on which the Shares are listed) during the three Trading Days immediately preceding the Trading Day on which the Shares are listed ex-redemption.

9. (a) In the event of the modification by the Issuer of the distribution of its profits and/or the creation of preferred shares resulting in such a change, the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Value of the Share before the change

Value of the Share before the change – Reduction per Share of the right to profits

For the purpose of the calculation of this ratio:

- the Value of the Share before the change will be determined on the basis of the VWAP of the Shares on Euronext Paris (or if the Shares are not listed on Euronext Paris, on another regulated or similar market on which the Shares are listed) during the three Trading Days immediately preceding the day of such change;
- the Reduction per Share of the rights to profits will be determined by an Independent Expert.

Notwithstanding the above, if such preferred shares are issued with shareholders' preferential subscription rights or by the free distribution to shareholders of warrants exercisable for such preferred shares, the new Conversion Ratio will be adjusted in accordance with paragraphs 1 or 5 above.

(b) In the event of the creation of preferred shares that do not lead to a modification of the distribution of profits, the adjustment of the Conversion Ratio, if necessary, will be determined by an Independent Expert.

In the event that the Issuer carries out transactions for which no adjustment would be applied pursuant to paragraphs 1 through 9 above, and where an adjustment is subsequently provided for by law or regulation, the Issuer will apply such adjustment in accordance with the applicable provisions of such laws or regulations, and taking into account relevant market practice in effect in France.

(c) **Public offers**

Under current French law and regulations, any public tender, exchange offer, combined public offer or other public offer by a third party in respect of the Shares also would be required to be made in respect of all securities giving access to the share capital of or voting rights in the Issuer, and therefore in respect of the Bonds described herein. Any such offer proposal and the information document containing the Terms and Conditions of such offer would be subject to prior review by the AMF, which would determine the admissibility of the offer based on the elements presented.

In the event that the Shares become the object of a public offer (tender, exchange, combined, etc.), which may result in a Change of Control (as defined below) or resulting from a Change

of Control, where said public offer is approved by the AMF, the Conversion Ratio will be temporarily adjusted during the Adjustment Period in case of Public Offer (as defined below) according to the following formula (the result will be rounded in the manner provided for in this Section):

$$\text{NCER} = \text{CER} \times [1 + \text{BIP} \times (\text{D1}/\text{D2})]$$

where:

NCER means the new Conversion Ratio applicable during the Adjustment Period in case of Public Offer;

CER means the Conversion Ratio in effect before the Offer Opening Date (as defined below);

BIP means the Bond issue premium, expressed as a percentage, determined by comparing the par value of the Bonds to the reference price of the Shares used at the time the final terms of the Bonds were determined;

D1 means the exact number of days between the Offer Opening Date (included) and the Maturity Date of the Bonds (excluded); and

D2 means the exact number of days between the Issue Date (included), and the Maturity Date of the Bonds (excluded).

There will be no adjustment of the Conversion Ratio if NCR would, by applying the above formula, result in an effective conversion price lower than the nominal amount of one Share.

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

- (A) the first day on which the Shares may be tendered in the offer (the “Offer Opening Date”), and
- (B)
 - (ii) If the offer is unconditional, the date that is 10 Business Days after the last day during which the Shares may be tendered in the offer, or, if the offer is reopened, the date that is five Business Days after the last day during which the Shares may be tendered in the offer;
 - (iii) if the offer is conditional, (x) if the AMF (or its successor) declares that the offering is successful, the date that is 10 Business Days after the publication by the AMF of the results of the offer, or if the offer is reopened, the date that is five Business Days after the last day during which the Shares may be tendered in the offer, or (y) If the AMF (or its successor) declares that the offer is unsuccessful, the date of publication by the AMF of the results of the offer; or
 - (iv) if the initiator of the offering abandons the offer, the date on which notice of such abandonment is published.

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

“Change of Control” shall mean the acquisition of control of the Issuer by one or several individual(s) or legal entity or entities, acting alone or in concert, it being specified that, for the purpose of this definition, “control” means holding (directly or indirectly through the

intermediary of companies themselves held by the relevant individual(s) or entities) (x) the majority of the voting rights attached to the Issuer's shares or (y) more than 40% of these voting rights if no other shareholder of the Issuer, acting alone or in concert, holds (directly or indirectly through the intermediary of companies themselves controlled by the relevant shareholder(s)) a higher percentage of voting rights.

Delivery of Shares resulting from the exercise of the Conversion Right during the Adjustment Period in the case of a public offer

Notwithstanding the provisions of Section 13.4, in the event of the exercise of the Conversion Right during the Adjustment Period in the case of a Public Offer, the Exercise Date will be deemed to be the Request Date and the corresponding Shares will be delivered within a maximum of three Business Days of the Exercise Date.

(c) Notice to bondholders

In the event of an adjustment, the Issuer will inform the Bondholder by means of a letter and a mail with acknowledgement of receipt no later than 5 Business Days following the taking effect of the new adjustment.

In addition, the Board of Directors of the Issuer will give an account of the calculations and results of all adjustments in the annual report following such adjustment.

13.8 Treatment of fractional entitlements

When exercising its rights in relation to the Bonds, the Bondholder may receive a number of New Shares calculated by applying the Initial Conversion Ratio to the total number of Bonds presented by the aforementioned bondholder on a given Exercise Date.

If the number of New Shares thus calculated is not a whole number, the Bondholder may request allocation of:

- (i) either the whole number of New Shares immediately below such number; in this case, the Bondholder will receive a cash sum equal to the product of the remaining fractional New Share and the value of the Share, equal to the closing price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another Regulated Market or similar market on which the share is listed) on the Trading Day immediately preceding the Exercise Date;
- (ii) or the whole number of New Shares immediately above such number, on the condition that a sum equal to the value of the additional fraction of a Share thus requested, valued on the basis provided for in the preceding paragraph, is paid to the Issuer.

In the event that the Bondholder does not specify its preferred option, the Bondholder will be given the whole number of New Shares immediately below in addition to a cash supplement as described above.

13.9 Taxation

Any taxes, such as, but not limited to, corporate income tax, transfer tax, duties, withholding tax, due in connection with the exercise of the Conversion Right shall be borne by the Bondholder. For the avoidance of doubt, the Issuer will not be therefore required to pay any amount in respect of such a conversion.

14 NOTIFICATIONS – NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be sent by courier service, facsimile or electronic mail or otherwise delivered by hand or messenger addressed:

- (a) if to the Bondholder, to DIC Corporation, Attention: Kiyofumi Takano, New Business Planning Dept., 7-20, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-8233, Japan, Telephone: 03-6733-3036, E-mail: kiyofumi-takano@ma.dic.co.jp, as may be updated in accordance with the provisions hereof, with a copy (which shall not constitute notice) to Jones Day, Attention: Linda Hesse / Florent Bouyer, 2, rue Saint Florentin – Paris (75001), France, Telephone: +33 1 56 59 39 39, Facsimile: +33 1 56 59 39 38, E-mails: lhese@jonesday.com / fbouyer@jonesday.com; or
- (b) if to the Issuer, to Fermentaig, Attention: Mr. Philippe LAVIELLE, 4, rue Rivière – Libourne (33500), France, Telephone: +335 57 250 220, E-mail: plavielle@fermantalg.com, as may be updated in accordance with the provisions hereof, with a copy (which shall not constitute notice) to Hoche Société d'Avocats, Attention: Laurent Bensaid, 106 rue la Boétie – Paris (75008), France, Telephone: +33 1 53 93 22 00, Facsimile +33 1 53 93 21 00, E-mails: Bensaid@hocheavocats.com.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via an internationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via facsimile, upon confirmation of facsimile transfer or, if sent via electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

15 GOVERNING LAW AND JURISDICTION

The Bonds are governed by French law.

The courts having jurisdiction in the event of a dispute are those where the registered office of the Issuer is located when the Issuer is the defendant and are designated according to the nature of the dispute, unless otherwise provided by the French "*Code de procédure civile*".