Translation for information purposes only

AGENCE FRANCE LOCALE - SOCIÉTÉ TERRITORIALE
Limited company with a board of directors (*société anonyme à conseil d'administration*)
with a share capital of EUR 295,520,900
Registered office: 41, quai d'Orsay – 75007 Paris
799 055 629 RCS Paris

ARTICLES OF ASSOCIATION

June,17,2026

This document is a translation of the articles of association of Agence France Locale –Société Territoriale which has been prepared for information purposes only. The reader shall not rely on this translation which shall neither be binding on the parties nor serve for the purpose of interpreting the French version.

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SECTION I
DEFINITIONS

Terms with a capital letter used in these articles of association (the ***Articles of Association***) shall have the meaning assigned to them in the body of the text or in Appendix to the Articles of Association.

SECTION II

FORM – PURPOSE – NAME – REGISTERED OFFICE – TERM

Article 1 – FORM

The company is incorporated as a limited company (*société anonyme*); it is governed by applicable laws and regulations and by these Articles of Association (the ***Company***).

Article 2 – PURPOSE – MISSION STATEMENT (*RAISON D'ÊTRE*)

2.1. Purpose

The corporate purpose of the Company is:

– to constitute and be the shareholder of a company (***Agence France Locale***), the main corporate purpose of which is to contribute to the financing requirements of French local authorities (*collectivités territoriales*), their groupings and local public entities (*établissements publics locaux*) and to any entity that would be authorised under the law to participate in the system mechanism implemented by the Agence France Locale Group (this term is defined below) (the ***Local Authorities***);

– principally to enable its shareholders to make savings but not to make profits;

– to guarantee the commitments of Agence France Locale;

– to define the strategic direction of the Local authority financing agency named the Agence France Locale Group, the operating legal entities of which are the Company and Agence France Locale (the ***Agence France Locale Group***);

– to manage the guarantee system relating to the Agence France Locale Group;

– where required, to provide certain resources and services to Agence France Locale;

– and more generally, to carry out all economic, legal, financial, civil or commercial operations relating directly or indirectly; to any of the aforementioned objects or to any similar or associated object.

2.2. Mission statement (*Raison d'être*)

The Company's mission is to embody a responsible finance to strengthen the local world's empowerment so as to better deliver the present and future needs of its inhabitants.

Article 3 – NAME

The corporate name of the Company is: Agence France Locale – Société Territoriale.

Article 4 – REGISTERED OFFICE

4.1. The registered office is located at: 41, quai d'Orsay – 75007 Paris.

4.2. It may be transferred to any other location on French territory by a decision of the Board of Directors (*Conseil d'administration*) subject to ratification by the next ordinary general meeting and to any other location by a decision of the shareholders at an extraordinary general meeting in accordance with applicable statutory provisions. Should the registered office location be transferred by a decision of the

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Board of Directors, the latter shall be authorised to modify the Articles of Association accordingly.

Article 5 – TERM

The term of the Company shall be ninety-nine (99) years from its date of registration with the Trade and Companies Registry (*Registre du commerce et des sociétés*) unless dissolved prior to this date or an extension is approved by a decision of the shareholders at a general shareholders' meeting.

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SECTION III
SHARE CAPITAL

Article 6 – CONTRIBUTIONS – SHARE CAPITAL

6.1. The share capital is fixed at two hundred ninety-five million five hundred twenty thousand nine hundred (295,520,900) euros divided into two million nine hundred fifty-five thousand two hundred nine (2,955,209) shares each of a nominal value of one hundred (100) euros fully paid up.

6.2. The share capital may be increased or reduced by a decision taken in a shareholders' general meeting in accordance with applicable laws and regulations provisions and with these Articles of Association.

Article 7 – ACCESSION TO THE STATUS OF MEMBER OF THE AGENCE FRANCE LOCALE GROUP

7.1. Prior to the accession to the status of shareholder of the Company

7.1.1 Any Local Authority wishing to become a member of the Agence France Locale Group, and consequently a shareholder of the Company within the framework of a share capital increase, must submit a formal request (a ***Membership Application***) to the Board of Directors of the Company, which shall call on the technical services of Agence France Locale to process the said application.

7.1.2 The list of supporting documents to be provided with the Membership Application and the terms of the process shall be determined by the Board of Directors of the Company.

7.1.3 Review of Membership Applications shall be exclusively based on objective criteria, notably regarding the financial capacity of the relevant Local Authorities, in accordance with Article 7.2.

7.2. Financial assessment

7.2.1 The financial assessment criteria shall be designed to enable an assessment to be made, notably of the solvency, budgetary margin of manoeuvre and the debt burden of the Local Authorities concerned.

7.2.2 The assessment and rating methodology shall be adopted by the Board of Directors upon a proposal from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale.

7.2.3 These criteria shall be established in an objective and non-discriminatory manner and shall be solely designed to ensure the sustainability of the Agence France Locale Group model, the effectiveness of which depends on the quality of the solvency of the shareholders of the Company.

7.3. Initial Capital Contribution

7.3.1 Any Local Authority wishing to accede to the status of Member of the Agence France Locale Group and consequently to that of shareholder of the Company must at the time of its accession provide the Company with a minimum capital contribution within the framework of one or more share capital increases, defined as the ***Initial Capital Contribution*** or ***ICC***.

7.3.2 The amount of the ICC shall be based on the identified ***Accession perimeter***. The Accession perimeter is defined by Local Authorities on the basis of (i) main budget (*budget principal*) and / or selected accessory budget(s) (*budgets annexes*). Indebtedness or revenue from Accession perimeter shall be included within the

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definition either of their Total Indebtedness or of their Operating Revenue. The amount of the ICC in euros shall be equal to:

7.3.2.1 ***Max (k_n*0.80%*Total Indebtedness; k_n'*0.25%*Operating Revenue)***

Where: ***Max (x; y)*** shall be the greatest amount among x and y;

Total Indebtedness shall be the total outstanding amount of credit recorded in the operating accounts of the Local Authority requesting membership for the antepenultimate year prior to the date on which the decision of the Local Authority to apply for membership became enforceable, unless the Local Authority in question has not closed at least two financial years as of the date when its decision to apply for membership became enforceable. In the case of the latter, and subject solely to the creation of the said Local Authority not being the result of a Transfer of Authority, the Total Indebtedness figure to be used shall be that recorded in the administrative account of the previous financial year (where this exists) or in the original budget for the financial year during which the decision became enforceable.

The Total Indebtedness figure to be used shall be that published by the Directorate General for Public Finances (*direction générale des finances publiques*, the ***DGFIP***) or, where applicable, by the Directorate General for Local Authorities (*direction générale des collectivités locales*, the ***DGCL***) and, in circumstances where the DGCL and DGFIP no longer publish such data, by the replacement body, and should there be no replacement body, by the Local Authority concerned under the supervision of Agence France Locale as of the date in question. It is specified that:

(i) Total Indebtedness shall not take into account (a) debts relating to project financing within the context of public-private partnerships where the borrowing Entity is not a shareholder of the Company, (b) debts subscribed by the relevant Local Authority and relating to repayable advances (*avances remboursables)*, or (c) in the case of a Local Authority which is a social housing entity (*Office public de l'habitat*), debts contracted with Caisse des dépôts et consignations;

(ii) Local Authorities applying for membership may decide to include or not to include within the definition of their Total Indebtedness those debts related to some budgets (main or accessory budgets) (*budgets principal ou annexes)*. Should the Local Authorities in question decide not to include certain budgets within their Total Indebtedness figure at the time of gaining membership, the corresponding budgets may not be the subject of financing by Agence France Locale until the said budgets have been taken into consideration in accordance with Article 7.5 ;

(iii) Cities (*communes*) which are members of a public inter-communal cooperative institution that levies its own taxes (é*tablissement public de coopération intercommunale à fiscalité propre*) or a local public institution as referred to in Article L. 5219-2 of the General Local Authorities' Code (*Code général des collectivités territoriales*) may request that the debts it has allocated to the said public institution should not be taken into

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account within their Total Indebtedness, subject to forwarding to the Company supporting documentation of the said allocation.

Operating Revenue shall be the total outstanding amount of actual operating revenue recorded in the operating accounts of the Local Authority requesting membership for the antepenultimate year prior to the date on which the decision of the Local Authority to apply for membership became enforceable, unless the Local Authority in question has not closed at least two financial years as of the date when its decision to apply for membership became enforceable. In the case of the latter, and subject solely to the creation of the said Local Authority not being the result of a Transfer of Authority, the Operating Revenue figure to be used shall be that recorded in the administrative account of the previous financial year (where this exists) or in the original budget for the financial year during which the decision became enforceable.

The Operating Revenue figure to be used shall be that published by the DGFIP or, where applicable, by the DGCL and, in circumstances where the DGCL and DGFIP no longer publish such data, by the replacement body, and should there be no replacement body, by the Local Authority concerned under the supervision of Agence France Locale as of the date in question. It is specified that:

(i) Local Authorities applying for membership may decide to include or not to include within the definition of their Operating Revenue any revenue allocated to some budgets (main or accessory budgets) (*budgets principal ou annexes*). Should the Local Authorities in question decide not to include certain budgets within their Operating Revenue figure at the time of gaining membership, the corresponding budgets may not be the subject of financing by the Agence France Locale Group until the said budgets have been taken into consideration in accordance with Article 7.5 ;

(ii) tax transfers recorded by public inter-communal cooperative institutions that levy their own taxes (*établissements publics de coopération intercommunale à fiscalité propre*) or local public institutions as referred to in Article L. 5219-2 of the General Local Authorities' Code (*Code général des collectivités territoriales*) within the context of compensatory allocations may not be included within their Operating Revenue figure.

k_n and k_n' are coefficients equal to or greater than 1 which shall be determined by the Board of Directors of the Company upon a proposal from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale for each period in which the ICC may be contributed in instalments, depending on economic and financial criteria, the main objective of which is to ensure that the Agence France Locale Group has sufficient shareholder equity for the fulfilment of its mission.

7.3.2.2 As an exception, when a Local Authority benefits from the ICC payment terms set forth in Article 7.4.6, the amount of the ICC expressed in euros, shall be equal to:

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Max (ka *0.80%*Total Indebtedness; ka' *0.25%*Operating Revenue)

Where: ***Max (x; y)*** has the meaning assigned to it by Article 7.3.2.1;

Total Indebtedness has the meaning assigned to it by Article 7.3.2.1;

Operating Revenue has the meaning assigned to it by Article 7.3.2.1;

ka and ka' are coefficients equal to or greater than 1 which shall be determined by the Board of Directors of the Company upon a proposal from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale, depending on economic and financial criteria, the main objective of which is to ensure that the Agence France Locale Group has sufficient shareholder equity for the fulfilment of its mission.

7.3.3 The definitive amount shall be rounded up to the higher amount to avoid fractional shares during the Company's share capital increases enabling ICCs to be incorporated within the capital.

7.3.4 By way of exception to the foregoing, the ICC amount of Local Authorities whose membership decision became enforceable prior to 30 April 2014 has been established using 2011 data. The coefficients k_n and k_n' used in this context are 1.

7.3.5 Notwithstanding Articles 7.3.2 to 7.3.4, the Local Authorities may ask, within the scope of their membership, to have the calculation of their ICC adjusted. (***Adjusted ICC***).

The use of this mechanism must be expressly requested by the Local Authority on the date of its Membership Application. Otherwise, the Local Authority should pay its ICC according to the terms of Article 7.3.2.

Any Local Authority wishing to benefit from the Adjusted ICC should first determine the amount of the ICC due on the basis of Article 7.3.2 by calculating the ICC, on the one hand on the basis of the Total Indebtedness and, on the other hand, on the basis of the Operating Revenue.

If the amount of the ICC calculated on the basis of the Operating Revenue turns out to be higher than that calculated on the basis of Total Indebtedness, the Local Authority cannot adjust the amount of the ICC and must pay the ICC calculated according to the terms of Article 7.3.2.

In the event that the Local Authority can adjust the amount of its ICC, it should determine the reference calendar year on the basis of which the total indebtedness (***Reference Total Indebtedness***) will be established.

A projected ICC will be calculated on the basis of the indebtedness recorded or anticipated with respect to the reference calendar year selected in application of one or other of the formulas set forth in Article 7.3.2 (Projected ***Adjusted ICC)***.

Following the reference calendar year selected, the actual amount of the ICC will be calculated according to the terms defined hereafter by this article (***Actual Adjusted ICC***).

The Reference Total Indebtedness will correspond (i) to the total indebtedness for the calendar year preceding its membership, or (ii) to the total indebtedness for the calendar year of the Membership Application, or (iii) to the total indebtedness for the calendar year following the Membership Application.

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In the event that the Local Authorities in question decide not to include some budgets (main or accessory budgets) (*budgets principal ou annexes*) in their Reference Total Indebtedness on this Membership Application date, the corresponding budgets may not be financed by Agence France Locale until said budgets have been effectively taken into account in accordance with Article 7.5.

Cities (*communes*) which are members of a public inter-communal cooperative institution that levies its own taxes (*établissement public de coopération intercommunale à fiscalité propre*) or a local public institution as referred to in Article L. 5219-2 of the General Local Authorities' Code (*Code général des collectivités territoriales*) may request that the debts they have allocated to the said public institution should not be taken into account within their Reference Total Indebtedness, subject to forwarding to the Company supporting documentation of the said allocation.

The amount of the Projected Adjusted ICC defined on the Membership Application date may not be less than 80% of the amount of the ICC as calculated in Article 7.3.2.

After this reference calendar year, the amount of the Actual Adjusted ICC is calculated on the basis of the actual total indebtedness recorded for the reference calendar year (***Actual Indebtedness***) and on the basis of the actual operating revenue recorded for the reference calendar year (***Actual Operating Revenue****) in accordance with the formula in Article 7.3.2.*

When the amount of the Actual Adjusted ICC calculated on the basis of the Actual Indebtedness is lower than that calculated on the basis of the Actual Operating Revenue, the amount of the Actual Adjusted ICC shall be established on the basis of the Actual Operating Revenue.

The actual amount of the Actual Adjusted ICC to be paid shall be determined as follows:

(a) if the Actual Adjusted ICC is greater than the Projected Adjusted ICC, the difference recorded shall, exceptionally, be paid in a single payment during the financial year following the reference calendar year and must obligatorily be paid by the Local Authority, at the latest on 31 December, on notification by the Chief Executive Officer of the Company. If this difference is not paid, the Local Authority may be classified as a Dormant Member;

(b) if the Actual Adjusted ICC is less than the Projected Adjusted ICC, the difference recorded shall be charged as from the financial year following the reference calendar year on the basis of the amount of the Actual Adjusted ICC.

The Adjusted ICC shall be paid according to the terms laid down in Article 7.4.3 or, if appropriate, subject to an express decision by the Local Authority on the Date of its Membership, according to the terms of Article 7.4.6.

The amount of the Adjusted ICC is rounded up to avoid the appearance of fractional shares when the Company's capital is increased, enabling ICCs to be incorporated into the capital.

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7.4. Membership form and schedule

7.4.1 The accession of a new Local Authority to the Agence France Locale Group shall become effective as of the completion date by the Local Authority of the last of the following:

(a) the undertaking by the Local Authority to subscribe to one or more share capital increases of the Company at a total subscription price amounting to the value of its ICC;

(b) the payment of a minimum share of the aforementioned subscription price determined in accordance with the provisions of Articles 7.4.3 to 7.4.6 (subject to any rounding issues being solved due to the nominal value of the Company's shares):

(i) to the Company's "share capital increase" account, assuming a capital increase has already been decided by the Company's competent bodies; or

(ii) failing this, to a blocked account with an escrow third party with an irrevocable instruction to the custodian to transfer the funds to the Company's "share capital increase" account once it has been decided to progress with the capital increase.

(c) acceptance by the said new Local Authority of the articles of association and contractual documents that govern the operation of the Agence France Locale Group; and

(d) the signing of any legal or administrative documents as required by the Board of Directors of the Company upon a proposal from the Executive Board with a recommendation issued by the Supervisory Board of Agence France Locale.

7.4.2 Any Membership Application which has not been made effective within twelve (12) months of the membership decision being approved by the Local Authority concerned shall be deemed to be void unless decided otherwise by the Board of Directors.

7.4.3 In principle, Local Authorities may pay the ICC in instalments over a maximum period of three (3) calendar years, including the year during which they become members. As an exception, the Company's Board of Directors, upon a proposal from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale, shall determine the ICC amounts on the basis of which the Local Authorities may request a payment over a longer period than the aforementioned maximum period, up to a maximum of ten (10) calendar years, provided that they accept that the corresponding coefficients k_n and k_n' are applied for calculating their ICC. The request for rescheduling should be indicated in the Membership Application and may not be refused if the amount of ICC to be paid (after taking the corresponding coefficient k_n into account) is in fact greater or equal to the threshold set by the Company's Board of Directors for its application.

7.4.4 The payment scheduling will be established so that, at each payment, except the final one, the total amount of payments made to date is at least equal to the amount (v) calculated hereafter and rounded up to enable the Local Authority, in all cases, to subscribe to a whole number of shares

$$v = \frac{ICC}{n} * (d + 1)$$

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Where: ***ICC*** is equal to the total amount of ICC to be paid;

n is equal to the number of years over which payment of the ICC was spread and is an integral number comprised between two (2) (inclusive) and ten (10) (inclusive); ;

d corresponds to the difference between the year during which a given payment is made and the year during which membership takes effect.

7.4.5 Payments are made during the calendar year in question, on notification by the Chief Executive Officer of the Company.

7.4.6 Notwithstanding the foregoing (Articles 7.4.3 et seq.), the Local Authorities may pay the ICC in instalments depending on both the amount of the ICC to be paid, as defined in Article 7.3.2.2 and the volume of the loan to the Local Authority within the scope of medium and long-term financing by Agence France Locale during financial year n (***Loan Volume***). The request for scheduling should be indicated in the Membership Application and shall be accepted when the following conditions are met:

(i) undertaking to pay a fixed amount on the day of membership (***Initial Payment***). The Initial Payment shall be set by the Board of Directors of the Company, upon a proposal from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale. The Board of Directors shall establish a single fixed amount applicable to all the Local Authorities paying an ICC equal to or greater than €12 M and a single fixed amount applicable to all Local Authorities paying an ICC less than €12 M;

(ii) undertaking to pay an annual share (the ***Share)*** of the balance of the overall ICC remaining (the ***Remaining Balance***) the amount of which is objectively determined each year by the Regional Company according to the level of the loan taken out by the Local Authority from Agence France Locale. The Share is equal to the highest of the following indicators, whose values are set by the Board of Directors upon a proposal from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale:

i. a percentage of the Loan Volume;
ii. a single fixed amount applicable to all Local Authorities paying an ICC of equal to or greater than 12 million euros and a single fixed amount applicable to all Local Authorities paying an ICC of less than 12 million euros;

The amount of the Share is rounded up to avoid the appearance of fractional shares when the Company's capital is increased, enabling Shares to be incorporated into the capital.

The Local Authority shall obligatorily pay the Share no later than the last day of the first quarter of financial year n+1 on notification by the Chief Executive Officer of the Company.

If a Share and/or the Remaining Balance is not paid according to the membership terms, the Local Authority may be classified as a Dormant Member.

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Notwithstanding the foregoing, any Local Authority using this type of scheduling may, at any time, pay the Remaining Balance of the ICC according to the terms of Article 7.4.3.

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7.5. Additional Capital Contribution (ACC)

7.5.1 Subsequent inclusion of budgets that are not included within the Accession perimeter

7.5.1.1 Local Authorities that become a member while deciding not to include within their Accession perimeter debts or revenues related to some budgets may at any time request the inclusion of any such budgets by submitting a request to this effect to the Board of Directors of the Company. In such circumstances, the Board of Directors of the Company shall calculate an additional ICC in euros as follows:

Max (k_n*0.80%*Additional Indebtedness; k_n'*0.25%*Additional Operating Revenue)

Where: ***Additional Indebtedness*** shall be the total outstanding amount of credit of the budget(s) requested to be included by the shareholder of the Company for antepenultimate year prior to the date on which the decision of the Local Authority to request inclusion of the budget(s) became enforceable, unless the Local Authority in question has not closed at least two financial years as of the date when its decision to include the additional budget(s) (*budget(s) annexe(s)*) became enforceable. In the case of the latter, and subject solely to the creation of the said Local Authority not being the result of a Transfer of Authority, the Additional Indebtedness figure to be used shall be that recorded in the administrative account of the previous financial year (where this exists) or in the original budget for the financial year during which the decision became enforceable.

The Additional Indebtedness figure to be used shall be that published by the DGFIP or, where applicable, by the DGCL and, in circumstances where the DGCL and DGFIP no longer publish such data, by the replacement body, and should there be no replacement body, by the Local Authority concerned under the supervision of Agence France Locale as of the date in question.

It is specified that:

(i) Additional Indebtedness shall not take into account debts relating to project financing within the context of public-private partnerships where the borrowing Entity is not a shareholder of the Company;

(ii) Cities (*communes*) which are members of a public inter-communal cooperative institution that levies its own taxes (é*tablissement public de coopération intercommunale à fiscalité propre*) or a local public institution as referred to in Article L. 5219-2 of the General Local Authorities' Code (*Code général des collectivités territoriales*) may request that the debts it has allocated to the said public institution should not be taken into account within their Additional Indebtedness, subject to forwarding to the Company supporting documentation of the said allocation.

Additional Operating Revenue shall be the total amount of actual operating revenue (where applicable adjusted for exceptional income) recorded in the operating accounts of the Local Authority for the budget requested to be included for the antepenultimate year prior to the date on which the decision of the Local Authority to apply for membership became enforceable, unless the Local Authority in question has not closed at least two financial years as of the date when the said decision became enforceable. In the case of the latter, and subject solely to the creation of the said Local Authority not being

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the result of a Transfer of Authority, the Additional Operating Revenue figure to be used shall be that recorded in the administrative account of the previous financial year (where this exists) or in the original budget for the financial year during which the decision became enforceable.

The Additional Operating Revenue figure to be used shall be that published by the DGFIP or, where applicable, by the DGCL and, in circumstances where the DGCL and DGFIP no longer publish such data, by the replacement body, and should there be no replacement body, by the Local Authority concerned under the supervision of Agence France Locale as of the date in question.

Tax transfers recorded by public inter-communal cooperative institutions that levy their own taxes (*établissements publics de coopération intercommunale à fiscalité propre*) or local public institutions as referred to in Article L. 5219-2 of the General Local Authorities' Code (*Code général des collectivités territoriales*) within the context of compensatory allocations may not be included within their Additional Operating Revenue figure.

k_n and k_n' shall have the meanings assigned to them in Article 7.3.2.1.

7.5.1.2 When a Local Authority benefits from the ICC payment terms set forth in Article 7.4.6, the amount of the ACC, expressed in euros, shall be equal to:

Max (ka *0.80%*Additional Indebtedness; ka' *0.25%*Additional Operating Revenue)

Where: ***Max (x; y)*** shall have the meaning assigned to it in Article 7.5.1.1;

Additional Indebtedness shall have the meaning assigned to it in Article 7.5.1.1;

Additional Operating Revenue *shall have the* meaning assigned to it in Article 7.5.1.1;

ka et ka' shall have the meanings assigned to them in Article 7.3.2.2.

7.5.2 Notwithstanding Article 7.5.1, Local Authorities may, in order to take any reductions in their indebtedness into account when calculating the ACC, request to have the calculation of their ACC adjusted (***Adjusted ACC)*** within the scope of their membership.

The use of this mechanism must be expressly requested by the Local Authority on the date of its Membership Application. Otherwise, the Local Authority should pay its ACC according to the terms of Article 7.5.1.

Any Local Authority wishing to benefit from the Adjusted ACC should first determine the amount of the ACC on the basis of Article 7.5.1.

If the amount of the ACC to be paid, calculated on the basis of the Additional Operating Revenue, turns out to be higher than that calculated on the basis of the Additional Indebtedness on the date of the supplementary Membership Application, the Local Authority cannot adjust the amount of the ACC and must pay the ACC calculated according to the terms of Article 7.5.1.

In the event that the Local Authority can adjust the amount of its ACC, it should determine the reference calendar year on the basis of which the additional indebtedness (***Reference Additional Indebtedness***) will be established.

A projected ACC will be calculated on the basis of the additional indebtedness recorded or anticipated in respect of the reference calendar year in application

alternatively of one or other of the formulas set forth in Article 7.5.1 (***Projected Adjusted ACC)***.

Following the reference calendar year selected, the actual amount of the ACC will be calculated according to the terms determined hereafter by this article (***Actual Adjusted ACC***).

The Reference Additional Indebtedness will correspond (i) to the total indebtedness for the calendar year preceding its supplementary membership, or (ii) to the total indebtedness for the calendar year of the supplementary Membership Application, or (iii) to the total indebtedness for the calendar year following the supplementary Membership Application.

The Reference Additional Indebtedness taken into account will be that circulated by the DGFIP (General Directorate of Public Finances) or, if appropriate, the DGCL (General Directorate of Local Authorities) and, in the event that the DGCL and the DGFIP cease to circulate said data, the organisation that replaces it, and if no organisation does so, by the Local Authority concerned, under the control of Agence France Locale on the date in question.

It is specified that:

(i) the Reference Additional Indebtedness will not take into account debts concerning the financing of projects under public-private partnerships where the borrowing Entity is not legally a shareholder of the Company;

(ii) Cities (*communes*) which are members of a public inter-communal cooperative institution that levies its own taxes (*établissement public de coopération intercommunale à fiscalité propre*) or a local public institution as referred to in Article L. 5219-2 of the General Local Authorities' Code (*Code général des collectivités territoriales*) may request that the debts they have allocated to the said public institution should not be taken into account within their Reference Additional Indebtedness, subject to forwarding to the Company supporting documentation of the said allocation.

The amount of the Projected Adjusted ACC determined on the Membership Application date may not be less than 80% of the amount of the ACC as calculated in Article 7.5.1.

After this reference calendar year, the amount of the Actual Adjusted ACC is calculated on the basis of the actual additional indebtedness recorded for the reference calendar year (***Actual Additional Indebtedness***) and on the basis of the actual additional operating revenue recorded for the reference calendar year (***Actual Additional Operating Revenue***).

When the amount of the Actual Adjusted ACC calculated on the basis of the Actual Additional Indebtedness is lower than that calculated on the basis of the Actual Additional Operating Revenue, the amount of the Actual Adjusted ACC shall be established on the basis of the Actual Additional Operating Revenue.

The amount of the Actual Adjusted ACC to be paid is determined as follows:

(i) if the Actual Adjusted ACC is greater than the Projected Adjusted ACC, the difference recorded shall, exceptionally, be paid in a single payment during the financial year following the reference calendar year and must obligatorily be paid by the Local Authority, at the latest on 31 December,

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on notification by the Chief Executive Officer of the Company. If this difference is not paid, the Local Authority may be classified as a Dormant Member;

(b) if the Actual Adjusted ACC is less than the Projected Adjusted ACC, the difference recorded shall be charged as from the financial year following the reference calendar year on the basis of the amount of the Actual Adjusted ICC .

7.5.3 The Board of Directors shall determine which additional documents are to be signed within the context of the inclusion of the said accessory budget (*budget annexe*).

7.5.4 Payment of the additional ICC due pursuant to this Article 7.5 shall be made in accordance with the terms and conditions laid out in Article 7.4.3 or, where appropriate, subject to a specific decision by the Local Authority on the date of its membership, in accordance with the terms and conditions laid out in Article 7.4.6.

The amount of the ACC is rounded up to avoid the appearance of fractional shares when the Company's capital is increased, enabling ICCs to be incorporated into the capital.

7.6. Payment of ICC or ACC leads to allotment of Company Securities.

It is for Local Authorities to break down Securities by budgets included within their Accession perimeter and to inform the public accountant.

In the absence of a detailed breakdown, Securities should be considered as allocated to all budgets included within Accession perimeter. Securities allocation should be divided in proportion to the weighting of these budgets in ACI or ACC calculation, as defined in article 7.3.2, or ACC, as defined in article 7.5.

Article 8 – FORM OF SHARES

The shares shall be held in registered form.

Article 9 – INDIVISIBILITY OF SHARES – BARE OWNERSHIP (*NUE-PROPRIÉTÉ*) AND BENEFICIAL OWNERSHIP (*USUFRUIT)*

9.1. Shares are indivisible *vis-à-vis* the Company.

9.2. Joint owners of shares that are indivisible shall be represented at general shareholders' meeting by one of owners or by a jointly appointed representative. In the event of disagreement, said representative shall be appointed by a court at the request of the first joint owner to enter a petition.

9.3. The voting right attached to the share shall belong to the beneficial owner (*usufruitier*) in ordinary general meetings and to the bare-title owner (*nu-propriétaire*) at extraordinary general meetings. Shareholders may, however, agree on any other form of division for exercising their voting rights at general shareholders' meetings. Any such agreement shall be notified by registered letter with acknowledgement of receipt to the Company, which shall be bound to apply this agreement for any meeting convened on expiry of a period of one (1) month following the sending of the letter.

9.4. The shareholder's right of communication or consultation may be exercised by each joint owners of jointly-owned shares, by the beneficial owner and by the bare-title owner.

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Article 10 – RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES

10.1. Each share shall entitle its holder to a portion of the profits, company assets and liquidation surpluses equal to the proportion of the capital represented by the share.

10.2. Each share shall entitle the holder to one vote at general meetings.

10.3. Shareholders are only responsible for company liabilities up to the amount of their capital contributions.

10.4. Whenever it is necessary to hold several shares in order to exercise a particular right, notably in the event of on exchange, consolidation, splitting or allocation of shares, or as a result of a capital increase or reduction or of a merger, a demerger or partial transfer of assets, a distribution or any other transaction, any shares held that fall below the required number shall not confer any right on their holders against the Company, and the shareholders concerned shall be personally responsible for obtaining the necessary number of shares or rights, including through purchases or sales of shares or rights where required..

10.5. Ownership of a share automatically implies adherence to the Articles of Association of the Company and to all decisions of the shareholders' general meetings of the Company.

10.6. The aforementioned rights and obligations shall remain attached to the share irrespective of the owner.

Article 11 – TRANSFER OF SHARES AND OTHER SECURITIES

11.1. The shareholders undertake not to Assign the Securities they hold to a third party or another shareholder of the Company for a period starting on the subscription or acquisition date of the Securities and ending on the tenth (10^{th}) anniversary date of either the capital being fully paid up by the shareholder concerned for the subscribed amount or the full payment of the purchase price (the ***Lock-up Period***).

On expiry of the Lock-up Period and subject to the provisions of Article 11.3 below, all shareholders shall be free to Assign the Securities they own.

Shares that have not been paid in full may not be transferred.

11.2. Ownership of shares and securities issued by the Company shall result from their registration in individual accounts in the name of the owner in accordance with applicable laws and regulations. Transfer of shares and securities *vis-à-vis* third parties and the Company shall take place by account-to-account transfer in accordance with applicable laws and regulations.

11.3. On expiry of the Lock-up Period, any transfer of Securities to a third party (shareholder or otherwise) (the ***Proposed Assignment***) is subject to the prior approval of the Board of Directors of the Company under the following terms and conditions:

(a) The shareholder proposing to Assign its Securities (the ***Assignor***) must notify the chairman of the Board of Directors of its intention to carry out the said assignment (the ***Proposed Assignment***) at least sixty (60) Business Days prior to the intended date of the Proposed Assignment, notified by registered letter with acknowledgement of receipt. This notification must include the following information:

(i) the precise identity of the Proposed Assignee;

(ii) the number, type and category of Securities subject to the Proposed Assignment;

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(iii) the terms and conditions of the Proposed Assignment, notably a description of the financial terms, where applicable with a fair estimate of the cash value of the proposed consideration;

(iv) the other main terms and conditions of the proposed transaction such as any conditions precedent and any warrants or guarantees granted by the Assignor;

(v) the conditions affecting the undertakings of the Assignor or Proposed Assignee;

(vi) the effective date of the Proposed Assignment;

(vii) a copy of the offer from the Proposed Assignee used to determine the conditions of the Proposed Assignment; and

(viii) details of the guarantees provided by the Assignor to the Proposed Assignee;

(b) Within forty-five (45) Business Days of receipt of an approval request, the Board of Directors shall approve or reject the request by Qualified Majority; it shall not be required to justify its decision. Where the Assignor is a member of the Board of Directors, this fact shall be taken into account to calculate quorum but he can neither take part in the Board of Directors' deliberations regarding the approval request nor take part in the associated vote;

(c) The Assignor shall be notified of the decision by registered letter with acknowledgement or receipt within five (5) Business Days of the Board of Directors' meeting.

11.4. Approval shall follow either (i) the Assignor receiving notification of the Board of Directors' decision taken by way of a Qualified Majority, or (ii) in the absence of a decision of the Board of Directors within fifty-one (51) Business Days after receipt of the approval request.

11.5. Should the Proposed Assignment not be approved, the Company shall be obliged to purchase, or to arrange for the purchase by a third party including, where applicable, Agence France Locale, the Securities affected by the Proposed Assignment. Without prejudice to mandatory statutory provisions, the shareholders agree that such a purchase shall be carried out at the applicable price per Security used for the last share capital increase.

11.6. Should the Proposed Assignment be approved, the Assignor must complete the Proposed Assignment within forty-five (45) Business Days of (i) the approval date, or (ii), if this date is later, of the fulfilment of the regulatory conditions precedent applicable to the Assignment. The Assignment must take place in accordance with the conditions set out in the notification pursuant to the provisions set out in this Article 11.3 above.

11.7. The Assignor must inform the Company of the completion of the Proposed Assignment within five (5) Business Days of the Assignment of the Securities in question.

11.8. Should the Proposed Assignment not be completed within the aforementioned forty-five (45) Business Days, the Assignor is no longer entitled to pursue the Proposed Assignment without submitting a new notification in order to restart the approval process.

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11.9. By way of exception to the provisions of Articles 11.1 and 11.3 above, all shareholders are free to Assign the Securities they own if the transfer has been previously approved unanimously by the Board of Directors (where all members are either present or represented).

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SECTION IV
GUARANTEE MECHANISM

Article 12 – PURPOSE AND STRUCTURE OF THE GUARANTEE

12.1. The financial soundness of the Company is primarily based on the quality of its shareholder equity provided by the appropriate sizing of the ICC.

12.2. Secondly, and in accordance with Article L. 1611-3-2 of the French Local Authority Code (*Code général des collectivités territoriales*, ***CGCT***), the financial soundness of the Agence France Locale Group is also ensured by a solidarity mechanism taking the form of a guarantee provided by the shareholders of the Company, which is designed to enhance the perception of the Agence France Locale Group by third parties in order to optimise the quality of its access to sources of financing.

12.3. Within this context, the mechanism established is based on a double guarantee provided in favour of any or all creditors of Agence France Locale:

(a) a guarantee provided by the Company (the ***ST Guarantee***);

(b) a series of guarantees composed of the guarantees independently provided by each Member of the Company (the ***Member Guarantee***).

12.4. Any Member called to make a payment under its Member Guarantee must immediately inform the Company by sending a copy of the guarantee call.

Article 13 – GUARANTEE CEILINGS

13.1. The ceiling of the Member guarantee provided by each shareholder of the Company shall at any time be equal to the amount of its outstanding indebtedness in principal, interest and incidentals *vis-à-vis* Agence France Locale, where appropriate, excluding on the given date amounts due from the shareholder in question to Agence France Locale, in principal, interest and incidentals, in respect of outstanding loans granted at inception for a maximum period of 364 days.

13.2. The ST Guarantee ceiling shall be unlimited unless the Board of Directors of the Company decides to set a ceiling.

Article 14 – FORM OF THE GUARANTEES

14.1. Member Guarantee Model

14.1.1 The guarantee model to be provided by each shareholder of the Company shall be defined by the Board of Directors of the Company, upon a proposal put from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale (the ***Guarantee Model***).

14.1.2 Acceptance of the Guarantee Model in force on the Membership Application date is inseparable from, and a condition of, membership of the Agence France Locale Group.

14.2. ST Guarantee

The terms and conditions of the ST Guarantee are defined and authorised by the Board of Directors of the Company upon a proposal from the Executive Board with a recommendation of the Supervisory Board of Agence France Locale.

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Article 15 – MEMBER GUARANTEES CALLED BY THE COMPANY

15.1. Conditions

Without prejudice to the ability to call the Member Guarantee by the beneficiaries of the said Guarantee, the Guarantee Model may stipulate that the Member Guarantee may be called by the Company:

(a) in the event of a ST Guarantee call in accordance with the provisions of the ST Guarantee (an ***ST Guarantee Call***); and

(b) at the request of Agence France Locale in accordance with the terms and conditions defined by the Board of Directors of the Company, it nevertheless being specified that any such request by Agence France Locale shall be made prior any unremedied payment default by Agence France Locale (a ***Call Request***).

15.2. Call allocation

15.2.1 Where the Guarantee Model provides that the Member Guarantee may be called by the Company in accordance with the provisions of Article 15.1, the guarantee call procedure shall depend on the period of time between (α) the date of receipt of the ST Guarantee Call or of the Guarantee Call, and (β) the date on which the funds are to be paid pursuant to the ST Guarantee Call or the Guarantee Call (the ***Call Period***):

(a) If the Call Period is equal to or greater than six (6) months, the call notification shall be sent to each Member for an amount as of the date of the ST Guarantee Call or of the Guarantee Call, equal to the product of the total amount of the call and its share "$\boldsymbol{Share_{call}}$", calculated as follows:

$$Share_{call} = Member\ Ceiling / Total\ Ceiling$$

Where: ***Member Ceiling*** shall mean as of the guarantee call decision date the ceiling of the guarantee provided in principal, interest and incidentals by the Member in question, in accordance with the provisions of the Member Guarantee Model in force, up to a maximum of the guarantee ceiling calculated using the Member Guarantee Model(s) accepted by the Member in question;

Total Ceiling shall mean the sum of the Member Ceilings of all Members.

(b) If the Call Period is greater than two (2) months but less than six (6) months, the Board of Directors, meeting at short notice, shall decide on the basis of objective criteria the list of shareholders of the Company to be called as well as the amount for which the said shareholders of the Company are to be called, in order to best meet the commitments of Agence France Locale by the relevant deadlines;

(c) If the Call Period is equal to or less than two (2) months, the call notification shall be sent to the ten (10) shareholders of the Company with the highest Member Ceilings among the fifty (50) shareholders of the Company with the best financial rating pursuant to Article 7.2.2 of these Articles of Association, prorated according to Member Ceilings of the shareholders of the Company called, it nevertheless being specified that if any such call should lead to the calling of more than seventy-five percent (75%) of the Member Ceilings of the Company's shareholders concerned, the number of Members called shall be increased as follows:

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(i) firstly, by continuing to call the shareholders of the Company in decreasing order of Member Ceiling among the fifty (50) shareholders of the Company with the best financial rating pursuant to Article 7.2.2 of these Articles of Association, until the call represents seventy-five percent (75%) or less of the Member Ceilings of the Company's shareholders called;

(ii) followed, where necessary, by calling the other Members in decreasing order of Member Ceiling irrespective of the financial rating pursuant to Article 7.2.2 of these Articles of Association, until the call represents seventy-five percent (75%) or less of the Member Ceilings of the Company's shareholders called;

(iii) and finally, by calling all the shareholders of the Company in proportion to their Member Ceilings if the call represents more than seventy-five percent (75%) of the Total Ceiling.

15.2.2 Should any of the Company's shareholders called fail to respond in accordance with the aforementioned provisions, the CEO may issue an additional call the terms of which shall be decided in accordance with the aforementioned provisions, where the Call Period shall be calculated from the date on which the default is acknowledged and the date on which the funds are to be paid.

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SECTION V
MANAGEMENT AND ADMINISTRATION OF THE COMPANY

Article 16 – BOARD OF DIRECTORS

16.1. Composition

16.1.1 The Board of Directors shall consist of a minimum of ten (10) and a maximum of fifteen (15) members.

16.1.2 Members of the Board of Directors may be natural persons or legal entities. In the latter case, on appointment they must designate a permanent representative subject to the same conditions and duties and who have the same responsibilities as if he were a director in its own right, notwithstanding any contrary statutory or regulatory provisions, and without prejudice to the joint and several liability of the legal entity he represents.

16.1.3 The first ten (10) members of the Board of Directors were nominated on proposal of the first ten (10) shareholders of the Company. Any new appointment of a member of the Board of Directors made prior to the date of the general shareholders' meeting called to approve the accounts for the third (3rd) financial year ending after the incorporation of the Company must be adopted by shareholders' decision taken by a way of a Simple Majority.

16.1.4 Without prejudice to the power of general shareholders' meeting to amend the composition of the Board of Directors at any time, it shall be re-examined during the general shareholders' meeting convened to approve the accounts for the third (3rd) financial year ending after the incorporation of the Company and then every six (6) years, such that the composition of the Board of Directors reflects the shareholder structure of the Company in terms of the various categories of Local Authority.

16.1.5 Whenever the composition of the Board of Directors is re-examined, each category of Local Authority shall have the power to elect a number of directors in proportion to the weighting of the local public debt of such Local Authority category with regards to the total public debt of all Local Authorities as of the re-examination date, it being specified that:

(a) Calculations shall be based on the latest data published by the DGFIP or, where applicable, by the DGCL and, in circumstances where the DGCL and DGFIP no longer publish such data, by the replacement body, where relevant designated by the Board of Directors in the absence of any statutory or regulatory accreditation;

(b) The number of seats for each Local Authority category shall be rounded up or down as follows:

(i) if the number of seats allocated to a Local Authority category is higher than zero (0) and less than one (1), the number shall be rounded up to one (1);

(ii) if the number of seats allocated to a Local Authority category is higher than one (1), the number shall be rounded up or down to the closest whole number and to the higher number if the result is precisely equidistant from the nearest higher and lower whole numbers;

(iii) where the aforementioned rounding up or down results in:

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- the total number of seats allocated is higher than the maximum number of seats defined pursuant to Article 16.1.1, the Local Authority category with the highest number of seats shall lose a corresponding number of seats (in the event of more than one Local Authority category having the highest number of seats, the reduction shall firstly be applied to that with the lowest weighting of local public debt with regards to the total amount of local public debt, prior to rounding);
- the total number of seats allocated is lower than the maximum number of seats defined pursuant to Article 16.1.1, the Local Authority category with the lowest number of seats shall gain a corresponding number of seats (in the event of more than one Local Authority category having the lowest number of seats, the increase shall firstly be applied to that with the highest weighting of local public debt with regards to the total amount of local public debt, prior to rounding);

16.1.5.2 From the general shareholders' meeting convened to approve the accounts of the third (3rd) financial year ending after the incorporation of Company, shareholders shall be convened to a special shareholders' meeting in accordance with the Local Authority category to which they belong in order to designate by way of a Simple Majority the members that are to represent them on the Board of Directors. It is specified that, with respect to Cities (*communes*), the shareholders belonging to this Local Authority category undertake that at least three (3) members who they nominate to the Board of Directors must be selected among representatives of Cities (*communes*) of less than ten thousand (10,000) inhabitants, up to a maximum in all circumstances of one third (1/3) of the members nominated by the said communes.

16.1.5.3 For the purposes of this Article 16.1, (a) Cities (*communes*), public inter-communal cooperative institutions that levy their own taxes (*établissements publics de coopération intercommunale à fiscalité propre*) and local public institutions as referred to in Article L. 5219-2 of the General Local Authorities' Code (*Code général des collectivités territoriales*), groupings of communes and groupings of mixed categories of local authorities (*syndicats de communes* and *syndicats mixtes*) other than those referred to in (b) shall be deemed to constitute a single category of Local Authorities ; and (b) open groupings of mixed categories of local authorities *(syndicats mixtes ouverts)* and all other categories of establishments will belong to the category of Local Authority designated in their membership decision, and in absence of such designation, according to the attached categories defined by the Board of Directors.

16.2. Terms of office

16.2.1 With the exception of the first members of the Board of Directors who are appointed for a term of three (3) years, members of the Board of Directors shall be appointed for a term of six (6) years, renewable in accordance with the majority conditions stipulated above; the terms of office shall end following the ordinary general meeting convened to approve the accounts for the previous year and held in the year during which their term is set to expire.

16.2.2 The body of shareholders shall set the terms of office by Simple Majority at general meeting.

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16.2.3 In accordance with the provisions of the French Commercial Code (*Code de commerce*) and with the interpretation thereof commonly adopted by the French courts, the members of the Board of Directors may be removed *ad nutum* by decision of the shareholders taken by way of a Simple Majority at general meeting.

16.3. Age limit

16.3.1 No Director over the age of 70 may be appointed director if such appointment would raise the number of members aged over 70 to more than one third of the members of the Board of Directors.

16.3.2 Should the number of directors over 70 years old represent more than one third of the Board of Directors, the oldest member shall automatically be deemed to have resigned.

16.4. Organization of the Board of Directors

16.4.1 Board of Directors

16.4.1.1 The Board of Directors shall appoint from among its members a chairman who shall be a natural person. The chairman's functions will not be remunerated.

16.4.1.2 The chairman shall be appointed for a renewable term of six (6) years, which under no circumstances may exceed his term as Director. By way of exception to the foregoing, the chairman's first term will last three (3) years. In either case the chairman is eligible for reappointment.

16.4.1.3 The chairman of the Board of Directors shall be responsible for organizing and managing the work of the Board of Directors and shall report thereon to the general shareholders' meeting. The chairman verifies that the company's decision-making bodies are operating correctly and in particular ensures that the directors are able to fulfil their mission.

16.4.1.4 The age limit for the function of chairman of the Board of Directors is 75; such functions shall automatically cease once the chairman of the Board of Directors reach this age limit in office following the next ordinary general meeting convened to approve the accounts for the preceding financial year.

16.4.1.5 The Board of Directors also appoints from among its members a vice chairman. The vice-chairman shall replace the Chairman if he is temporarily unable to perform his duties or in the event of his death. The vice chairman's functions will not be remunerated.

16.4.2 Not applicable

16.4.3 Board of Directors' committees

16.4.3.1 The Board of Directors may decide to establish Board of Directors' committees responsible for looking into questions submitted by the Board of Directors or its chairman for examination.

16.4.3.2 The Board of Directors shall define the composition and duties of each committee acting under their responsibility.

16.4.3.3 The Board of Directors shall notably rely on the work alone by two (2) specialized committees, namely: (i) an audit and risks committee (*comité d'audit et des risques*), and (ii) an appointment, remuneration and corporate governance committee (*comité des nominations, des rémunerations et du gouvernement d'entreprise*), the objectives of which are set out in Article 19.

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16.5. Remuneration of the Board of Directors

Members of the Board of Directors shall not receive any remuneration in respect of their office but may be reimbursed on presentation of receipts for any expenses reasonably incurred by them during the exercise of their functions.

16.6. Deliberations of the Board of Directors

16.6.1 Notices to Board meetings

The Board of Directors shall meet as often as required in the interests of the Company and at least once a quarter.

The Board of Directors' meetings shall be convened by its chairman or, where applicable, by its vice chairman. However, a meeting may be called by at least one third of the directors or by the CEO in accordance with the provisions of Article L. 225-36-1 of the French Commercial Code (*Code de commerce*).

The Board of Directors may be convened by any appropriate written means. Notice period for Board of Directors' meetings shall be seven (7) calendar days; this period may be shortened in the event of a duly justified emergency. The Board of Directors may validly deliberate even in the event of no notice being issued if all the members are present, deemed to be present, or represented.

Board of Directors meetings shall be held at the registered office or at any other location stated in the notice.

16.6.2 Quorum – Representation

Directors may give a written proxy to another Director, to represent them at any Board of Directors' meeting; provided that no director represents more than one other director.

The Board of Directors may only validly deliberate if at least half of the members are present or deemed to be present.

The Board of Directors shall establish rules of procedure which may allow, within the limits of statutory and regulatory provisions, for members to be deemed present for the calculation of quorum and majority who take part in the Board of Directors meeting via video-conference or other means of telecommunications that satisfies the technical criteria set out by applicable statutory and regulatory provisions.

16.6.3 Rules of majority

Decisions are taken by Simple Majority or Qualified Majority depending on the nature of the decision. In the event of a split decision, the chairman shall have the casting vote.

16.6.4 Chairmanship

In the event of the absence of the chairman and vice chairman of the Board of Directors, the Board of Directors shall designate the chairman of the meeting from among its members.

16.6.5 Minutes

The deliberations of the Board of Directors (including by written consultation) shall be recorded in minutes signed by the chairman of the meeting and by at least one other director who took part in the meeting, and shall be maintained in a special numbered and initialled register. Should the chairman of the meeting be unable to do so, the minutes shall be signed by at least two (2) directors.

16.6.6 Written consultation

The Board of Directors may adopt any decision falling within its powers by means of written consultation of its members. This mean of participation is not applicable to the approval of the

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statutory and consolidated financial statements nor to the drawing up of the management reports. The written consultation of the Board of Directors may be conducted by electronic means.

A written consultation may be initiated by the Chairman of the Board of Directors, or as the case may be by its Vice-Chairman.

In accordance with applicable laws and regulations, any member of the Board of Directors may object to the use of a written consultation, in the manner specified by the Internal Rules of procedure of the Board.

The written consultation shall specified the deadline for responding, as determined by the Chairman of the Board of Directors, depending on the nature of the decision to be made and, as the case may be the urgency.

The written consultation shall specify the procedures applicable to it, its purpose, and shall include the text of the proposed resolutions and any document necessary to inform the members of the Board.

The Board of Directors shall be deemed to have validly deliberated only if at least half of its members have responded within the specified deadline. Members who have not responded by the end of the period stated in the consultation shall be deemed not to be included in the quorum.

At the close of the consultation, the Board of Directors shall be informed of the voting results. The decisions taken by means of written consultation shall be recorded in minutes drawn up in accordance with the provisions of Article 16.6.5.

16.7. Powers of the Board of Directors

16.7.1 The Board of Directors shall determine the Company's overall business strategy and oversee its effective implementation. Subject to powers expressly attributed to shareholders' meetings and within the limit of the corporate object, it shall examine any question affecting the effective operation of the Company and shall deliberate and adopt decisions accordingly.

16.7.2 Within this context the Board of Directors, acting by Simple Majority, shall discuss matters falling within its scope of responsibilities pursuant to applicable laws and regulations and in relation to the following:

(a) general measures relating to the organisation and operation of the Company;

(b) adoption of the rating methodology to be used to identify which Local Authorities are entitled to join the Agence France Locale Group;

(c) the Company budget;

(d) the Company's activity report;

(e) the preparation of accounts and proposals for the allocation of the Company's earnings for the period;

(f) general terms of personnel recruitment, employment and remuneration;

(g) the implementation and monitoring of the guarantee mechanism;

(h) the utilisation of initial capital contributions paid by the Company's new shareholders; and

(i) the precise financial criteria to be met for prospective Local Authorities to become shareholders in the Company.

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16.7.3 Furthermore, the Board of Directors may at any time (i) request from its CEO submission of the documents which have enabled him/her to decide that a given Local Authority is entitled to join the Agence France Locale Group, and (ii) carry out any investigation it may deem necessary to ensure that the rating methodology as per paragraph 16.7.4(b) was correctly applied at the time of accession.

16.7.4 In addition, the Board of Directors shall:

(a) be informed each year by Agence France Locale of the financial position of the Local Authority shareholders of the Company;

(b) prepare all matters falling within the remit of the Company's general meeting;

(c) present the accounts for the past financial year and the budget for the year ahead to the Company's ordinary general meeting;

(d) establish instructions for the CEO of the Company, notably his/her role as Company representative and as the accountable party for implementing the decisions of the Board of Directors.

16.7.5 The Board of Directors shall carry out any audits or inspections as it may deem necessary. Each director shall receive all the information required to carry out their function and may request any documents they deem to be necessary.

16.8. Ability to nominate observers

16.8.1 Any shareholders having incorporated the Company which are not represented in the Board of Directors are individually entitled to appoint an observer to the Board of Directors. The observer(s) shall be invited to attend all Board of Directors' meetings under the same conditions as those that apply to the members, yet without enjoying any voting rights.

16.8.2 The observer(s) shall be given access to the same information as that provided for members of the Board of Directors.

16.9. Right to information

16.9.1 Each member of the Board of Directors and all observers shall receive the following information:

(a) the Company's quarterly financial statements and budgetary reports;

(b) management forecast documents; and

(c) the half-yearly report of membership applications.

16.9.2 The chairman of the Board of Directors may request any document deemed to be necessary for the Board of Directors to be able to accomplish its mission.

Article 17 – EXECUTIVE MANAGEMENT

17.1. Forms of management structure

17.1.1 The Board of Directors shall decide to allocate the executive management function, performed under its responsibility, either to the chairman of the Board of Directors or to another natural person appointed by the Board of Directors, who shall bear the title of Chief Executive Officer (CEO).

17.1.2 The Board of Directors, acting in accordance with the quorum and majority rules set out in Article 16.6 of these Articles of Association, shall decide between the two options for the performance of the executive management function set out in the

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preceding paragraph. This mode of management shall remain in force until decided otherwise.

17.1.3 When executive management of the Company is performed by the chairman of the Board of Directors, the provisions below that apply to the CEO shall equally apply to the chairman. He/she shall then bear the title of Chairman and Chief Executive Officer.

17.1.4 Any change in the management structure of the Company shall not require any change to these Articles of Association.

17.2. Powers

17.2.1 The CEO shall have the broadest powers to act in all circumstances in the name of the Company. He/she shall exercise these powers within the scope of the corporate object, subject to (i) those powers attributed by the law to shareholders' meeting and to the Board of Directors and (ii) the provisions of Article 16.7(b) above. The Board of Directors may also specifically limit the powers of the CEO.

17.2.2 The CEO shall represent the Company in its relations with third parties. The Company shall be bound by action taken by the CEO which does not fall within the scope of the corporate purpose unless it can be proven that the third party was aware that the action in question exceeded the scope of the corporate purpose or must have been aware of it due to the circumstances.

17.2.3 The CEO, subject to the permanent supervision of the Board of Directors, is responsible for approving the list of Local Authorities entitled to join the Agence France Locale Group in respect of the rating methodology defined by the Board of Directors.

17.2.4 The provisions of the Articles of Association or the decisions of the Board of Directors limiting the powers of the CEO may not be enforced against third parties.

17.3. Deputy chief executive officer

17.3.1 At the proposal of the CEO, the Board of Directors may appoint up to three natural persons to assist the CEO in his duties, who shall bear the title deputy chief executive officer (*directeur général délégué*).

17.3.2 In agreement with the CEO, the Board of Directors shall determine the scope and duration of powers conferred to the deputy chief executive officer(s). They shall have the same powers vis-à-vis third parties as the CEO.

17.4. Remuneration

The remuneration of the CEO and deputy chief executive officer(s) shall be determined by the Board of Directors.

17.5. Terms of office

The CEO and, where applicable, the deputy chief executive officer(s), shall be appointed for a renewable term of six (6) years.

17.6. Age limit

The age limit for the function of CEO and deputy chief executive officer is 70; such functions shall automatically cease once the CEO or deputy chief executive officer reach this age limit in office following the next ordinary general meeting convened to approve the accounts for the preceding financial year.

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17.7. Removal and incapacity

17.7.1 The CEO may be removed at any time by the Board of Directors. This shall also apply to the deputy chief executive officer(s) upon a proposal of the CEO.

17.7.2 In accordance with legal provisions, should any such removal take place without just cause, the CEO and/or deputy chief executive officer(s) shall be entitled to demand damages from the Company in respect of any prejudice suffered.

17.7.3 Should the CEO cease or be unable to carry out his/her functions, the deputy chief executive officer(s) shall retain their functions and duties until the appointment of a new CEO, unless decided otherwise by the Board of Directors.

Article 18 – NOT APPLICABLE

Article 19 – BOARD OF DIRECTORS' COMMITTEES

19.1. Audit and risks committee

19.1.1 The objective of the audit and risks committee (the ***Audit Committee***) is to audit the process of preparing and distributing accounting and financial information, to assess the pertinence and permanence of the accounting principles and methods adopted for the preparation of annual and half-yearly individual and consolidated accounts, to verify the effectiveness of internal control and risk management procedures, to ensure via all appropriate means that information provided to the Board of Directors is of adequate quality, and finally to give the Board of Directors its assessment of the work carried out by the statutory auditors and its opinion regarding the renewal of their assignment contract.

19.1.2 Each member of the Audit Committee must have the necessary technical expertise to carry out their duty of diligence.

19.2. Appointment, remuneration and corporate governance committee

The appointment, remuneration and corporate governance committee (the ***Appointments Committee***) examines any candidate for the function of director, issues recommendations regarding the appointment or succession of corporate officers and ensures compliance with rules of governance. It is also responsible for setting the remuneration of corporate officers and verifies that such remuneration cannot be paid to a corporate officer who is also a nationally elected representative. It must be consulted by executive management prior to any decision regarding the appointment or replacement of a manager of the Company or of Agence France Locale, including remuneration (fixed and variable). It shall also submit its recommendation to the Board of Directors regarding the remuneration, personal objectives and performance of the CEO.

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SECTION VI
GENERAL MEETINGS

Article 20 – NOTICE – PARTICIPATION IN GENERAL MEETINGS

20.1. Notice and location of general meetings

20.1.1 General meetings are convened by the Board of Directors in accordance with applicable laws and regulations..

20.1.2 Meetings shall be held at the registered office or at any other location stated in the notice of meeting.

20.2. Agenda

20.2.1 The agenda for general shareholder's meetings shall be determined by the person who issues the notice of meeting.

20.2.2 Shareholders may not deliberate on any issues that are not included in the agenda of a general meeting. However, as an exception to this rule, shareholders shall always be entitled to remove one or more directors and elect their replacements.

20.3. Access to general meetings – Powers

20.3.1 All shareholders shall be entitled to participate in general meetings on production of proof of identity and of the registration of their shares in the Company's accounts as of the day of the meeting.

20.3.2 Any shareholder meeting the conditions for participating in general meetings may attend in person or by proxy or may vote by correspondence. Ballots will only be counted if they are forwarded to the address indicated in the notice of meeting.

The date after which ballots received by the Company will no longer be counted is the fourth calendar day prior to the date of the meeting, unless a shorter deadline has been defined by the Board of Directors. However, electronic ballots may be received by the Company until the day before the general meeting, at the latest at 3 p.m., Paris time.

Upon decision of the Board of Directors, shareholders may also participate in the general meeting by videoconference or vote by any means of telecommunication, in accordance with applicable laws and regulations at the time of its use.

Without prejudice to the right of each shareholder to vote by correspondence under the conditions set out in the first paragraph above, the general meeting (extraordinary, ordinary, or special) may, by decision of the Board of Directors, be held exclusively by telecommunication, under the conditions laid down by the regulations applicable at the time of its use.

If an electronic ballot is used, the shareholder's signature may take the form either of a secure signature or of a reliable identification process guaranteeing its link with the act to which it is attached, which may in particular consist of an identifier and a password, or any process adopted by the Board of Directors that meets the identification requirements defined by applicable laws and regulations at the time of its use.

20.3.3 Shareholders can only be represented by another shareholder; to this end all representatives must be able to provide due evidence of their proxy.

20.3.4 For quorum and majority calculation purposes, shareholders who participate by video-conference or via a means of telecommunications that meets the technical

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standards required by applicable statutory or regulatory provisions shall be deemed to be present.

20.4. Special meetings

20.4.1 In the event of more than one class of shares being created, special meetings shall be convened for holders of particular classes of shares in order to discuss resolutions regarding any changes to rights associated with this class. Special meetings shall also be convened to appoint members to the Board of Directors in accordance with the provisions of Article 16.1.

20.4.2 Such meetings shall be convened and shall deliberate in accordance with the same terms as those that apply to extraordinary general meetings.

Article 21 – GENERAL MEETING PROCEEDINGS – DELIBERATIONS

21.1. Chairmanship

General meetings shall be chaired by the chairman of the Board of Directors or, in the event of his/her absence, by the vice-chairman of the Board of Directors, or, if he/she is also absent, by the member of the Board of Directors most senior in office being present on such day and accepting such office. Failing this, the general meeting shall elect its own chairman.

21.2. Quorum and majority

General meetings, whether ordinary, extraordinary, combined or special, shall deliberate in accordance with the conditions of quorum and majority as set out in the applicable laws and regulations by which they are governed and shall exercise the powers ascribed to them under the said provisions.

21.3. Voting rights

Each member of the general meeting have a number of votes corresponding to the number of fully paid-up shares or represented by proxy, unless otherwise provided for in the applicable laws and regulations.

21.4. Teletransmission

Upon decision of the Board of Directors, the public retransmission of the entire meeting by videoconference or by any means of telecommunication and teletransmission including the Internet is authorized.

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SECTION VII
ANNUAL ACCOUNTS – ALLOCATION OF EARNINGS – STATUTORY AUDITORS

Article 22 – FINANCIAL YEAR

22.1.1 Regular accounts of the Company's activities shall be prepared in accordance with applicable laws and regulations.

22.1.2 The financial year shall begin on 1st January and end on 31 December of each year.

22.1.3 However, by way of exception to the foregoing, the first financial year shall begin on the date of registration of the Company at the Trade and Companies Registry and shall end on 31 December 2014.

Article 23 – ANNUAL ACCOUNTS

23.1.1 At the end of each financial year the Board of Directors shall prepare annual accounts and, where applicable, consolidated accounts, in accordance with applicable laws and regulations..

Article 24 – ALLOCATION OF EARNINGS

24.1.1 From the profits for the financial year, less any retained losses, shall be deducted the following in the order set out below:

(a) five percent (5%) at least to form the legal reserve, this deduction no longer being mandatory once the legal reserve reaches one tenth of the capital;

(b) any amounts set at general meeting in order to establish reserves, for which it will determine the allocation and use;

(c) any sums which general meeting decides to allocate to retained earnings.

Any remaining balance may be paid to the shareholders in the form of a dividend.

24.1.2 The Board of Directors may make interim dividend payments in accordance with applicable statutory and regulatory provisions.

24.1.3 Acting upon a proposal of the Board of Directors, the general shareholders' meeting may at any time decide to distribute in whole or in part the sums held in reserve accounts either in cash or in Company shares.

Article 25 – STATUTORY AUDITORS

One or more statutory and alternate auditors shall be appointed and shall perform their duty of audit in accordance with applicable laws and regulations.

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SECTION VIII
WINDING-UP – LIQUIDATION – DISPUTES

Article 26 – WINDING-UP – LIQUIDATION

On expiry of the term of the Company or in the event of it being wound up prior to this date, shareholders in general meeting shall decide on its method of liquidation and appoint one or more liquidators, whose powers and remuneration it shall determine.

Article 27 – DISPUTES

27.1. Any dispute or litigation regarding the interpretation or performance of these Articles of Association, or more generally regarding the activities of the Company during its term or liquidation, that may emerge between the Company and its shareholders, or between members of the Board of Directors, or between the statutory auditors, or between the shareholders themselves, shall fall under the exclusive jurisdiction of the competent *Tribunal de Grande Instance*.

27.2. Notwithstanding the provisions of Article 27.1 above, each of the Company's shareholders undertakes to seek the mediation of the Board of Directors prior to initiating any legal or administrative proceedings in accordance with the following provisions:

(a) Any Company's shareholder planning to initiate legal or administrative proceedings under Article 27.1 above is required to refer the matter to the Chairman of the Board of Directors in writing, with a copy to the CEO and to the other Company's shareholders affected by the planned proceedings, setting out the object of the dispute and a detailed summary of the issues and grievances (the ***Referral***);

(b) On receiving the Referral, the Chairman of the Board of Directors shall:

(i) request the other Company's shareholders implicated by the Referral to set out their position regarding the contents of the Referral within ten (10) Business Days of the Referral; and

(ii) within fifteen (15) Business Days of the Referral, convene an *ad hoc* meeting of the Board of Directors, which shall act independently, during which the members of the Board of Directors may hear all the Company's shareholders implicated in the Referral.

(c) On completion of the aforementioned meeting, the members of the Board of Directors may:

(i) with the agreement of the Company's shareholders concerned, designate one or more members of the Board of Directors to seek out a mediation solution to the problems raised in or in relation to the Referral, when required with the assistance of third parties, with the objective of avoiding litigation;

(ii) conclude that the Company's shareholders do not agree to proceed via mediation and put an end to the process.

27.3. The undertaking of the Company's shareholders under Article 27.2 above is limited to the obligation to commence with a Referral prior to initiating any legal or administrative proceedings. Each Company's shareholder shall regain its liberty to seek the assistance of the courts twenty (20) Business Days after the Referral, irrespective of the action taken or progress made during the conciliation process.

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27.4. It is furthermore stated that the undertaking of the Company's shareholders under Article 27.2 may not be enforced against them in the event of interim proceedings (*action en référé*) or in circumstances where the implementation of the conciliation procedure is likely to prevent legal or administrative action due to the passing of a period of limitation (*délai de prescription)* or similar.

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APPENDIX
DEFINITIONS

Terms with a capital letter used in these Articles of Association shall have the meaning as assigned to them below:

ICC or ***Initial Capital Contribution*** shall have the meaning assigned to it in Article 7.3.1;

ACC or ***Additional Capital Contribution*** shall have the meaning assigned to it in Article 7.5;

Adjusted ICC shall have the meaning assigned to it in Article 7.3.5;

Projected Adjusted ICC shall have the meaning assigned to it in Article 7.3.5;

Actual Adjusted ICC shall have the meaning assigned to it in Article 7.3.5;

Projected Adjusted ACC shall have the meaning assigned to it in Article 7.5.2;

Actual Adjusted ACC shall have the meaning assigned to it in Article 7.5.2;

Adjusted ICC shall have the meaning assigned to it in Article 7.3.5;

Adjusted ACC shall have the meaning assigned to it in Article 7.5.2;

Agence France Locale shall have the meaning assigned to it in Article 2;

ST Guarantee Call shall have the meaning assigned to it in Article 15.1;

Article shall mean an article of these Articles of Association;

Assignment (***Assign***) shall mean any transfer or assignment of Securities against payment or otherwise, and irrespective of the legal method used to transfer full ownership or any rights resulting from the breaking up of the Securities' property rights; the term ***Assignment*** therefore notably includes, but is not limited to, outright assignment, public or other sale, exchanges or contributions by way of merger, demerger, contributions of business activities or partial or total transfer of assets or other similar transactions, contributions in kind, transfer of bare ownership or usufruct;

Assignor shall have the meaning assigned to it in Article 11.3(a);

Proposed Assignment shall have the meaning assigned to it in Article 11.3(a);

Proposed Assignee shall have the meaning assigned to it in Article 11.3;

Local Authority shall have the meaning assigned to it in Article 2;

Audit Committee shall have the meaning assigned to it in Article 19.1;

Appointments Committee shall have the meaning assigned to it in Article 19.2;

Board of Directors shall mean the board of directors of the Company;

Supervisory Board shall mean the supervisory board of Agence France Locale;

d shall have the meaning assigned to it in Article 7.4.4;

Call Period shall have the meaning assigned to it in Article 15.2.1;

Membership Application shall have the meaning assigned to it in Article 7.1.1;

Call Request shall have the meaning assigned to it in Article 15.1;

DGCL shall have the meaning assigned to it in Article 7.3.2.1;

DGFiP shall have the meaning assigned to it in Article 7.3.2.1;

CEO ou Chief Executive Officer shall mean the chief executive officer of the Company;

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Executive Board shall mean the executive board of Agence France Locale;

Additional Indebtedness shall have the meaning assigned to it in Article 0;

Reference Additional Indebtedness shall have the meaning assigned to it in Article 02;

Actual Additional Indebtedness shall have the meaning assigned to it in Article 7.5.2;

Actual Indebtedness shall have the meaning assigned to it in Article 7.3.5;

Total Indebtedness shall have the meaning assigned to it in Article 7.3.2.1;

Reference Total Indebtedness shall have the meaning assigned to it in Article 7.3.5;

Entity shall mean any natural person or legal entity or any group, company, fund, co-ownership entity or trust, incorporated or otherwise, whether a public or private entity, and any other similar or equivalent organisation;

Business Day shall mean any day other than Saturdays, Sundays, public holidays or days on which banks are either required or authorised to close in France;

Guarantee shall mean the Member Guarantee, ST Guarantee, or both;

Member Guarantee shall have the meaning assigned to it in Article 12.3(b);

ST Guarantee shall have the meaning assigned to it in Article 12.3(a);

Agence France Locale Group shall have the meaning assigned to it in Article 2;

k_n shall have the meaning assigned to it in Article 7.3.2.1;

k_n' shall have the meaning assigned to it in Article 7.3.2.1;

ka shall have the meaning assigned to it in Article 7.3.2.2;

ka' shall have the meaning assigned to it in Article 7.3.2.2;

Qualified Majority shall mean, whenever a decision must be taken by the shareholders of the Company or by the Board of Directors, that its adoption requires a vote in favour from at least two-thirds of the votes of the shareholders of the Company or of members who are present, deemed to be present or represented;

Simple Majority shall mean, whenever a decision must be taken by the shareholders of the Company or by the Board of Directors, that its adoption requires a vote in favour from at least half of the votes plus one (1) vote of the shareholders of the Company or of members who are present or represented;

Max (x; y; z) shall have the meaning assigned to it in Article 7.3.2.1;

Member shall mean any local government whose membership of the Agence France Locale Group has become effective pursuant to Article 7.4.1;

Guarantee Model shall have the meaning assigned to it in Article 14.1.1;

n shall have the meaning assigned to it in Article 7.4.4;

Parties shall mean Société Territoriale, Agence France Locale and the Members;

Accession Perimeter shall have the meaning assigned to it in Article 7.3.2;

Lock-up Period shall have the meaning assigned to it in Article 11.1;

Member Ceiling shall have the meaning assigned to it in Article 15.2.1;

Total Ceiling shall have the meaning assigned to it in Article 15.2.1;

Initial Payment shall have the meaning assigned to it in Article 7.4.6;

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Share$_{call}$ shall have the meaning assigned to it in Article 15.2.1;

Share shall have the meaning assigned to it in Article 7.4.6;

Operating Revenue shall have the meaning assigned to it in Article 7.3.2.1;

Additional Operating Revenue shall have the meaning assigned to it in Article 0;

Actual Operating Revenue shall have the meaning assigned to it in Article 7.3.5;

Actual Additional Operating Revenue shall have the meaning assigned to it in Article 7.5.2;

Referral shall have the meaning assigned to it in Article 27.2;

Company shall have the meaning assigned to it in Article 1;

Remaining Balance shall have the meaning assigned to it in Article 7.4.6;

Articles of Association shall have the meaning assigned to it in Title I;

Security shall mean:

(a) Any shares issued or to be issued by the Company currently owned by the shareholders or owned by them at a later date;

(b) Any shares which may replace the above as a result of a transaction of whatever nature (notably division, conversion, contribution, merger, partial transfer of assets);

(c) Any pre-emptive subscription rights associated with the said shares;

(d) More generally, any securities conferring immediate or deferred rights (including usufruct or bare ownership of securities in the Company, depending on the context) through conversion, option subscription or any other means, to a financial right or voting right in the Company, notably including any share purchase warrants issued or to be issued by the Company and any pre-emptive subscription right within the context of a share issue by the Company.

v shall have the meaning assigned to it in Article 7.4.4;

Loan Volume shall have the meaning assigned to it in Article 7.4.6.

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