

METHODOLOGY OF THE EURINVEST HOLDING INDEX

The methodology of the Eurinvest Holding Index is composed of a general methodology (the “**General Methodology**”) and of a specific methodology (the “**Specific Methodology**”) (together the “**Methodology**”). The General Methodology is available within the Base Prospectus on www.exane.com/exanelssues. Any terms in uppercase not defined in this Specific Methodology shall have the meaning as given in the General Methodology.

1. OBJECTIVE OF THE INDEX

The “**Eurinvest Holding**” Index is a proprietary Index, it shall be referred to as the “Index”.

The Index has been jointly developed by Exane Derivatives and Eurinvest Partners S.A. Exane Derivatives will act as Index sponsor (the “**Index Sponsor**”) and as Index calculation agent (the “**Index Calculation Agent**”) and Eurinvest Partners S.A will act as Index advisor (the “**Index Advisor**”). Contact information for the Index Sponsor, the Index Advisor and the Index Calculation Agent is set out in clause 5 below.

The Index is designed to take exposure on equity market with a specific focus on family holding companies shares listed on a trading venue selected in accordance with a strong corporate governance at the sole opinion of the Index Advisor.

The Creation Date of the Index is _____, 2018 with a value of EUR 1000.

2. SELECTION OF THE INDEX COMPONENTS

The Index is composed of the following types of components:

2.1 Long Components

2.1.1 2.1.1 Equity Instruments

2.1.1.1 Shares

All shares that belong to the Index universe as defined in Appendix 4 “The Index Universe” and/or any other share that is compliant with the Index objective as defined above are eligible.

2.1.1.2 ETFs

At the sole discretion of the Index Advisor and in case of anormal market conditions and/or lack of liquidity, equity ETFs that have a daily liquidity higher than EUR 500,000 or the equivalent in any other currency may be eligible.

2.2 Long and Short Components

2.2.1 Index Instruments

2.2.1.1 Monetary Indices

Index Components that are Monetary Indices expressed in EURO or in any other currency (Foreign Monetary Indices) include, and are not limited to:

| Name of Monetary Indices | Bloomberg code | Currency | Effective rate |
|--------------------------------------|----------------|-------------------|---|
| Exane EUR Capitalized Monetary Index | EXDMEURC | Euro | EONIA |
| Exane USD Capitalized Monetary Index | EXDMUSDC | U.S. Dollar (USD) | Fed Fund + (one-year USD vs. EUR cross currency |

| | | | |
|--------------------------------------|----------|----------------------|--|
| | | | swap) with 10 bp adjustment |
| Exane CHF Capitalized Monetary Index | EXDMCHFC | Swiss Franc (CHF) | CHF Overnight Rate + (one-year CHF vs. EUR cross currency swap possibly through a transfer currency) with 10 bp adjustment |
| Exane GBP Capitalized Monetary Index | EXDMGBPC | Pound Sterling (GBP) | GBP Overnight Rate + (one-year GBP vs. EUR cross currency swap) with 10 bp adjustment |

And any other Monetary Index.

The initial composition of the Index is established by the Index Advisor after acceptance and verification by the Index Calculation Agent of the respect of the Methodology

The initial composition is provided in the Appendix 2 "Initial Composition".

The composition of the Index may be modified according to the procedure set out in clause 5 below and at the Index Advisor's sole discretion, subject to the approval and after verification by the Index Calculation Agent. The Index Advisor's proposals are based on a discretionary analysis guided by a goal of optimising the Index's risk / reward ratio and in order to maintain the continuity of the Index objective.

3. INDEX COMPOSITION RULES

The calculation of the Index will take place according to the conditions described in Appendix 1 of the General Methodology "Calculation Method of the Indices".

3.1 Maximum number of changes

The Index Advisor may change the Index 15 times per anniversary year.

3.2 Base Currency

The Index is expressed in euros and rounded to two decimal places.

3.3 Rebalancing Date

Any Exchange Business Day on which the Index Components are modified as requested by the Index Advisor in the form as set out in the Appendix 1 "Template of Request For a Change in Composition" and in accordance with the procedure described in paragraph §5 below.

3.4 Weightings Constraints

For the purpose of this Specific Methodology, "**Weightings**" means the weights of the Index Components, "**w(i)(t)**" being the weight of each Index Component on Calculation Day(t).

- The sum of w(i) for all i will be equal to 100%, the Index is fully invested.
- The sum of the weights of all Long Components as defined in §2.1 will not be higher than 100%, the Index will not be leveraged.
- For the avoidance of doubt, apart from Monetary Indices, no short position will be held by the Index.

- The number of Index Components will be comprised between 10 (included) and 20 (included) on each Rebalancing Date.
- The weight of each Index Component that is a share, on each Rebalancing Date, will be lower than 20%.
- The sum of the weights of Monetary Indices will be between 0% and 100% of the Index on each Rebalancing Date.
- The maximum daily change of weight during the Rebalancing Period for each Index Component will be equal to : $\frac{0.33 \times \text{Liquidity}}{3,000,000}$.

Where the **Liquidity** of an Index Component is defined as the minimum of the average daily traded amount in euro of the most liquid venue between the past month and the past six months as observed by the Calculation Agent on the relevant Bloomberg field.

4. INDEX VALUE CALCULATION METHOD AND FORMULA

4.1 Index value on each Calculation Date

The Exane Index is calculated and published only on Calculation Dates as defined in the General Methodology.

The value of the Index on a Calculation Day(t) is determined according to the following formula:

$$\text{Index}(t) = [\text{Index}(t - 1) \times (1 - \text{RebalancingCosts}(t))] \times \left[\sum_i w_i(t - 1) \times \frac{\text{Component}_i(t)}{\text{Component}_i(t - 1)} \right] \times \left(1 - \frac{\text{BS}(d)}{B} \right)$$

Where:

Index(0) is the value of the Index on its Creation Date.

Component_i(t) is, on any Calculation Date_t, the official closing level of the Index Component_i, converted into the Base Currency of the Exane Index as the case may be.

d is the last Rebalancing Date, known on a Calculation Date_t.

RebalancingCosts(t) is defined on any Calculation Date_t, according to the following formula:

$$\text{RebalancingCost}(t) = \begin{cases} \sum_i (|w_i(t) - w_i(t - 1)|) * R & \text{if } t = d \\ 0 & \text{otherwise} \end{cases}$$

R is the rebalancing fees equal to 0 % for Monetary Indices and 0.10% for the other Index Components .

BS(d) are the applicable mid market value of a one year cross currency swap observed on the Bloomberg page indicated below on the preceding Rebalancing Date and applied to the corresponding weights of the Foreign Monetary Index subject to the adjustment of a bid-mid or mid-ask of 0.10%.

$$\text{BS}(d) = \sum[|w(d)| * (0.10\%)] - \sum[w(d) * (\text{XCCY})]$$

w(d) is the weight of the Foreign monetary Index on date d.

XCCY is the mid market value of a one year cross currency swap observed at 6:00 pm (Paris time) on date_d on the Bloomberg pages indicate below:

| | |
|--------------------------------------|--|
| Foreign Monetary Index | Bloomberg page |
| Exane USD Capitalized Monetary Index | EUBS1 Curncy (for this currency, XCCY will take the opposite sign of the value observed) |

| | |
|--------------------------------------|---------------|
| Exane GBP Capitalized Monetary Index | BPEBS1 Curncy |
| Exane CHF Capitalized Monetary Index | SFEBS1 Curncy |

B = 252

4.2 Reinvestment of income and profits of an Index Component

The income and profits (after potential withholding tax) of an Index Component, if applicable, shall be reinvested in the Index.

In the case of any Index Component expected to pay a dividend from sources within the United States and thus subject to the U.S 871(m) withholding regime, the reinvestment of income and profits will be equal to 55% taking into account inter alia the applicable U.S withholding tax.

4.3 Events relating to the Index Components and Market Disruption Events

If certain Events, as described into the General Methodology and affecting one or more Index Components occur, the Index Calculation Agent may, as regards to the Index, continue to execute its obligations, subject to any adjustments it deems necessary. In this respect, the Calculation Agent shall apply the methods described in Appendix 2 “Adjustments of the Exane Indices following an Event” of the General Methodology.

5. INDEX ADVISOR DISCRETIONARY CHANGES OF THE INDEX COMPOSITION

On any Exchange Business Day the Index Advisor may change the composition of the Index Components and their Weightings via the following steps:

Step 1: The Index Advisor shall send an email in the form as set out in the Appendix 1 “Template of Request for a Change in Composition” to the Index Calculation Agent before 12:00 am (Paris time).

Step 2: The proposed composition shall be deemed valid on reception by the Index Advisor of a confirmation transmitted by the Index Calculation Agent by email the same day.

Step 3: After notifying its confirmation to the Index Advisor, and except in cases of exceptional market conditions, the Index Calculation Agent will:

- determine the first Exchange Business Day tradable for all the Index Components (the “**Index Modification Day**”) with respect to the applicable Reference Market and/or the related market (as the case may be) or any other applicable rules of the Index Components;
- determine the number of Exchange Business Days tradable for all the Index Components over which the proposed modification will be implemented (ie the Rebalancing Period).
- implement the proposed modification on the official closing prices (or official prices as the case may be) of the Index Components during the Rebalancing Period.

6. ROLES

The change of composition and/or weights of the Index Components is performed by the Index Advisor on its sole discretion. The Calculation Agent is in charge to verify that the proposition of the Index Advisor can be technically implemented in respect with the Methodology. The Calculation Agency and Index Advisory Agreement defines their contractual relationship .

6.1 Index Advisor

The Index Advisor is responsible for the composition and weightings of the Index with the terms of this Specific Methodology.

The contacts details of the Index Advisor are as such:

| Name | Email | Telephone |
|--------------------|--|-------------------|
| Jean-Marc Michelet | jean.marc.michelet@eurinvestpartners.com yc@eurinvestpartners.com sj@eurinvestpartners.com | 0032 477 33 25 12 |

6.2 Calculation Agent and Index Sponsor

Exane Derivatives is acting as Index Calculation Agent and as Index Sponsor.

Exane Derivatives is authorised to do business as an investment firm by the *Autorité de Contrôle Prudentiel et de Résolution* (the French Resolution and Prudential Control Authority) (ACPR) and to offer investment services as defined by article L. 321-1 of the Monetary and Financial Code. In performing its business, Exane Derivatives is subject to the supervision of the ACPR and of the *Autorité des Marchés Financiers* (the French financial markets authority). Exane Derivatives is a French general partnership with registered office at 6, rue Ménars – 75002 Paris – France.

The Index Calculation Agent performs its functions on a daily basis.

The Index Calculation Agent is solely responsible for the application of the Index calculation methods and process and, the case being, makes the appropriate adjustments and modifications.

The Index Advisor is solely responsible for the modification of the allocation of the Index and/or weightings of the Index Components.

In accordance with the terms of clause 2 above, the Index Calculation Agent verifies that any modification to the Index requested by the Index Advisor can be implemented. To this end, the Index Calculation Agent can contact the Index Advisor when it considers necessary regarding any possible question. However, the Index Calculation Agent will not itself make any proposition or suggestion concerning the composition of the Index.

The Index Calculation Agent verifies the proper execution of the construction method and the Index Advisor's discretionary changes.

Additionally, the Index Calculation Agent will publish the Methodology of the Index, the composition and the value of the Index on the www.exane.com website.

The value of the Index is also published on Bloomberg under the ticker symbol EXDMEUHO.

The Index Calculation Agent and the Index Sponsor decline any liability in connection with the Index level at any given time. The Index Calculation Agent can not be held liable for any loss whatsoever, directly or indirectly, related to the Index.

Calculation Agent email address: eurinvestholding@exane.com

APPENDIX 1 : TEMPLATE OF REQUEST FOR A CHANGE IN COMPOSITION TO BE SENT BY EMAIL

Mail to: eurinvestholding@exane.com

Date: [Index Modification Day] (before 12:00 am)

Object: Index composition # [TBD]

Please apply the following composition on the close of the [Index Modification Day]

Index composition # [TBD]:

| Name of the Index Component | Bloomberg code / ISIN code | Weighting | Currency |
|-----------------------------|----------------------------|-----------|----------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | 100.00% | |

APPENDIX 2: INITIAL COMPOSITION

On its Creation Date the Index is 100% composed of the following Index Components

| Name of the Index Component | Bloomberg code / ISIN code | Weighting |
|--------------------------------|----------------------------|----------------|
| Kinnevik AB | KINVB SS | 10% |
| Pargesa B | PARG SW | 10% |
| Jardine Strategic Holdings Ltd | JS SP | 10% |
| Swire Pacific | 19 HK | 10% |
| Power Corp of Canada | POW CT | 10% |
| Vivendi | VIV FP | 10% |
| KBC Ancora | KBCA BB | 5% |
| Rothschild & Co | ROTH FP | 5% |
| Italmobiliare Ord. | ITM IM | 5% |
| Financière de Tubize | TUB BB | 5% |
| Colruyt | COLR BB | 5% |
| Sofina | SOF BB | 5% |
| Bollore | BOL FP | 5% |
| FFP | FFP FP | 5% |
| | TOTAL | 100.00% |

APPENDIX 3

INVOICE FORM FOR INDEX ADVISOR FEES

[Index Advisor's letterhead]

EXANE DERIVATIVES

Attention: Brokerage Department
6 rue Ménars
75002 Paris
France

[Date]

INDEX ADVISOR FEES

Invoice no.: [●]

Dear Sir,

In consideration of our role as Index Advisor for the **Eurinvest Holding Index** underlying the certificates issued by Exane Finance: [product reference] [ISIN code] and pursuant to Clause 10 of the Calculation Agency and Index Advisory Agreement dated [●] (the "**Agreement**"), please find below the amount of our fees in that respect:

For [Quarterly] Valuation Date(*), i.e. [INSERT DATE],

Index Advisor Fee = [INSERT AMOUNT]

The Fees shall be VAT exempt in application of VAT territoriality rules (article 43 of Directive n°2006/112/EC of 28th November 2006).

The amount of such Fees is calculated as follows:

$$\text{Index Advisor Fee} = \text{Invested Amount}(t) \times 0.9\% \times \frac{T}{365}$$

T is equal to the number of calendar days between the [Quarterly] Valuation Date_(t-1) (excluded) and the [Quarterly] Valuation Date_(t) (included)

All capitalised terms and expressions not defined in therein shall have the meaning given to them in the Agreement.

Bank details:

Bank: [●]

SWIFT: [●]

IBAN: [●]

Account no.: [●]

Beneficiary: [●]

Yours faithfully,

Exane Derivatives Intra-community VAT No. FR 44 491 294 567

APPENDIX 4 : The Index Universe

For the purpose of this Index, the Index Universe is composed (without being limited to) of the following Index Components that are shares:

| Name of the Index Component | Bloomberg code / ISIN code |
|------------------------------------|-----------------------------------|
| Investor B | INVEB SS |
| Sofina | SOF BB |
| GBL (ex Electrafina) | GBLB BB |
| Pargesa B | PARG SW |
| BRIT EMPIRE SE-O (Incomplet) | BTEM LN |
| Ackermans & Van Haaren | ACKB BB |
| Berkshire Hathaway Inc (B) | BRK/B US |
| Aker ASA | AKER NO |
| Kinnevik AB | KINVB SS |
| Luxempart SA | LXMP LX |
| Corporacion Fin. Alba | ALB SM |
| Rothschild & Co | ROTH FP |
| Power Corp of Canada | POW CT |
| Swire Pacific | 19 HK |
| Jardine Matheson Holdings Ltd | JM SP |
| Jardine Strategic Holdings Ltd | JS SP |
| EXOR NV | EXO IM |
| Bollore | BOL FP |
| Eurazeo | RF FP |
| Brederode | BREB BB |
| Industrivärden C | INDUC SS |
| Italmobiliare Ord. | ITM IM |
| Financière de Tubize | TUB BB |
| KBC Ancora | KBCA BB |
| Solvac | SOLV BB |
| Cie Bois Sauvage | COMB BB |
| FFP | FFP FP |
| Vivendi | VIV FP |
| Colruyt | COLR BB |
| Fosun International | 656 HK |
| CITIC Ltd | 267 HK |

DISCLAIMER

The calculation and distribution of the Eurinvest Holding Index data (hereafter the Index) by Exane Derivatives involves two successive stages:

- the first is for Eurinvest Partners S.A. to draw up a list of components and their relative weights;

- the second is for Exane Derivatives (a wholly-owned subsidiary of Exane SA) to calculate the value of the proprietary index, based on a predetermined calculation methodology.

These two stages are liable to give rise to conflicts of interest. The negative impact of such conflicts of interest is liable to affect the independence of the selection and the calculation of the proprietary index.

The impartiality and independence of the selection process and the relative weights of the components are guaranteed by Eurinvest Partners S.A., a company independent from the Exane Group.

The Index breakdown is available to investors free of charge at www.exane.com