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Confirmation of your Representation: In order to be eligible to view the Base Prospectus or make an investment decision with respect to the Notes to be issued under the Programme, you must not be a U.S. person (as defined in Regulation S under the Securities Act) and must be outside the United States. By accepting the e-mail and accessing the Base Prospectus, you shall be deemed to have represented to us that (i) you and any customers you represent are not U.S. persons and are not located in the United States; (ii) the electronic mail (or e-mail) address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; (iii) you consent to delivery of such Base Prospectus by electronic transmission; (iv) you acknowledged that the attached Base Prospectus is a free non binding translation of the original French language version which is communicated to you for information purposes only.



Agence France Locale
€7,000,000,000
Euro Medium Term Note Programme

Benefiting from first demand guarantees mechanism granted by Agence France Locale – Société Territoriale and by the Members of the Agence France Locale Group

Under the Euro Medium Term Note Programme (the **Programme**) described in this base prospectus (the **Base Prospectus**), Agence France Locale (the **Issuer**) may, at any time, in compliance with all applicable laws, regulations and directives, issue notes (the **Notes**). Payment of all amounts due under the Notes will benefit from (i) a first demand guarantee (*garantie autonome à première demande*) by Agence France Locale – Société Territoriale (**ST**) (the **ST Guarantee**), and (ii) first demand guarantees by local authorities (*collectivités territoriales*), their groupings and the *établissements publics locaux* which have completed the membership process and have consequently become shareholders of ST (the **Members**), equal to the outstanding amount of the loans of an initial term of more than 364 days for which they will have subscribed with the Issuer (together with ST, the **Guarantors**) (the **Member Guarantees**, together with the ST Guarantee, the **Guarantees**). The terms of the Guarantees and the provisions for determining their limits are set out in this Base Prospectus in section "Description of the Guarantors and the Guarantee mechanism".

The aggregate nominal amount of Notes outstanding at any time may not exceed €7,000,000,000 (or the equivalent of such amount in any other currency, determined on the issue date). The Notes will constitute *obligations* under French law.

The Base Prospectus has been approved by the Autorité des Marchés Financiers (AMF) which has assigned approval no. 20-244 on 9 June 2020 in its capacity as competent authority pursuant to Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The AMF has approved the Base Prospectus having verified that the information contained therein is complete, coherent and comprehensible within the meaning of the Prospectus Regulation. Such approval should not be considered as a favourable opinion on the Issuer or on the quality of the Notes issued under the Base Prospectus. Investors are invited to make their own assessment of the appropriateness of investing in the relevant Notes.

The Base Prospectus is valid for a period of 12 months after its approval, namely until 9 June 2021 and shall, during such period and in accordance with article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Base Prospectus in the event of material new facts or substantial errors or inaccuracies. The obligation to publish a supplement to the Base Prospectus in the event of material new facts or substantial errors or inaccuracies does not apply once the Base Prospectus is no longer valid.

The Base Prospectus replaces the base prospectus dated 13 May 2019, as updated by its supplements.

Application may, under certain circumstances be made for Notes to be admitted to trading on Euronext in Paris (**Euronext Paris**). Euronext Paris is a regulated market as defined in Directive 2014/65/EU dated 15 May 2014 as amended, (a **Regulated Market**). Notes may also be admitted to trading on another Regulated Market of a member State of the European Economic Area (**EEA**) or in the United Kingdom or on a non-regulated market or not admitted to trading on any market. The final terms prepared for an issue of Notes (the **Final Terms**), based on the form set out in this Base Prospectus, shall specify whether or not such Notes shall be admitted to trading on a regulated market and shall list, if applicable, the relevant Regulated Market(s). The relevant Final Terms shall also specify whether or not the Notes shall be offered as non-exempt offer to the public under article 1, paragraph 4, of the Prospectus Regulation in one or more member states of the EEA or in the United Kingdom.

The Notes may be issued in dematerialised form (**Dematerialised Notes**) or materialised form (**Materialised Notes**), as more fully described in the Base Prospectus. Dematerialised Notes will be entered in an account in accordance with articles L.211-3 *et seq.* of the French *Code monétaire et financier*. No physical document of title shall be issued in respect of Dematerialised Notes.

Dematerialised Notes may be issued, at the option of the Issuer, either (a) in bearer form, inscribed on their date of issue in the books of Euroclear France (acting as central depository), which shall credit the accounts of the Account Holders (as defined in "Terms of the Notes - Form, denomination, title, redenomination and consolidation") including Euroclear Bank SA/NV (**Euroclear**) and the depository bank for Clearstream Banking, S.A. (**Clearstream**) or (b) in registered form and, in such case, at the option of the relevant Noteholder (as defined in "Terms of the Notes - Form, denomination, title, redenomination and consolidation"), either in pure registered form (*au nominatif pur*), in which case they shall be entered in an account maintained by the Issuer or any registration agent (as specified in the relevant Final Terms) on behalf of the Issuer, or in administered registered form (*au nominatif administré*), in which case they shall be entered in the accounts of the Account Holder nominated by the relevant Noteholder.

Materialised Notes shall be issued in bearer form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (**Temporary Global Certificate**) shall be issued initially in respect of the Materialised Notes. Such Temporary Global Certificate shall subsequently be exchanged for Materialised Notes represented by physical notes (**Physical Notes**) together with, if applicable, interest coupons, on a date falling at the earliest approximately forty (40) calendar days after the issue date of the Notes (unless postponed, as described in section "Temporary Global Certificates in respect of Materialised Notes") upon certification that the Notes are not being held by U.S. Persons in accordance with U.S. Treasury regulations, as more fully described in this Base Prospectus. The Temporary Global Certificates shall be deposited (a) in the case of a Tranche (as defined in the section "*Terms and Conditions of the Notes*") intended to be cleared through Euroclear and/or Clearstream, on the issue date with a common depository on behalf of Euroclear and Clearstream, or (b) in the case of a Tranche intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream or delivered outside any clearing system, in the manner agreed between the Issuer and the relevant Dealer (as defined below).

The Issuer has been assigned an Aa3 rating with a stable outlook by Moody's France S.A.S. (**Moody's**) and a rating AA-, stable outlook by S&P Global Ratings Europe Limited (**S&P**). The Programme has an Aa3 rating assigned by Moody's and a rating AA - by S&P. Notes issued under the Programme may or may not be attributed a rating. The rating attributed to the Notes, if any, shall be specified in the relevant Final Terms. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency. On the date of this Base Prospectus, Moody's and S&P are rating agencies established in the European Union and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council of 16 September 2009 relating to credit rating agencies as amended (the **CRA Regulation**) and are included on the list of credit rating agencies published on the European Financial Markets Authority website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

Investors should be aware of the risks described in section "Risk factors" before making any decision to invest in Notes issued under this Programme.

This Base Prospectus, any supplement thereto and, so long as any Notes are admitted to trading on a Regulated Market or offered to the public to investors other than qualified investors in accordance with the Prospectus Regulation, the applicable Final Terms shall be (a) published on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuer (**Error! Hyperlink reference not valid.**<http://www.agence-france-locale.fr>) and (b) available for inspection and obtaining copies, free of charge, during normal office hours, on any weekday (except on Saturdays, Sundays and public holidays) at the specified office of the Fiscal Agent or the Paying Agent(s).

Arrangers

HSBC

NATIXIS

Dealers

BNP Paribas

Citigroup

Crédit Agricole CIB

Daiwa Capital Markets Europe

HSBC

J.P Morgan

NATIXIS

Société générale Corporate & Investment Banking

TD Securities

IMPORTANT CONSIDERATIONS

This Base Prospectus (together with any supplement thereto) constitutes a base prospectus for the purposes of article 8 of the Prospectus Regulation containing all information required by the competent authority on the Issuer and on the Guarantors, further details of which can be found on the website of the Issuer (<http://www.agence-france-locale.fr>) to enable investors to make an informed assessment of the assets, liabilities, profits and losses, financial position and prospects of the Issuer, ST and, to a limited extent, the Member Guarantors as well as the rights attached to the Notes and the reasons for the issue of the Notes and its impact on the Issuer. Each Tranche (as defined in the section "*Terms of the Notes*") of Notes shall be issued in accordance with the provisions set forth in the section "*Terms of the Notes*" of this Base Prospectus, as completed by the provisions of the applicable Final Terms agreed between the Issuer and the relevant Dealers at the time of issue of such Tranche.

In connection with the issue or sale of any Notes, no person has been authorised to provide any information or make any representations other than as set forth in this Base Prospectus. No such information or representation may be treated as having been authorised by the Issuer, the Arrangers or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made on the basis of this document shall under any circumstances imply that there has been no adverse change in the situation, in particular the financial situation, of the Issuer or the Guarantors since the date of this Base Prospectus or since the date of the most recent supplement to this document, or that any other information provided in connection with this Programme is accurate on any date subsequent to the date on which it was provided or, if different, the date indicated on the document containing such information.

The distribution of this Base Prospectus and the offering or sale of any Notes may be restricted by law in certain countries.

The section "*Subscription and Sale*" of this Base Prospectus contains a description of certain restrictions applicable to the offer, sale and transfer of Notes and the distribution of this Base Prospectus.

In certain circumstances and under certain conditions, the Issuer has given its consent to the use of this Base Prospectus, of any related supplement and of the relevant Final Terms by any duly authorised financial intermediary. Please refer to section "*Conditions relating to the Issuer's consent to the use of the Prospectus*".

MIFID II Product Governance/target market - The Final Terms relating to the Notes may include a paragraph headed "*MIFID II Product Governance*" which shall underline the target market assessment for the Notes as well as the appropriate distribution channels. Any person who subsequently offers, sells or recommends the Notes (a distributor) should take into consideration the assessment of the target market; however, a distributor subject to Directive 2014/65/EU (as amended, MIFID II) is responsible for undertaking its own target market assessment in respect of the Notes (and either adopting or refining the target market assessment) and determining the appropriate distribution channels.

It shall be determined, for each issue of Notes, whether, for the purposes of the product governance rules under delegated Directive EU 2017/593 (the MIFID II Product Governance Rules), any Dealer subscribing for Notes is a manufacturer of such Notes, but if such is not the case, neither the Arrangers, nor the Dealers nor any of their affiliates shall be considered as manufacturers for the purposes of the MIFID II Product Governance Rules.

This Base Prospectus constitutes neither an invitation nor an offer by or on behalf of the Issuer, the Guarantors, the Dealers or the Arrangers to subscribe for or purchase Notes.

Neither the Issuer nor any Dealer makes any representation to any prospective investor in the Notes as to the lawfulness of their investment under applicable laws. Any prospective investor in the Notes must be capable of assuming the economic risks implied by its investment in the Notes for an unlimited period of time.

Neither the Arrangers nor any of the Dealers has verified the information contained in this Base Prospectus. Neither the Arrangers nor any of the Dealers makes any express or implied representation, nor accepts any liability, as to the accuracy or completeness of any information contained in this Base Prospectus. The Base Prospectus is not intended to provide the basis of any credit or other evaluation and must not be treated as a recommendation by the Issuer, the Guarantors the Arrangers or any of the Dealers to any recipients of this Base Prospectus to buy Notes. Each prospective investor in Notes must make his own assessment of the relevance of the information contained in this Base Prospectus and his decision to purchase Notes must be based on such research as he deems necessary. Neither the Arrangers nor any of the Dealers undertake to review the financial situation or affairs of the Issuer or the Guarantors during the life of this Base Prospectus, and do not undertake to pass on to any investor or prospective investor any information of which they become aware.

In this Base Prospectus, unless otherwise provided or the context requires otherwise, any reference to "€","Euro", "EUR" and "euro" refers to the lawful currency in the Member states of the European Union that have adopted the single currency introduced in accordance with the Treaty establishing the European Economic Community, any reference to "£","pound sterling" and "Sterling" refers to the lawful currency in the United Kingdom, any reference to "\$", "USD", "U.S. dollar" and "American dollar" refers to the lawful currency in the United States of America, any reference to "¥","JPY" and "yen" refers to the lawful currency in Japan and any reference to "CHF" and "Swiss francs" refers to the lawful currency in the Swiss Confederation.

The Guarantors, other than ST, have not reviewed this Base Prospectus (or any supplements thereto) or verified the information contained or incorporated by reference herein. The Guarantors, other than ST, do not therefore express, imply, represent or accept any responsibility for the accuracy or completeness of any information, including information relating to the Guarantors themselves, contained in this Base Prospectus or any statement made on their behalf by the Issuer in this Base Prospectus or the offering or issue of any Notes. They shall, therefore, be in no way liable, whether through contract or tort, for the content of this Base Prospectus, any supplement hereto, or any statement herein.

The Notes may not be a suitable investment for all investors.

A prospective investor should not invest in Notes unless it has the expertise (either alone or with the assistance of its financial adviser) to assess how the value of the Notes will perform under changing conditions and the impact of such an investment will have on its overall investment portfolio.

Each prospective investor must determine, based on his own assessment and with the assistance of any adviser he may consider appropriate depending on the circumstances, the suitability of an investment in the Notes in light of his personal circumstances. In particular, each prospective investor should:

- i. have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Base Prospectus or any applicable supplement with respect thereto and in the relevant Final Terms;
- ii. have access to, and knowledge of, appropriate analytical tools to assess, in the context of its particular financial situation and sensitivity to risk, an investment in the relevant Notes and the impact such Notes might have on its overall investment portfolio;
- iii. have sufficient financial resources and liquidity to bear all of the risks of an investment in Notes;

- iv. understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant reference rates and financial markets; and
- v. be able to assess (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

Laws and regulations on investment may restrict some investments

The investment activities of some investors are subject to investment laws and regulations, or to control or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (i) the Notes are investments that are appropriate, (ii) Notes can be used as collateral for other types of loans, (iii) if other purchase restrictions or pledge of any Notes are applicable to them, (iv) the Notes are eligible as regulated assets (if any) or (v) the Notes represent an investment that is appropriate from a prudential point of view. Financial institutions should consult their legal advisors and / or their financial advisors and / or the supervisory authorities to determine the treatment to be applied to the Notes for weighted capital ratios based on risk and similar rules. Neither the Issuer nor (the) Dealer(s), nor any of their respective affiliates has assumed or assumes responsibility for the legality of the acquisition of the Notes by a potential investor, either under the laws of the jurisdiction where they are registered or the one in which they operate (if different), or the compliance by a potential investor with any law, regulation or rule made by a regulator that may apply to it.

Potential Conflicts of Interest

All or some of the Dealers and their affiliates have and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity in the group. They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with the offering of shares or other securities issued by any entity in the group or (iii) act as financial advisers to the Issuer or other companies in the group. In the context of these transactions, certain Dealers have or may hold shares or other securities issued by entities in the group. Where applicable, they have or will receive customary fees and commissions for these transactions.

The Issuer may occasionally be engaged in transactions involving an index, or derivatives that can affect the market price, liquidity or value of Notes that could be considered contrary to the interests of Noteholders.

Potential conflicts of interest can arise between the Calculation Agent, where relevant, for a Tranche of Notes and Noteholders, including towards some decisions and some discretionary judgments that the Calculation Agent may have to make pursuant to the Terms of the Notes, which can affect the amount to be received upon redemption of the Notes.

Sustainable Bonds

This paragraph applies if the relevant Final Terms specify that the Notes are Sustainable Bonds:

Prospective investors are invited to refer to the information set forth in the section “Use of Proceeds” of this Base Prospectus and must determine to what extent the proposed use of proceeds and the information presented is acceptable to them. In particular, no assurance can be given by the Issuer that the use of such proceeds for any Eligible Categories presented will satisfy, whether in whole or in part, investor expectations or requirements as regards any investment criteria with which any prospective investor is required to comply in accordance with the regulations by which it is governed or under its articles of association, bylaws or mandate pursuant to which it acts, in particular as regards the direct or indirect environmental and/or social impact of the assets financed by expenditure falling in the Eligible Categories. Nor is it certain that no

adverse environmental and/or social impact associated with the assets financed in connection with Eligible Categories will occur. Furthermore, there is currently no legal definition or market consensus on what constitutes an “environmental and/or social” or similarly-labelled project or on the attributes any such project should have.

No representation is given as to the relevance of the opinions or certifications emanating from third-party organisations (whether or not requested by the Issuer) relating to Sustainable Bonds or whether the Eligible Categories satisfy any environmental and/or social criteria. Such opinions or certifications are not under any circumstances incorporated by reference in this Base Prospectus.

TABLE OF CONTENTS

Section	Page
General Description of the Programme	10
Risk Factors	18
Conditions relating to the Issuer's Consent to the use of the Prospectus.....	42
Supplement to the Base Prospectus.....	44
Documents incorporated by reference.....	45
Terms of the Notes	50
Temporary Global Certificates in respect of Materialised Notes	97
Use of Proceeds	99
Description of the Issuer.....	104
Description of the Guarantors and the Guarantee Mechanism.....	150
Recent Events	277
Taxation.....	278
Subscription and Sale	280
Form of Final Terms.....	284
General Information	303
Responsibility for the Base Prospectus	306

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description must be read with all the information set forth in this Base Prospectus. The Notes shall be issued pursuant to the terms agreed between the Issuer and the relevant Dealer(s) and shall be governed by the Terms and Conditions specified in this Base Prospectus.

Terms and expressions defined in the section "Terms and Conditions of the Notes" hereafter shall have the same meaning in this general description of the programme.

This general description of the programme constitutes a general description of the Programme for the purposes of Article 25.1.b) of Delegated Regulation (EU) 2019/980 of the Commission. It does not serve as a summary of the Base Prospectus within the meaning of Article 7 of the Prospectus Regulation.

Description of the Programme : Agence France Locale's €7,000,000,000 programme for the issuance of debt securities (*Euro Medium Term Note Programme*) benefiting from a first demand guarantee mechanism granted by Agence France Locale – Société Territoriale and by the Members of the Groupe Agence France Locale.

The Notes constitute bonds (*obligations*) within the meaning of French law.

Issuer: Agence France Locale

Guarantors Agence France Locale – Société Territoriale (**ST**)

Members of the Groupe Agence France Locale that have entered into a Medium-Long Term Loan with the Issuer

Guarantee Autonomous first demand guarantee issued by Agence France Locale – Société Territoriale (**ST Guarantee**)

Autonomous first demand guarantee of each of the Members of the Groupe Agence France Locale up to the aggregate amount owed by such Members to the Issuer under each Medium-Long Term Loan (**Member Guarantee**)

Arranger : HSBC FRANCE

NATIXIS

Dealers: BNP PARIBAS

CITIGROUP GLOBAL MARKETS EUROPE AG

CITIGROUP GLOBAL MARKETS LIMITED

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

DAIWA CAPITAL MARKETS EUROPE LIMITED

HSBC FRANCE

JP MORGAN SECURITIES PLC

NATIXIS

SOCIETE GENERALE

TD GLOBAL FINANCE UNLIMITED COMPANY

THE TORONTO-DOMINION BANK

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to **Permanent Dealers** are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and to all persons appointed as dealers in respect of one or more Tranches.

Fiscal Agent and Principal Paying Agent: BNP Paribas Securities Services

Calculation Agent: BNP Paribas Securities Services (unless specified otherwise in the Final Terms)

Programme Size: The aggregate nominal amount of Notes outstanding at any one time may not exceed 7,000,000,000 euros (or the equivalent thereof in any other currency, calculated as of the issue date).

Risk Factors Investing in the Notes involves certain risks which must be assessed before making any investment decision.
For information on the risks associated with the Issuer, ST, the Guarantees and the Notes, prospective investors and/or Noteholders must refer to the section “Risk Factors” of this Base Prospectus.

Currency : Subject to compliance with all applicable laws, regulations and directives, the Notes may be issued in euros or in any other currency agreed between the Issuer and the relevant Dealer(s).

Form of the Notes : Notes may be issued either in the form of dematerialised notes (**Dematerialised Notes**) or in the form of materialised notes (**Materialised Notes**).

Dematerialised Notes may, at the option of the Issuer, be issued

in bearer form or registered form and, in such latter case, at the option of the relevant Noteholder, either in pure registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical document of title shall be issued in respect of Dematerialised Notes.

Materialised Notes shall be issued in bearer form only. A Temporary Global Certificate for each Tranche of Materialised Notes shall be issued initially. Materialised Notes may only be issued outside France.

Form of the Notes

Notes may be issued either in the form of dematerialised notes or in the form of materialised notes as indicated in the relevant Final Terms.

Denomination(s) :

The Notes will have the denomination(s) specified in the relevant Final Terms. Dematerialised Notes shall be issued in one single specified denomination.

Issue price:

The Notes may be issued at par, below par or with an issue premium.

Creation of Dematerialised Notes:

The accounting letter (*lettre comptable*) in respect of each Tranche of Dematerialised Notes shall be deposited with Euroclear France in its capacity as central depository one (1) Paris business day prior to the issue date of such Tranche.

Creation of Materialised Notes:

No later than the issue date of each Tranche of Materialised Notes, the Temporary Global Certificate relating to such Tranche shall be deposited with a common depository for Euroclear and Clearstream, or any other clearing system, or indeed may be issued outside any clearing system subject to prior agreement between the Issuer, the Fiscal Agent and the relevant Dealer(s).

Status of the Notes and negative pledge :

Notes and, if relevant, their receipts for periodic payments of principal (**Receipts**) and interest coupons (**Coupons**), unconditional, senior preferred as defined in article L.613-30-3-I-3° of the Monetary and Financial Code and (subject to the paragraph below) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (subject to such exceptions as are mandatory under French law) equally and rateably with all other present or future, senior preferred and unsecured obligations of the Issuer.

So long as any Notes, or, if relevant, any Receipts and Coupons attached to such Notes, remain outstanding, the Issuer shall not

grant or permit to subsist any mortgage, pledge, lien or other form of security interest upon any of its assets, rights or revenues, present or future, to secure any Indebtedness (as defined below) of or guaranteed by the Issuer, unless the obligations of the Issuer under the Notes and, if relevant, any related Receipts and Coupons, benefit from equivalent and equal ranking security.

Indebtedness means any indebtedness in respect of any present or future borrowing, represented by bonds or other securities or negotiable instruments (including in particular securities that are or were originally privately placed) listed or traded or capable of being listed or traded on any stock exchange or any other securities market.

outstanding means, in respect of the Notes of any Series, all the Notes issued other than (i) those that have been redeemed in accordance with these Terms, (ii) those in respect of which the redemption date has occurred and the redemption amount (including all interest accrued on such Notes up to such redemption date and any interest payable after such date) has been duly paid in accordance with the provisions of Condition 7, (iii) those which have become void or in respect of which claims have become prescribed, (iv) those which have been purchased and cancelled in accordance with Condition 6.8, (v) those which have been purchased and retained in accordance with Condition 6.7, (vi) in the case of Physical Notes, (A) those mutilated or defaced Physical Notes that have been surrendered in exchange for replacement Physical Notes, (B) (for the sole purpose of determining the number of Physical Notes outstanding and without prejudice to their status for any other purpose) those Physical Notes allegedly lost, stolen or destroyed and in respect of which replacement Physical Notes have been issued and (C) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Physical Notes in accordance with its terms.

Guarantees :

The obligations of ST under the ST Guarantee are unsecured and unsubordinated obligations of ST which rank and will rank equally with all other present and future unsecured and unsubordinated obligations of ST, subject to such exceptions as are from time to time mandatory under French law.

The obligations of each of the Members under each of the Member Guarantees are unsecured and unsubordinated obligations of each Guarantor which rank and will rank equally with all other present and future unsecured and unsubordinated obligations of each Guarantor, subject to such exceptions as are from time to time mandatory under French law.

Interest Periods and Interest Rates :

For each Series, the duration of the interest periods of the Notes, the applicable interest rate and the method of calculation may be the same or differ depending on the Notes. The Notes may have a maximum interest rate, a minimum interest rate or both, provided that under no circumstances may the amount of interest be less than zero (0). The Notes may bear interest at varying rates within the same interest period by use of interest accrual periods. All such information shall be set forth in the relevant Final Terms.

Fixed Rate Notes:

Fixed interest shall be payable in arrears on the date or dates for each period specified in the relevant Final Terms.

Floating Rate Notes :

Floating Rate Notes shall bear interest at the rate determined for each Series as follows:

- a) on the same basis as the floating rate specified in the relevant Final Terms applicable to a notional interest rate swap transaction in the relevant Specified Currency, in accordance with the *Fédération Bancaire Française* (FBF) Master Agreement dated June 2013 relating to transactions on forward financial instruments, as supplemented by the Technical Schedules published by the FBF; or
- b) on the same basis as the floating rate applicable to a notional interest rate swap transaction, in accordance with an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- c) by reference to EURIBOR (or TIBEUR in French), LIBOR, €STR, SOFR, SONIA or the CMS Rate or any successor or replacement rate based on a Screen Rate Determination,

in each case, as adjusted by reference to any applicable margins paid at the date specified in the relevant Final Terms. Under no circumstances shall the Coupon Amount be less than zero (0).

Fixed/Floating Rate Notes:

Fixed/Floating Rate Notes bear interest at a rate (i) that the Issuer may elect to convert on the date specified in the relevant Final Terms from a Fixed Rate into a Floating Rate, or from a Floating Rate to a Fixed Rate, or (ii) that shall automatically convert from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date specified in the relevant Final Terms.

Zero Coupon Notes:	Zero Coupon Notes may be issued at par or below par and shall not bear interest.
Redemption Amount :	Except in case of Early Redemption or repurchase followed by cancelation, the Notes will be redeemed at the maturity date specified in the relevant Final Terms and at the final Redemption Amount.
Redemption by Instalments:	The Final Terms relating to Notes redeemable in two or more instalments shall specify the dates on which such Notes may be redeemed and the amounts to be redeemed.
Optional Redemption	The Final Terms prepared for each issue of Notes shall specify whether they may be redeemed at the option of the Issuer (in whole or in part) and/or at the option of the Noteholders prior to their stated maturity date and, if so, the terms applicable to such redemption.
Early Redemption:	Subject as provided in paragraph “Optional Redemption” above, the Notes shall not be redeemable early at the option of the Issuer except for tax reasons and/or illegality.
Withholding Tax:	<p>All payments of principal, interest and other similar income in respect of Notes, Receipts or Coupons by or on behalf of the Issuer shall be made without any withholding or deduction in respect of any tax or duty of any kind, imposed, levied or collected by or on behalf of France, or any authority thereof with the power to levy tax, unless such withholding or deduction is required by law.</p> <p>If pursuant to French law, payments of principal, interest or other similar income on any Note, Receipt or Coupon become subject to a withholding at source or deduction by reason of any kind of tax or duty, present or future, the Issuer undertakes, to the fullest extent permitted by law, to increase the amount of such payment so that the Noteholders, Receiptholders and Couponholders receive the full amount that would have been paid to them in the absence of such withholding at source or deduction, subject to various exceptions, described in the section "Terms of the Notes" of this Base Prospectus.</p>
Events of Default:	The Terms of the Notes specify various events of default, as more fully described in the paragraph “Terms of the Notes - Events of Default”.
Governing law:	French law. Any claims against the Issuer relating to the Notes,

Receipts, Coupons or Talons shall be brought before the competent courts of the jurisdiction in which the Issuer's head office is located.

Clearing systems:

Euroclear France in its capacity as central depository for Dematerialised Notes and, for Materialised Notes, Clearstream and Euroclear or any other clearing system agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

Notes admitted to trading on Euronext Paris will be cleared through Euroclear France.

Admission to trading:

On Euronext Paris and/or on any other Regulated Market of the European Economic Area (including, for the purposes of this definition, the United Kingdom) (EEA) and/or on any non-regulated market as specified in the relevant Final Terms. The relevant Final Terms may provide that a Series of Notes shall not be admitted to trading on any market.

Ratings :

The Issuer has been assigned an Aa3 rating with a stable outlook by Moody's and a rating AA-, stable outlook by S&P. The Programme has an Aa3 rating assigned by Moody's and a rating AA - by S&P. Notes issued under the Programme may or may not be attributed a rating. The rating attributed to the Notes, if any, shall be specified in the relevant Final Terms. The rating of the Notes may not necessarily be the same as that of the Programme.

A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency. On the date of this Base Prospectus, Moody's and S&P are rating agencies established in the European Union and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council of 16 September 2009 relating to credit rating agencies as amended (the **CRA Regulation**) and are included on the list of credit rating agencies published on the website of the European Financial Markets Authority (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

Selling Restrictions:

There are restrictions on the sale of Notes and the distribution of offer documents in various countries including in particular the United States of America, the EEA, the United Kingdom, Italy, France and Switzerland.

Materialised Notes shall be issued pursuant to Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(D) of the U.S. Treasury Regulations (**D Rules**) unless (a) the applicable Final Terms provide that such Materialised Notes are issued pursuant to Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(C) of the U.S. Treasury regulations (**C Rules**), or (b) the Materialised Notes are not issued pursuant to C Rules or D Rules, but under such conditions that these Materialised Notes shall not constitute "registration required obligations" by the United States Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), in such case the applicable Final Terms shall indicate that the transaction is outside the scope of the TEFRA rules.

The TEFRA rules do not apply to Dematerialised Notes.

RISK FACTORS

This chapter describes the main risks that may, as of the date of this Base Prospectus, affect the business, financial situation, reputation, results or prospects of Groupe Agence France Locale, as identified in particular in drawing up Groupe Agence France Locale's major risks map. This map has been updated in 2019 and assesses the criticality of the risks, i.e. their severity in terms of operational, financial, legal/regulatory and reputational impact and also the likelihood of their occurrence, having regard to the action plans put in place. This chapter also describes the key risks inherent in the Notes issued under the Programme. Within each of the risk categories mentioned below, the risk factors that the Issuer considers, as of the date of this Base Prospectus, to be the most important are listed first.

The risks described below are not the only risks to which an investor in the Notes may be exposed and investors' attention is drawn to the fact that the list of risks presented in this chapter of this Base Prospectus is not exhaustive. Other risks and uncertainties, that are currently unknown to the Issuer or the materialisation of which is not considered, at the date of this Base Prospectus, likely to have a material adverse effect on the Groupe Agence France Locale, its business, financial situation, results or prospects, could or may exist or arise and have a significant impact on investments in the Notes. Potential investors must also read the detailed information which appears in this Base Prospectus (including all documents incorporated therein by reference) and form their own opinion before taking any investment decision. In particular, investors must conduct their own examination of the risks linked to the Notes before investing in the Notes and must consult their own financial, tax or legal advisers in relation to the risks linked to an investment in a specific Tranche of Notes and the appropriateness of an investment in the Notes having regard to their own situation.

All terms beginning in capital letters and not defined in this chapter will have the meaning given to them in the "Terms and Conditions of the Notes" chapter.

Any reference below to a Condition is a reference to the correspondingly numbered condition in the section "Terms and Conditions" of the Base Prospectus.

1. RISKS FACTORS RELATING TO THE ISSUER

1.1 Strategic risks

A. The economic, financial, political, and health environment of the markets in which the Issuer operates or raises finance could have a significant impact on the Issuer's financial situation and results

As the Issuer is a financial institution dedicated to Local Authority financing, its businesses are very sensitive to developments in the economic, political and health environment in France and the Eurozone and the dynamism of the French local public sector.

The Issuer, which finances itself on the international financial markets, would be greatly affected by significant deteriorations in market conditions and the global economic environment, which could result from crises affecting capital or credit markets, liquidity constraints, regional or global recessions, significant volatility in interest rates or exchange rates, sovereign default, downgrading of the rating of France, on whose rating those of the Member Local Authorities depend, these Members being both Guarantors of the Issuer's debt on the financial markets and counterparties of the Issuer under the Medium Long-Term Loans granted to them, Brexit, pandemics or climate

change. In this regard, the bonds market on which the Issuer raises finance, is negatively impacted since March 2020 by the Covid-19 epidemic and the restrictions on movement and suspension of activities it imposes; this epidemic is also expected to adversely affect the economic outlook in particular in France and could put the brake on Local Authority investment, which may be likely to reduce the Issuer's loan production. Moreover, given the measures adopted by the French State to support economic activity in these exceptional circumstances, public debt of the French State and of Local Authorities will increase significantly which could result in a deterioration in the credit quality of France, Local Authorities and consequently, the Issuer.

The Issuer's exposure to the French local public sector also subjects it to risks stemming from the social situation in France, which can put pressure on Local Authority budgets, and the risks associated with changes in public policies (local or national) relating to Local Authority financing, which are likely to limit Local Authorities' borrowing capacity and reduce their budget, both of these factors having a potentially significant effect on the Issuer's loan production.

These various events may occur abruptly and could affect the Issuer on a short-term or enduring basis and have a material adverse effect on its financial situation and results.

Moreover, if any of these events were to result in the downgrading of the rating of France and/or the Members, this could lead to a deterioration in the Issuer's financing terms and increase the cost of the loans granted to Members, thus significantly exacerbating the impact of these events on the Issuer's business, financial position, operating results and damaging its competitive position.

A deterioration in market confidence in sovereign, public or supranational bonds could also generate latent write-downs in the Issuer's liquidity portfolio, which has significant exposure on sovereign risk.

B. The competitive environment and demand in the local public sector financing market could affect the Issuer's activities.

Existing and/or growing competition in the local public sector financing market coming in particular from operators such as the LBP-SFIL-CAFFIL group, CDC, BEI, the BPCE group (refer to paragraph 2.4 "The Issuer's competitive position" of Section 2 "Business Overview" in the "Issuer Description" part of the Base Prospectus) could lead to (i) a sharp reduction in the Issuer's profit margins and (ii) very limited production of new Issuer loans, which would adversely affect the Issuer's net banking income.

The local public sector financing market in which the Issuer operates could also shrink for institutional or political reasons specific to France in the form of brakes and/or restrictions imposed by the French State on French Local Authority indebtedness, or where Local Authorities face legal and/or budgetary uncertainties.

During the first half of 2020, the local public sector financing market was significantly affected by the Covid-19 health crisis, which notably led to the postponement of the second voting round of the municipal elections and will have a significant impact on local budgets, the consequences of which cannot yet be assessed in terms of revenue and expenditure, since these vary depending on the local authority segments and their initial individual financial situation. The Covid-19 health crisis could have the effect of reducing the Issuer's loan production.

C. The Issuer may not generate the expected interest amongst Local Authorities

Although the formation of the Issuer derives from the law and meets a robust and constant desire expressed in recent years by a significant number of Local Authorities, the development of the Issuer's activities depends on Local Authority interest in the model deployed by the Issuer. In 2019,

the Issuer had an estimated market share of nearly 40% of Members' financing requirements and, at national level, the production of new Issuer Medium and Long-Term Loans represented an estimated market share of 5.3% for all local authorities.

Development could be affected by the reluctance of Local Authorities to join Agence France Locale, which involves Local Authorities becoming shareholders of ST, paying ICCs and acting as guarantors under the Member Guarantee, or by the restrictions on raising debt to which they may be subject (refer to the risk factor "*The competitive environment and demand in the local public sector financing market could affect the Issuer's activities*" above).

A lack of interest from Local Authorities could delay the build up by the Issuer of the capital necessary to grow its business, and in the absence of sufficient ICC payments, compromise its long-term future.

D. The Issuer conducts these activities for the sole benefit of Members and therefore has no prospect of diversification.

Under Article L. 1611-3-2 of the CGCT, the Issuer operates for the exclusive benefit of Members; it therefore has no prospect of diversification.

Although today the number of Local Authorities joining the Agence France Locale Group is progressing consistently, if the Local Authority financing market becomes less attractive, the Issuer will not be able to develop an alternative business, which would undermine its sustainability.

E. The Issuer is supervised by the prudential supervisory authority (Autorité de Contrôle Prudentiel) and subject to an ever-changing regulatory framework, which could have an impact on its financial position.

The Issuer has been approved by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) since 12 January 2015 as a specialist credit institution. This approval is essential for the conduct of the Issuer's business. This approval imposes a number of regulatory requirements on the Issuer, including the requirement to comply with specific legal provisions and prudential ratios.

Changes in the regulatory framework are likely to disrupt the Issuer's forecasts in the context of its business plan, reinforce some of its obligations and impact its results accordingly.

In order to benefit from the provisions of Article 429 (bis) paragraph 1(d) of Regulation (EU) 575/2013 as amended by Regulation (EU) 2019/876 which provides a separate definition of the leverage ratio for public development credit institutions, allowing them to exclude from the ratio denominator certain assets, such as claims on central, regional or local governments or on public sector entities in connection with public investments, the Issuer applied to the ACPR on 10 March 2020 to be categorised as a public development credit institution.

If the Issuer does not qualify as a public development credit institution, it could be forced (i) to curb its production of local authority loans, which would affect its financial situation and results, or (ii) seek contributions of additional external capital on terms that may not be favourable to it.

The Directive 2014/59/EU of 15 May 2014 as amended by the Directive (EU) 2019/879 of 20 May 2019 (the "**RRD**") and Regulation no. 806/2014 of 15 July 2014 as amended by the Regulation (EU) 2019/877 of 20 May 2019 on the Single Resolution Mechanism (the "**SRM**"), establish a framework for the recovery and resolution of credit institutions and investment firms which aims to enable a wide range of actions that can be taken by the relevant regulators in relation to credit institutions and investment firms that are considered to be at risk of default. The aim of the RRD is to equip the resolution authorities, including the ACPR in France, with common and effective

instruments and powers to preemptively tackle banking crises, preserve financial stability and minimize taxpayers' exposure to losses. The resolution powers granted to the authorities by the RRD and the SRM are divided into three categories: (i) powers to take preparatory measures and to draw up plans to reduce the risk of potential problems; (ii) if problems arise in an institution, powers to stop the situation deteriorating, so as to avoid insolvency; and (iii) if the insolvency of an institution is a matter of concern in the public interest, powers of reorganization or orderly liquidation while preserving critical functions and limiting as far as possible the taxpayer's exposure to losses.

The SRM regulation establishes several resolution instruments which can be used separately (subject to the separation of assets which can only be used in conjunction with another resolution instrument) or together if the resolution authority considers that (a) the failure of the Issuer or the Agence France Locale Group has occurred or is foreseeable, (b) there is no reasonable likelihood that another private measure or supervisory action would prevent the failure within a reasonable period and (c) a resolution measure is necessary in the public interest:

Article 22 of the SRM regulation lists the following resolution mechanisms:

- (i) transfer of activities – allows resolution authorities to sell on normal terms either the establishment itself, either all or part of its activity, without the consent of the shareholders and without meeting the procedural requirements that would apply in normal circumstances;
- (ii) bridge institutions – allows resolution authorities to transfer all or part of the activities of the institution to a “bridge institution” (an entity under public control);
- (iii) separation of assets – allows resolution authorities to transfer impaired or toxic assets into a structure that can manage and, in time, reorganise such assets; and
- (iv) bail-in – allows resolution authorities to depreciate some subordinated and unsubordinated debt (including principal and interest on the Notes) of a failing institution and/or to convert it into equity securities, which can then be further depreciated or reduced. The resolution authority must apply depreciation and conversion measures to core tier 1 capital securities, then to additional tier 1 capital securities and finally to tier 2 capital securities and other subordinated debt, to the extent necessary. If, and only if, the total reduction resulting therefrom is less than the amount sought, the resolution authority, shall reduce to the extent required, the institution's unsubordinated debt (including principal and interest on the Notes).

The Issuer must comply at all times with the own funds and eligible liabilities (**MREL**) ratio of 11.75% set out in the RRD, transposed into French law by Order No. 2015-1024 of 20 August 2015 which entered into force on 1 January 2016.

The minimum requirement for own funds and eligible liabilities of each credit institution is determined by the resolution board, in particular by reference to the following criteria: the requirement for the adopted resolution measures to fully satisfy the resolution objectives; the need, where appropriate, for the credit institution to have a sufficient level of eligible liabilities to ensure that losses can be absorbed and that the minimum own funds requirement of the credit institution, the subject of a resolution procedure, may be brought to the level necessary for it to continue to fulfill the conditions of its approval and to carry on the activities for which it has been approved and for the market to remain sufficiently confident in such credit institution; The size, business model, financing model and risk profile of the credit institution; The negative effects of the failure by the credit institution in question on financial stability, in particular as a result of the contagion effect due to its inter-relationship with other institutions or with the financial system as a whole.

The powers conferred on the resolution authorities, or the Issuer's failure to comply with the MREL requirements, could have an impact on the way it is managed, as well as on its financial situation and business plan.

Failure to comply with regulatory requirements could also force the Issuer to implement one or more recovery measures, or even result in the revocation of the Issuer's accreditation and jeopardize the ongoing existence of the Issuer.

F. The Issuer may not be able successfully to implement its business plan.

Under the assumptions set forth in its business plan, on which its forecasts were based, the Issuer expected that its expenditure should cease to be higher than its revenue over the medium term. However, these forecasts were made before the Covid-19 pandemic. However, these forecasts were made before the Covid-19 pandemic. At the date of this Base Prospectus, in view of the uncertainties affecting economic and financial conditions, and their severity and duration, the Issuer considers it difficult at this stage to accurately estimate the impact of the crisis on its financial statements and has suspended its forecasts for the 2020 financial year. If the Issuer fails to be in surplus over the medium term, this could have an impact on its financing costs and access to liquidity and damage its prospects and financial situation.

1.2 Financial risks

A. The Issuer is exposed to liquidity risk

The Issuer is exposed to three aspects of liquidity risk:

- liquidity price risk: this is the risk of a deterioration in the refinancing terms of certain assets that may generate a loss in net banking income given the mis-match between the maturities of the refinanced assets and liabilities; this mis-match, most commonly found in assets with a longer maturity than liabilities.

The table below shows the breakdown of the Issuer's assets and liabilities by reference to their contractual due date as at 31 December 2019 (refer also to Note VII C on exposure to liquidity risks in the Issuer's 2019 IFRS Annual Accounts):

(In thousands of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Revaluation	Total 31/12/2019
Cash, central banks	165604				165604			165604
Financial assets at fair value through profit or loss	646		5773	8279	14,698	1265		15,962
Derivative instruments used for hedging		10	39,567	80,354	119,931	11,026		130,957
Financial assets at fair value through other comprehensive income								
Government paper and similar securities			182572	339121	521693	959	13248	535900
Bonds and other fixed income securities								
Total financial assets at fair value through other comprehensive income			182572	339121	521693	959	13248	535900
Securities at amortised cost								
Government paper and similar securities	35596	20696	37506	12904	106702	266	248	107216
Bonds and other fixed income securities	16527	1592	9928		28047		125	28171
Total Securities at amortised cost	52123	22288	47434	12904	134749	266	372	135387
Loans and receivables due from credit institutions	109779		80,000		189779	42		189822
Loans and receivables due from customers	140685	200879	845812	1886023	3073399	6951	80151	3160500
Revaluation adjustment on interest rate risk hedged portfolios							14284	14284
Current tax assets								
Other assets	146				146			146
TOTAL ASSETS								4348562
Central banks							26	26
Financial liabilities at fair value through profit or loss	19		5772	8279	14070	1406		15476
Derivative instruments used for hedging	1868	153	9099	156182	167302	6295		173597
Debts represented by a security	88,923		2335405	1505389	3929716	12185	95073	4036974
Debts owed to credit institutions and similar	4236				4236			4236
Revaluation adjustment on interest rate risk hedged portfolios								
Other liabilities	1618				1618			1618
TOTAL LIABILITIES								4231929

Agence France Locale transforms its balance sheet into liquidity by monitoring several indicators, including the difference in average maturity between assets and liabilities which is limited to 12 months, temporarily increased to 18 months, with limited gaps

- financing risk: this is the risk for the Issuer of being unable to raise the liquidity necessary to meet its commitments and financing needs related to its development (as of 31 December 2019, the Issuer's 30-day regulatory liquidity coverage ratio (**LCR**) is 428% and the Issuer estimates that its liquidity reserve, totalling 947.5 million euros at 31 December 2019, allows it to meet its over 12 month cash requirements).
- illiquidity risk: this is the risk of a short-term cash shortfall, particularly associated with the risk for the Issuer of being unable to sell an asset in a market without suffering a loss of value. At 31 December 2019, the balance sheet net value of financial assets at fair value through other comprehensive income totalled 535.9 million euros and the impact of gains and losses accounted for directly in own funds totalled -1.6 million euros (refer also to the Table of changes in equity in the Issuer's 2019 IFRS Annual Accounts).

The current background of extreme volatility in financial markets linked to the Covid-19 epidemic and the sharp fall in oil prices have led to a significant generalized decline in the price of financial instruments and tensions in the bonds markets. If the Issuer were not able to access the debt market under reasonable conditions for an extended period, or if it endured an unforeseen event relating to its treasury or collateral (for example from assets placed as collateral for its exchange or interest rate derivative transactions), its financial situation could be adversely affected.

A deterioration in macroeconomic conditions (refer to the risk factor "*The global economic, financial, political, and health environment associated with the markets in which the Issuer operates could have a significant impact on the Issuer's financial situation and results*" above) or a lack of interest by local authorities in the products offered by the Issuer (refer to the risk factor "*The Issuer may not generate the expected interest amongst Local Authorities*" above), or an operational loss could also result in a downgrade of the Issuer's rating affecting its access to financing, which would have an impact on its financial position.

B. Changes in interest rates and exchange rates are likely to negatively affect the Issuer's financial position.

Interest rate risk

Interest rate risk covers the risk that the Issuer suffers loss caused by an adverse change in interest rates, due to its balance sheet and off-balance sheet transactions, particularly in cases where there is an imbalance between interest rates generated by its assets and those due under its liabilities.

In order to guard against interest rate risk, the issuer enters into hedging contracts.

The Issuer's interest rate risk hedging policy involves a micro-hedging or almost systematic macro-hedging of the Issuer's debts and the loans granted by the Issuer to convert them into floating rate loans or debts indexed to the Euribor 3-month benchmark using interest rate swaps. The hedging put in place generates liquidity risk due to margin calls as well as credit risk on swap counterparty banks or the clearing house LCH Clearnet.

However, there remains an interest rate risk exposure that may result, in particular, from (i) employing a portion of the Issuer's own funds in fixed-rate loans granted to local authorities or (ii) certain short-term positions.

A change in interest rates could have a negative impact on the Issuer's net present value and future results. At 31 December 2019, the net present value sensitivity of Agence France Locale was 3.2% assuming a parallel movement of "plus 100" basis points and -5.8% assuming a movement of "plus 200" basis points in the rate curve (refer also so Note VII D in the Issuer's 2019 IFRS Annual Accounts for an indication of Groupe Agence France Locale's net present value sensitivity).

The interest rate risk hedging strategy is reflected by a notional swaps amount of 7.7 billion euros as at 31 December 2019 and, at 31 December 2019, the amount of margin calls paid, in respect of interest rate derivatives and foreign exchange derivatives, totalled 79 million euros.

On the other hand, market concern about the economic impact of the Covid-19 epidemic could lead to tensions over short-term rates that could have an impact on the Issuer's situation.

Finally, it should be noted that the market authorities are considering replacing or changing the methodology of the monetary indices (Libor and Euribor in particular), some of which are used by the Issuer either in connection with issues under the Programme or Medium-Long Term Loans, by use of alternative benchmarks based to a greater extent on transactions rather than quotations from market participants. Although the market authorities which are working on these developments are aware of the potential systemic impact of these changes and are striving to avoid them, such developments could result in a decrease of the Issuer's net banking income and/or impact on the Issuer's own funds.

Currency risk

Currency risk covers the risk that the Issuer generates a loss due to borrowed or lent funds in currencies other than euro.

In order to protect against foreign exchange risk, the Issuer enters into hedging contracts. The Issuer's policy aims to systematically cover foreign exchange risk by entering into currency micro-hedging swaps. Thus, assets and liabilities denominated in currencies other than the euro are systematically hedged in euros from the moment they enter the balance sheet until their final maturity.

At 31 December 2019, the amount of margin calls paid, in respect of interest rate derivatives and foreign exchange derivatives, totalled 79 million euros. The hedging put in place generates liquidity risk due to margin calls as well as credit risk on swap counterparty banks or the clearing house LCH Clearnet.

C. The Issuer is exposed to the credit risk of its borrowers and counterparties.

Borrower credit risk

Under Article L. 1611-3-2 of the CGCT, the Issuer operates for the exclusive benefit of the Member Local Authorities of the Groupe Agence France Locale, which are shareholders of the Issuer's parent company and guarantors of the debt instruments issued by the latter up to the amounts outstanding under their respective Medium-Long Term Loans.

At 31 December 2019, the total amount of AFL's loan commitments to Local Authorities totalled 3,492.5 million euros. At 31 December 2019, 80.6% of the loans portfolio is comprised of exposure to local authorities, of which 38% of direct exposure to *métropoles*, 9.9% to *départements*, 4.5% to *régions* and 4.9% to territorial public institutions (EPT).

Member Local Authorities are either local authorities within the meaning of article 72 of the Constitution, or Tax Raising EPCIs, with legal personality, legal and financial autonomy and powers of self-government as provided by law, or territorial public institutions (EPT) as referred to in Article L. 5219-2 of the CGCT. In addition, in accordance with the Engagement and Proximity Law, all local authority groupings and local public establishments may join the Agence France Locale Group. In all cases, member Local Authorities must meet the threshold requirements set out in the decree No. 2020-556 dated 11 May 2020, published on 12 May 2020 (the **Decree**), which applies to all new entrants as from publication of the Decree (refer to the section "Description of the

Guarantors and Guarantee Mechanism” of this Base Prospectus). Following the Engagement and Proximity Law, the Agence France Locale Group will modify its contractual framework and internal processes with a view to integrating the new types of local authority shareholders. The general meeting of ST shareholders which met on 28th May 2020 has already approved the integration of Syndicats.

Becoming a Member requires achieving a score of higher than 6 in accordance with the scoring methodology adopted by ST’s Board of Directors, on the proposal of the Executive Board and the opinion of the Supervisory Board by reference to three criteria: (i) solvency, (ii) budgetary room for manoeuvre and (iii) the level of indebtedness of the relevant Local Authority, these three criteria being weighted by their importance (refer to paragraph 2.5 (a) "Rating policy" of the section "Issuer Description").

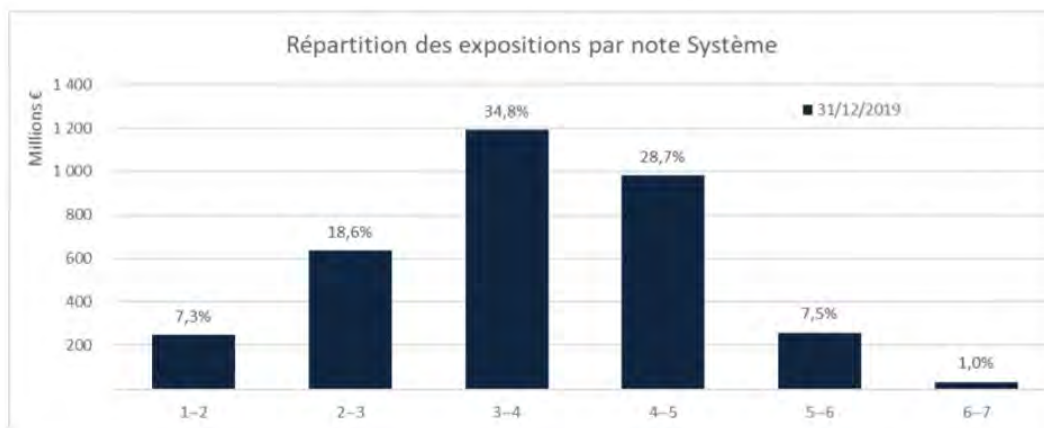
Since 12 May 2020, Local Authorities wishing to become a Member must also have a deleveraging capacity, defined as the ratio between outstanding debt at the financial year-end and gross savings for the past year, expressed as a number of years, determined in the penultimate financial year of less than (i) twelve years on average for the last three years for *communes*, the Ville de Paris, groupings and local public institutions, (ii) ten years on average for the last three years for *départements* and *Métropole de Lyon* and (iii) nine years on average for the last three years for *régions*, the Corsica authority, the authorities of Guyana and Martinique. Where deleveraging capacity is above the specified thresholds, Local Authorities may nevertheless join if current self-financing margin, calculated as an average for the last three years, observed in the penultimate financial year, is less than 100%.

As part of its loans granting policy, the Issuer takes into account the Member's score (refer to paragraph 2.6 (a) "Loan policy" in the section "Description of the Issuer").

The breakdown by rating of its portfolio of loans to local authorities highlights the granular and high quality nature of its portfolio. As at 31 December 2019, more than 25% of this portfolio was invested in local authorities with ratings of between 1 and 2.99. The five largest exposures represented 20.1% of its assets. The largest exposure represented 4.1% of assets and the fifth largest, 4%. As at 31 December 2019, the average rating of the loans granted by the Issuer to its Members, weighted by outstanding amount, was 3.64 (based on local authority accounts data for 2018). This rating is stable over one year.

The following table shows the rating breakdown of the portfolio of loans granted by the Issuer to its Members:

Breakdown of exposure by rating System



Even if current or future Members are considered to have a very limited risk profile as a result of the institutional rules governing their operation, which are similar from one category of Member to another, and that as a result the credit transactions carried out by the Issuer benefit from this same profile, the failure of a Member to meet its obligations to the Issuer or under a Member Guarantee, cannot be ruled out. As at 31 December 2019, the Issuer's doubtful debts totalled 3.8 million euros.

To the extent that the Issuer can only grant loans to Members, this implies a high concentration of its credit risk on a certain type of actor. The Issuer is therefore exposed to the possible deterioration of a Member's situation or the situation of this sector (also refer to the risk factor "*The global economic, financial, political, and health environment associated with the markets in which the Issuer operates or raises finance could have a significant impact on the Issuer's financial situation and results*").

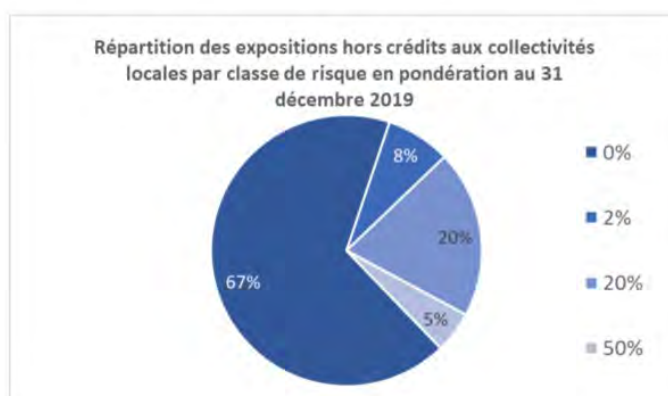
The materialisation of such risks could result in a loss of value for the Issuer.

Counterparty credit risk

As a result of its cash investments, the Issuer carries credit risk on the issuers of the securities in its treasury portfolio.

These exposure ratings are of very high quality, with more than 56% of exposure having ratings of equal to or greater than Aa2 on the Moody's scale. The average risk weighting of this portfolio is 6.6%. The graph below underlines the heavy concentration of the Issuer's liquidity reserve exposure on very low risk categories, 67% of the portfolio being invested in risk categories weighted 0%, 8% in risk categories weighted 2%, 20% in risk categories weighted 20% and 5% in risk categories weighted 50%.

Breakdown of exposure excluding loans to local authorities by risk category weighting at 31 December 2019



Although the Issuer's investment policy is prudent, the Issuer remains exposed to the risk of the issuers of the securities in which invests being unable to meet their financial obligations, an increased risk in the context of a deteriorated economic and financial background such as the Covid-19 epidemic. The occurrence of such an event may generate a loss of income and/or weigh on the Issuer's own funds.

In addition, the Issuer clears almost all of its interest rate derivatives through clearing houses, and its exchange rate derivatives bilaterally. As at 31 December 2019, the amount of margin calls paid

totalled 79 million euros. The Issuer is not in a position to ensure that its counterparties under the hedging contracts put in place, whether clearing houses or banking establishments, will be able to satisfy their obligations. A failure on their part could affect the Issuer's financial situation.

1.3 Non-financial risks

A. The Issuer is exposed to human resources risk

As a result of its structure and the context surrounding the launch of its activities, the Issuer relies on a limited number of individuals (28 employees as at 31 December 2019) for its operational requirements. The loss of one or several essential individuals, either through poaching or temporary or permanent unavailability (through accident or illness) may therefore have a significant impact on its continued activity or compromise its long term survival. These risks are increased in the context of a health crisis.

B. An operational failure, interruption or operational incident affecting the Issuer's partners, or a failure or violation of the Issuer's information systems could result in loss.

The own funds requirement for operational risk totalled 2.3 million euros as at 31 December 2019 and, during the financial year just ended, no operating losses of a significant amount were incurred.

As a credit institution, communication and information systems are essential to the activity and operations of the Issuer. The Issuer has chosen to make extensive use of outsourcing of these aspects. Any breakdown, malfunction, interruption or violation of its systems or those of its external providers (including cyber risk) or those of other market operators (such as clearing houses, brokers and financial service providers), even brief and temporary, could result in significant disruption to the Issuer's activities.

Such incidents could have a significant impact on the ability of the Issuer to conduct its business and may result in significant direct or indirect operating loss and thereby damage the reputation of the Issuer.

C. Failure of the Issuer to comply with applicable regulations could result in loss.

Given its activity as a credit institution, the Issuer must comply with multiple laws and regulations, such as the regulations applicable to credit institutions and issuers of listed securities, data privacy rules, European and US laws and regulations on money laundering, corruption and sanctions. As such, the Issuer is exposed to the risk of judicial, administrative or disciplinary sanctions in the event of non-compliance with these various regulations. The compliance control system that the Issuer has put in place cannot fully guarantee that such a risk will not materialise. Also, the Issuer does not control the Members' use of the loans granted to them, and it could therefore indirectly, as a result of the activities conducted by Members, find itself in breach of certain regulations applicable to it. The occurrence of such a risk could result in a loss of value or damage to the Issuer's reputation, or even the withdrawal of its approval as a specialized credit institution or its authorisation to issue listed securities, resulting in it being unable to conduct its business.

D. The risk of litigation between the Issuer and any of these counterparties could result in loss

The Issuer was not involved in any litigation in the year ended 31 December 2019. Nevertheless, it cannot be ruled out that a dispute may arise in the course of its business, in particular with a Member, which would harm the Issuer's reputation and could result in a loss of value for the Issuer.

2. RISKS RELATING TO ST

The ST's activity consists mainly of holding almost all of the Issuer's share capital (this holding representing 94.8% of its non-consolidated balance sheet as at 31 December 2019), overseeing the implementation of the guarantee mechanism and managing, in conjunction with the Issuer, the process for Local Authorities to become members of Groupe Agence France Locale and promoting the Groupe Agence France Locale model. In addition, ST has a limited portfolio of securities. As a result of its activities, the risks to which it is exposed are of the same nature as those that may affect the Issuer (described above) and, were they to materialize, their effects would be identical to those that may affect the Issuer.

3. RISKS RELATING TO THE GUARANTEE MECHANISM

The Notes issued under the Programme are supported by two first-demand guarantees, the ST Guarantee and the Member Guarantee (for a description of the ST Guarantee and the Member Guarantee, refer to the "Description of the Guarantors and Guarantee Mechanism" section of this Base Prospectus).

A. The amount guaranteed by each Member is limited to the aggregate outstanding amount it owes to the Issuer under Medium-Long Term Loans.

The amount of each Member Guarantee is capped at the total outstanding amount of Medium-Long Term Loans of the Member granting such Member Guarantee *vis-à-vis* the Issuer on a given date. The amount of the relevant Member Guarantee changes in accordance with the amortisation schedule of the Member's Medium-Long Term Loans.

Moreover, the Issuer does not expect to allocate the entire proceeds of the issues made under the Programme to grant Medium-Long Term Loans to Members; part of the proceeds is intended to be retained in order to provide the Issuer with the cash required for its business and another part is used to fund the granting of Liquidity Facilities to Members. On an indicative basis, the Issuer is contemplating, as part of its business plan, that approximately 70% of the amount of proceeds received from the issue of Notes will be used to extend Medium-Long Term Loans to Members, the remaining 30% being retained to ensure the Issuer's liquidity and to offer Liquidity Facilities to Members.

Consequently, as the amounts borrowed by the Issuer are higher than the total amount of Medium-Long Term Loans granted to Members and the total amount of Member Guarantees on any given date does not cover the total outstanding under Notes issued under the Programme.

B. ST does not have the cash and assets to pay the full amount for which it may be liable were it to meet all of its liabilities under the ST Guarantee.

The maximum cap of the ST Guarantee was set at 10,000,000,000 euros by the ST Board of Directors meeting held on 28 September 2018.

ST has neither the cash nor the necessary assets to pay the amounts which it could be liable if all of its commitments under the ST Guarantee should be called. In such a case, it might be called on the Member Guarantees on behalf of Beneficiaries and the Members therefore would replace ST in the payment of amounts due to Beneficiaries within the limits of their respective outstanding debt under Medium-Long Term Loans owed to the Issuer.

ST could therefore be dependent on the proper execution of their obligations by Members under the Member Guarantees.

C. Noteholders are not preferred creditors of ST or Members.

Competition from other creditors

Other financial commitments than those made by the Issuer under the Programme could benefit from the ST Guarantee or Member Guarantees.

Since ST does not have the cash or assets to pay the sums it could be liable for if all of its ST Guarantee liabilities were to be called, and with the total amount guaranteed under Member Guarantees being capped at the total outstanding under the Medium-Long Term Loans granted to Members, Noteholders could thus face competition from other creditors in the event that the Guarantees are called and may not receive the full amount owed to them under their guarantee.

Amounts placed in an escrow account held with the Caisse des Dépôts et Consignations for the benefit of the Beneficiaries

The Issuer is able to call upon the ST Guarantee on behalf of the Beneficiaries. Amounts issued from the guarantee calls are placed in an escrow account opened with the *Caisse des Dépôts et Consignations* in the name of ST and must be used exclusively to pay the Beneficiaries upon the date of maturity of their debt.

Similarly, under Member Guarantees, the sums derived from calls by ST are placed in an escrow account opened with the *Caisse des Dépôts et Consignations* in the name of ST and must be used exclusively to pay the Beneficiaries upon the date of maturity of their debt.

The placing of such amounts in an escrow account does not create collateral in favour of the Beneficiaries. In the event that collective insolvency proceedings are brought against ST in accordance with Book VI of the French *Code de commerce*, the Beneficiaries' claims to the amounts placed in the escrow accounts shall constitute unsecured claims ranking *pari passu* with the unsecured claims of other creditors of ST.

Moreover, payment to the Beneficiaries of amounts deposited in the escrow accounts depends on the instructions given by the Issuer or ST to the *Caisse des Dépôts et Consignations* in accordance with the ST Guarantee or the Member Guarantee to pay such amounts to the Beneficiaries. If the Issuer or ST were to fail to give such instructions to the *Caisse des dépôts et consignations*, the Beneficiaries might not receive the amounts paid into the escrow accounts.

D. The validity of acts under which Members grant Member Guarantees may be subject to appeal before the administrative judge

In connection with Member Guarantees, Noteholders are exposed to risk regarding the legal validity of acts and the irregularity of decisions taken by Members when granting a Member Guarantee. Any such act could be held invalid or irregular resulting in the annulment of the relevant Member Guarantees by the administrative judge to whom the matter is submitted under a prefectoral referral or appeal brought by a third party against such decision or act.

Although it has never occurred, if such a situation arose, a Noteholder wishing to call upon the relevant Member Guarantee could lose the benefit of such Member Guarantee, which would result in the loss of all or part of the principal amount of the relevant Notes.

E. Public entities are not subject to insolvency procedures under the Commercial Code and their assets are immune from general law enforcement measures

Upon the calling of a Member Guarantee, a Member could refuse to perform its obligations. As legal bodies governed by public law, Members are not subject to the ordinary methods of enforcement of debts and their assets are exempt from seizure. Like all public law legal entities, Members are also not subject to the insolvency procedures specified in the Commercial Code.

If a Member fails to perform its obligations under the Member Guarantee, a Noteholder may never recover the amounts called under the Guarantee which could result in the loss of all or part of the principal amount of the relevant Notes.

F. Changes in local government organisation could render some Members unable to satisfy their obligations under the Member Guarantee.

Although the Issuer's constitutive documents have anticipated such developments, there is a possibility that laws and regulations relating to changes in local government organisation may not allow, or may impede the application of, relevant contractual provisions and therefore create legal uncertainty relating to the ability of a Member to satisfy its obligations under the Member Guarantee, which could result in a fall in the market value of the Notes and a loss for the relevant Noteholders of all or part of their investment.

4. RISKS RELATING TO THE NOTES

4.1 Risks for Noteholders as creditors of the Issuer and ST and Members

An investment in the Notes exposes Noteholders to credit risk on the Issuer who may not be covered under the ST Guarantee and the Member Guarantee and consequently to a risk of capital loss.

Noteholders are exposed to credit risk on the Issuer, i.e. the risk that the Issuer will be unable to meet its financial obligations under the Notes. With the exception of the ST Guarantee and the Member Guarantee, the Noteholders enjoy no capital protection or guarantee in respect of their investment in the Notes, which are senior preferred (within the meaning of article L. 613-30-3-I-3 of the monetary and financial Code), unsecured obligations of the Issuer ranking equally amongst themselves (subject to mandatory exceptions under French law) and equally with all other senior preferred, unsecured obligations of the Issuer (refer to Condition 3 ("Status and Ranking")). If the Issuer's solvency deteriorates, if ST is unable to meet its ST Guarantee obligations (refer to the risk factor "*ST does not have the cash and assets to pay the full amount for which it may be liable were it to meet all of its liabilities under the ST Guarantee*"), and if the outstanding Member Guarantees do not cover all of the obligations that the Issuer is unable to satisfy (refer to the risk factor "*The amount guaranteed by each Member is limited to the aggregate outstanding amount it owes to the Issuer under Medium-Long Term Loans*"), the negative impact on Noteholders would be very significant, to the extent that this may lead to the materialization of the credit risk, which would result in a decrease in the market value of the Notes and Noteholders losing all or part of their investment in the Notes.

During a resolution procedure, the terms of the Notes could be amended and the Notes could be converted into ordinary shares to absorb losses.

As part of their resolution powers (refer to the risk factor "*The Issuer is supervised by the ACPR and subject to an ever-changing regulatory framework, which could have an impact on its financial position*"), the resolution authorities will place the initial burden for losses on the Issuer's shareholders and then upon the holders of equity instruments if any issued by the Issuer, and then upon ordinary creditors such as the Noteholders, which are senior preferred creditors within the

meaning of article L. 613-30-3-I-3 of the monetary and financial Code (refer to Condition 3 (“Status and Ranking”)), as in a typical insolvency procedure. Although the Notes benefit from the ST Guarantee and Member Guarantees, their principal amount could be reduced, even to zero, the Notes could be converted into ordinary shares, or cancelled or their terms could be amended (their maturity may for example be extended).

The commencement of a resolution procedure could have a very significant negative impact on the market value of the Notes and the Noteholders could therefore lose all or part of their investment.

In insolvency proceedings, the rights of the Noteholders could be affected.

If insolvency proceedings were commenced against the Issuer, and since its registered office is located in France, these proceedings would be governed by French law. The application of French insolvency procedures law could have an impact on the ability of the Issuer to make payments due to Noteholders (such as interest payments and repayment of principal) and French insolvency proceedings law may not be as favourable to Noteholders as the insolvency laws applicable in another country. Under French law, creditors are automatically grouped into a single assembly (the **Assembly**) to defend their common interests if an accelerated safeguard procedure, an accelerated financial safeguard procedure, a safeguard procedure or a judicial liquidation procedure are commenced involving the Issuer.

The Assembly brings together all the Issuer’s creditors, including holders of notes whether or not issued under a programme (such as the Programme) and regardless of their governing law.

The Assembly deliberates on the draft accelerated safeguard plan, the draft safeguard plan, the draft accelerated financial safeguard plan or the rehabilitation plan, as appropriate, and may decide to:

- partially or fully reschedule payments due, reduce the amount of claims or convert claims (including the Notes) into equity securities;
- treat creditors (including Noteholders) unequally, depending on the circumstances.

The Assembly's decisions are taken by a two-thirds majority (calculated by reference to the amount of claims held by creditors expressing a vote). No quorum is required.

Condition 11 (*Representation of Noteholders*) of the Terms of the Notes will not apply in the event of insolvency proceedings.

Although the Notes benefit from the ST Guarantee and Member Guarantees, the commencement of insolvency proceedings could have a very significant negative impact on the market value of the Notes and Noteholders could therefore lose all or part of their investment.

4.2 Securities market and rating risks

The market for the Notes may be volatile and the market value of the Notes may be adversely affected by various events

The market for the Notes is affected by economic and market conditions and, to varying degrees, by interest rates, exchange rates and inflation in other European and industrialised countries. No assurance can be given that events in France, Europe or elsewhere will not cause market volatility or that such market volatility will not adversely affect the value of the Notes or that economic and market conditions will not have other adverse effects. Such volatility can have a significant negative impact on the market value of the Notes and result in Noteholders losing their investment.

In addition, Noteholders may suffer a capital loss when a Note is sold at a price lower than that paid when it was acquired or subscribed for. The capital initially invested is exposed to the vagaries of the market and may therefore, in the event of adverse market developments, not be returned. The impact for Noteholders can be significant because they may lose all or part, depending on the circumstances, of the value of their investment.

An active secondary market in the Notes may not develop or be sustained

Although certain Series of Notes may be admitted to trading on a regulated market, such as Euronext Paris, no assurance can be given that an active market in the Notes will develop or, if such market does develop, that it will be sustained or offer sufficient liquidity. If an active market in the Notes does not develop or is not sustained, the market value or price and liquidity of the Notes may be adversely affected. Therefore, Noteholders may not be in a position to easily sell their Notes or to sell them at a price offering a yield comparable to similar products for which an active market would have otherwise developed.

The Issuer has the right to purchase Notes, on the terms set forth in Condition 6.7 (*Purchases*), and the Issuer may issue new Notes, on the terms set forth in Condition 13 (*Fungible Issues*). Such actions may adversely affect the development of a market for the Notes and their market value. If additional or competing products are brought on to the markets, this may also adversely affect the market value of the Notes.

The rating of the Notes may not reflect the risk factors applicable to the Notes and may affect the market value of the Notes.

The Issuer has been assigned an Aa3 rating, stable outlook, by Moody's and a rating AA-, stable outlook by S&P. The Programme has an Aa3 rating assigned by Moody's and a rating AA - by S&P. The Notes issued under the Programme may or may not be assigned a rating. This rating may differ from the rating assigned to the Issuer or the Programme and may not reflect the potential impact of the risk factors described in this section and may therefore affect the market value and liquidity of the Notes. The rating of the Issuer, the Programme or, if relevant, the Notes, may be revised (up or down) or withdrawn by one or more rating agency(ies) whilst the Notes are in existence at any time and thus also affect the market value and liquidity of the Notes.

Exchange rate and exchange control risks.

The Issuer pays the principal and interest on the Notes in the Specified Currency (as defined in the Terms of the Notes). This presents certain currency conversion risks if an investor's financial activities are principally conducted in a different currency or monetary unit (the Investor's Currency) than the Specified Currency. Such risks include the risk that exchange rates may fluctuate significantly (including fluctuations due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that the authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An increase in the value of the Investor's Currency compared to the Specified Currency would reduce (i) the equivalent yield of the Notes in the Investor's Currency, (ii) the equivalent value in the Investor's Currency of the principal payable on the Notes and (iii) the equivalent market value in the Investor's Currency of the Notes.

The Government and the monetary authorities could impose (as has happened in the past) exchange control measures that may adversely affect exchange rates. As a result of these measures, Noteholders could receive a payment in principal or interest that is lower than expected, or even receive neither interest nor principal. If these events were to occur, this would result in a loss of invested capital for Noteholders whose local currency is not the Specified Currency.

4.3 Legal risks relating to the Notes

No event of default relating to Guarantees or default by a Guarantor

The Terms and Conditions of the Notes do not contain any event of default in relation to default by a Guarantor under the relevant Guarantee or in relation to the cancellation, nullity or invalidity of a Guarantee (refer to Condition 9 “Events of Default”). Consequently, Early Redemption is not available in the case of default by a Guarantor under the relevant Guarantee or where a Guarantee is, for any reason, null, void or cancelled. If such an event were to occur, this would be likely to severely affect the credit attached to, and the liquidity and market value of, the Notes.

Modification of the Terms and Conditions of the Notes

Noteholders will be grouped automatically for the defence of their common interests in a *Masse* (as defined in Condition 11 "Representation of Noteholders") and may hold general meetings of Noteholders or adopt written resolutions. The Terms of the Notes provide that in certain cases a defined majority of Noteholders can bind all Noteholders, including those who have not voted or taken part in the written consultation or have voted or expressed their view to the contrary.

Subject to the provisions of Condition 11 "Representation of Noteholders", Noteholders may by Collective Decision, as defined in the Terms and Conditions of the Notes, deliberate on any proposal relating to the modification of the Terms of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights that are in dispute or the subject of judicial decision. It is possible that such a Collective Decision, adopted by the majority of Noteholders and amending the Terms and Conditions, limits or infringes the rights of the Noteholders. This could have a significant negative impact on the market value of the Notes and could result in Noteholders losing part of their investment in the Notes.

4.4 Risks associated with specific issues of Notes

(a) Risks relating to interest rates

Regulation and reform of benchmarks may have a material adverse impact on Notes linked to or referencing a benchmark

The Final Terms applicable to a Series of Floating Rate Notes may provide that the Floating Rate Notes are linked to or referenced on a "benchmark" (including EURIBOR (or TIBEUR in French), LIBOR or the CMS Rate (refer to Condition 5.3 “Floating Rate Notes”) falling within the scope of regulatory guidance and reform proposals at national and international level. Some of these reforms have already entered into force and others have yet to be implemented. These reforms could result in future performance that is different from past performance for these "benchmarks", lead to their disappearance, a change in their method of calculation, or have other consequences that can not be anticipated. Any consequence of this nature could have a material adverse effect on any Notes that are linked to, or reference, a benchmark. Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 (the **Benchmark Regulation**), which came into force on 1st January 2018, the transitional regime applying to benchmarks of critical importance and third country benchmarks being applicable until the end of 2021, is aimed at regulating the provision of benchmarks, the contribution of input data to a benchmark and the use of benchmarks within the European Union (including, at least until December 2020, the United Kingdom).

The Benchmark Regulation could have a material impact on Notes that are linked to, or reference, a Benchmark, in the following circumstances in particular:

- if an index which is a benchmark could not be used by a supervised entity in particular if its administrator were not to obtain authorisation or registration or, were not based in the EU, in cases where the relevant administrator is not recognised as equivalent, recognised or endorsed and where the transitional provisions do not apply; and
- if the methodology or other methods of determining the benchmark were to be changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, in particular, have the effect of reducing, or increasing the rate or level, or otherwise affecting the volatility of benchmark.

More broadly, any of the domestic or international reforms, or the enhanced regulatory oversight of benchmarks, may increase the cost and risk of administering a benchmark or participating in any manner in the determination of a benchmark or of compliance with these regulations or requirements. Such factors may have the following effects on certain benchmarks (in particular EURIBOR (or TIBEUR in French), LIBOR or the CMS Rate): (i) to discourage market participants from continuing to administer or contribute to certain benchmarks; (ii) to trigger changes in the rules or methodologies used for certain "benchmarks" or (iii) lead to the disappearance of certain benchmarks. Any such changes or subsequent changes, resulting from domestic or international reforms or other initiatives or research, may have a material adverse impact on the market value of and return on Notes linked to or referencing a benchmark and result in loss for Noteholders.

In the event of any interruption or any unavailability of a benchmark, the interest rate applicable to Notes linked to or referencing such benchmark will be calculated, for the relevant period, in accordance with the fall-back provisions applicable to such Notes. Depending on the method for determining the benchmark rate under the Terms and Conditions of the Notes, this may (i) where ISDA Determination or FBF Determination applies, be based on the provision by the reference banks, or failing which, by banks of significant size, of one or more quotations for the benchmark rate which, depending on market conditions, may not be representative of the originally selected benchmark or (ii) where Screen Rate Determination applies, result in the application of a fixed rate determined by reference to the last rate in force when the benchmark rate was still available that is not representative of the originally selected benchmark. All of these provisions may materially and adversely affect the market value, liquidity or return on Notes linked to or referencing a benchmark.

The occurrence of a Benchmark Event could have a material adverse effect on the market value of and return on any Notes linked to or referencing such Benchmark

The Terms and Conditions of Floating Rate Notes whose rate is determined by reference to a Screen Page (refer to Condition 5.3 "*Interest on Floating Rate Notes*") provide for certain fallback arrangements should certain events relating to a benchmark occur, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant benchmark, and/or any page on which such benchmark may be published, becomes unavailable, or, in the case of interbank rates, if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Interest Rate (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark under the Benchmark Regulation or otherwise. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a replacement benchmark, with or without the application of an adjustment spread (which could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the replacement benchmark, without the consent of the Noteholders.

In certain circumstances, including where no replacement benchmark is determined, or where, due to the uncertainty concerning the availability of the replacement benchmark, the relevant fallback provisions may not operate as intended, then in all such circumstances, the interest rate may then be calculated based on the benchmark values observed during previous interest periods. The Notes could therefore become fixed rate Notes without the return that Noteholders may have expected when they had initially subscribed for Floating Rate Notes.

More generally, the occurrence of any event described above could have a material adverse effect on the market value of and return on any such Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have an adverse effect on the market value or liquidity of, and the amount payable under, the Floating Rate Notes. A replacement benchmark may be subject to adjustment. Such adjustments could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, such adjustments will be favourable to each Noteholder.

The occurrence of an event relating to a benchmark could result in the loss of part of the capital invested in the relevant Floating Rate Notes.

The market continues to develop in relation to “risk free rates” (including overnight rates) as reference rates for floating rate notes

The bonds market continues to develop in relation to “risk free rates” (including overnight rates), such as the €STR, SONIA and SOFR, as reference rates for floating rate notes and their adoption as alternatives to the relevant interbank offered rates. Other issuers or operators on the financial markets may utilise “risk free rates” in a manner that differs significantly from that set out in the Terms and Conditions of the Notes in relation to Floating Rate Notes that reference €STR, SONIA and SOFR (see Condition 5.3 (*Interest on Floating Rate Notes*)). The Issuer may in the future issue notes referencing €STR, SONIA or SOFR in a way that differs materially in terms of Interest Rate determination when compared to the provisions in the Terms and Conditions of the Notes relating to Floating Rate Notes. The result of the above is that the liquidity of Notes referencing €STR, SONIA or SOFR may be reduced and it is not certain that a market will develop for such Notes.

The nascent development of the use of €STR, SONIA or SOFR as interest reference rates for bond markets, as well as continued development of the market infrastructure for adopting such rates, could result in increased volatility or could otherwise affect the market price of the Notes. Furthermore, the use of such rates being fairly recent, the Noteholders could face fluctuations upwards or downwards of these rates that they cannot anticipate given their recent history, which could adversely affect the market value of the Notes.

Differences could exist between the manner in which such “risk free” rates are utilised in the bond, loan and derivatives markets which may impact any hedging or other financial arrangements which may be put in place in connection with any acquisition or holding of the relevant Notes, which could result in loss for the relevant Noteholder.

Fixed Rate Notes

In accordance with Condition 5.2 (*Interest on Fixed Rate Notes*) Notes may be Fixed Rate Notes. It cannot be ruled out that the market value of Fixed Rate Notes may be adversely affected by inflation or future fluctuations in interest rates. The price at which a Noteholder may wish to sell his Notes before the Maturity Date may be lower, and substantially so, than the issue price or the purchase price paid by that Noteholder, depending on changes in interest rates. Although it is

difficult to anticipate changes in interest rates, they could have a significant negative impact on the market value of the Notes and result in the loss of part of the Noteholders' investment if they wish to sell their Notes.

Floating Rate Notes

In accordance with Condition 5.3 ("*Interest on Floating Rate Notes*") Notes may be Floating Rate Notes. A key difference between Floating Rate Notes and Fixed Rate Notes is that interest payments on Floating Rate Notes cannot be predicted. Due to fluctuations in interest payments, investors cannot determine the actual yield on the Floating Rate Notes at the time of purchase, and therefore their investment returns cannot be compared to investments with longer fixed interest periods. If the Terms and Conditions of the Notes specify frequent Interest Payment Dates, Noteholders are exposed to reinvestment risk if market interest rates fall. In such case, Noteholders will only be able to reinvest their interest income at a potentially lower prevailing interest rate.

Accordingly, the market value of Floating Rate Notes may be volatile if changes, in particular short term changes, on the interest rate market applicable to the relevant rate cannot be applied to the interest rate of such Notes until the next periodic adjustment of the relevant rate. Whilst interest rate volatility is difficult to predict, it could have a significant negative impact on the market value of Floating Rate Notes and result in losses for Noteholders in the event of sale.

Zero Coupon Notes and other Notes issued below par or with an issue premium

In accordance with Condition 5.5 ("*Zero Coupon Notes*") the Notes may be Zero Coupon Notes. The market value of Zero Coupon Notes and other securities issued below par or with an issue premium tends to be more sensitive to fluctuations in interest rates than typical interest-bearing securities. Generally, the further in the future the Maturity Date of the Notes, the more the price volatility of such Notes resembles that of typical interest-bearing securities of similar maturity. Whilst such volatility is difficult to predict, it could have a significant negative impact on the market value of the Notes and result in losses for Noteholders in the event of sale.

Fixed/Floating Rate Notes

In accordance with Condition 5.4 ("*Fixed/Floating Rate Notes*") the Notes may be Fixed/Floating Rate Notes. Fixed/Floating Rate Notes may bear interest at a fixed rate that the Issuer can choose to convert into a floating rate, or at a floating rate that the Issuer can choose to convert into a fixed rate at the date specified in the relevant Final Terms, or at a rate that can be automatically converted at the date specified in the relevant Final Terms. The ability of conversion offered to the Issuer may affect the secondary market and the market value of the Notes as the Issuer can choose to convert the rate when it leads to a reduction of its overall borrowing cost. If the Issuer converts a fixed rate into a floating rate, the new floating rate may be less than the initial fixed rate, and conversely, if the Issuer converts a floating rate into a fixed rate, the fixed rate may be lower than the initial variable rate. Whilst interest rate volatility is difficult to predict, it could have a significant negative impact on the market value of Fixed/Floating Rate Notes and result in losses for Noteholders wishing to reinvest their income. Noteholders may also be affected by the risks specific to Fixed Rate Notes and Floating Rate Notes referred to above.

(b) Risks relating to the early redemption of Notes

Risks relating to early redemption by the Issuer

If, at the time of redemption of any amount of principal or payment of any amount of interest, the Issuer is obliged to pay Additional Amounts in accordance with Condition 8.2 ("*Additional Amounts*") or it becomes unlawful for the Issuer to fulfil or comply with its obligations under the Notes, it may then, in accordance with Condition 6.6 ("*Redemption for tax reasons*") or Condition 6.9 ("*Illegality*"), as the case may be, redeem the Notes in full at the Early Redemption Amount together with, unless specified otherwise in the relevant Final Terms, all interest accrued until the relevant redemption date.

Furthermore, the Final Terms for an issue of Notes may provide for an optional early redemption by the Issuer in accordance with Condition 6.3 ("*Redemption at the option of the Issuer*"). In such case, it is probable that the Issuer will elect to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes.

Following an early redemption, an investor may not be able to reinvest the proceeds of redemption at an effective interest rate as high as the interest rate on the redeemed Notes. The yield on the Notes at the time of redemption following the exercise by the Issuer of its option may also be lower than expected and the value of the amount redeemed on the Notes may be less than the purchase price of the Notes paid by the Noteholder, resulting in a loss of the capital invested.

Furthermore, if the Issuer exercises its early redemption option for certain Notes only, this may affect the liquidity of Notes of the same Series in respect of which the option was not exercised. Depending on the number of Notes of a single Series in respect of which the early redemption option specified in the relevant Final Terms was exercised, the market for the Notes in respect of which such early redemption option was not exercised may become illiquid, which could have a material adverse impact on the value of the Notes.

Risks relating to optional redemption by Noteholders

The exercise of an early redemption option by Noteholders, where specified in the relevant Final Terms in accordance with Condition 6.4 ("*Redemption at the option of the Noteholders*") for certain Notes may affect the liquidity of the Notes of the same Series in respect of which this option was not exercised. Depending on the number of Notes of a single Series in respect of which the early redemption option specified in the relevant Final Terms was exercised, the market for the Notes in respect of which such early redemption option was not exercised may become illiquid. Furthermore, investors requesting the redemption of their Notes may not be able to reinvest the proceeds of such early redemption at a rate of return equivalent to that of the redeemed Notes.

(c) Risk relating to Sustainable Bonds

The Final Terms for a particular Tranche of Notes may specify that the Issuer intends to use the proceeds of issue of the relevant Notes (**Sustainable Bonds**) in connection with eligible expenditure of Members falling within the Eligible Categories relating to access to essential and basic social services, energy and ecological transition, sustainable infrastructure, the development of *communes* and territorial cohesion (as such Eligible Categories are defined in the "Use of Proceeds" section of this Base Prospectus). The Issuer's Scheme (as defined in the "Use of Proceeds" section) is the subject of a second opinion by Vigeo Eiris which considers it to be aligned with the principles applicable to green and social bonds as defined in the version dated June 2018 of the *Green Bond Principles* and *Social Bond Principles* of the International Capital Markets Association.

Although the Issuer intends to use the proceeds of Sustainable Bonds in the manner described in the "Use of Proceeds" section of this Base Prospectus, it is not certain that the assets financed by the Eligible Categories will be those anticipated at the time of the relevant Issue for the purpose of the

Eligible Categories definition. Such an event would not constitute an Event of Default under the Notes.

The occurrence of such an event or the withdrawal of the Vigeo Eiris opinion or any other opinion or certification that may be issued, could significantly affect the market value of the Sustainable Bonds or have a material negative impact on Noteholders holding Sustainable Bonds based on criteria specific to them, linked to that which is set forth in the "Use of Proceeds" section of this Base Prospectus.

GLOSSARY

Capitalised terms used in this Base Prospectus will have the meaning set out below.

ACPR	means the French Prudential Supervisory Authority (<i>Autorité de Contrôle Prudentiel et de Résolution</i>)
AFEP	means the French Association of Private Companies (<i>Association Française des Entreprises Privées</i>)
Adjusted ICC	means the initial capital contribution of Members which have expressly opted for adjusted ICC calculation terms
Provisional Adjusted ICC	means the initial capital contribution of Members which have expressly opted for adjusted ICC calculation terms, as calculated on the date of accession of the Member
Actual Adjusted ICC	means the initial capital contribution of Members which have expressly opted for adjusted ICC calculation terms, as calculated at the end of the reference calendar year nominated by the Member as the basis for calculating the actual ICC that it must pay
Agence France Locale Group or AFL Group	means the group comprised of the Issuer and ST
Beneficiaries	mean the holders of any debt securities issued or contracting parties to any of the deeds entered into by the Issuer stipulating that such instruments and/or deeds are covered by the ST Guarantee and the Member Guarantees
CDC	means the <i>Caisse des dépôts et consignations</i>
CGCT	means the French Local Authority Code (<i>Code général des collectivités territoriales</i>)
Code AFEP-MEDEF	means the corporate governance code of the <i>Association Française des Entreprises Privées</i> (French Association of Private Companies - AFEP) and the <i>Mouvement des Entreprises de France</i> (French Business Confederation - MEDEF), as amended in January 2020.
CRA Regulation	means Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.
CRC	means the regional accounting offices (<i>chambres régionales des comptes</i>) established by French law no. 82-213 of 2 March 1982
CTC	means the Local Authority of Corsica established under French law no. 82-214 of 2 March 1982 <i>on the special status of the Corsican region</i>
DGF	means the global operating grant (<i>dotation globale de fonctionnement</i>)
EIB	means the European Investment Bank
Engagement and Proximity Law	means the law no. 2019-1461 dated 27 December 2019 on engagement in local life and proximity of public action.

<i>EPCI with tax raising powers</i>	means public inter-communal cooperative institutions (<i>établissements publics de coopération intercommunale à fiscalité propre</i>)
<i>EPT</i>	means public territorial institutions (<i>établissements publics territoriaux</i>)
<i>EPL</i>	means local public institutions (<i>établissements publics locaux</i>)
<i>French law of 12 July 1999</i>	means law no.°99-586 of 12 July 1999 <i>on the strengthening and simplification of inter-municipal cooperation</i>
<i>French law of 13 August 2004</i>	means law no.°2004-809 of 13 August 2004 <i>on the local liberties and responsibilities</i>
<i>French law of 26 July 2013</i>	means law no.°2013-672 of 26 July 2013 <i>on the separation and regulation of banking activities</i>
<i>Initial Capital Contribution (ICC)</i>	means the Members' initial capital contribution to ST
<i>Issuer or Agence France Locale or AFL</i>	means Agence France Locale
<i>Liquidity Facility</i>	means any loan granted by the Issuer to a Member for an initial term of fewer than or equal to 364 days
<i>Local Authority</i>	means the local authorities, their groupings and the local public institutions
<i>MAPTAM Law</i>	means law no. 2014-58 of 27 January 2014 <i>on the modernisation of the territorial public action and affirmation of metropolitan areas</i>
<i>MEDEF</i>	means the French Business Confederation (<i>Mouvement des Entreprises de France</i>)
<i>Medium-Long Term Loan</i>	means any loan granted by the Issuer to a Member for an initial term greater than 364 days
<i>Member Guarantee</i>	means the guarantee granted autonomously by each of the Members having subscribed for a Medium-Long Term Loan with the Issuer
<i>Members</i>	means the Local Authorities that have completed the membership process and accordingly have become shareholders of ST
<i>NOTRe Law</i>	Means law no. 2015-991 of 7 August 2015 <i>relating to a new territorial organisation of the Republic</i>
<i>Operating revenues</i>	mean the total actual operating revenues recognised in the management account of the Local Authority applying for membership, with respect to the third-to-last year preceding the date on which decision on the Local Authority's membership becomes enforceable unless such Local Authority has not closed out a minimum of two financial years as of the date thereof
<i>Actual Operating Revenue</i>	means the total amount of actual operating revenue entered in the management account of a Local Authority which has expressly opted to benefit from adjusted ICC calculation terms, in respect of the reference calendar year that it has

nominated for the purpose of calculating its ICC

Shareholders' Agreement

means the shareholders' agreement of the Agence France Locale Group, signed on 24 June 2014 among the Issuer, ST and the Members, as amended by supplemental agreements dated 31 March 2016 and 28 June 2018, as amended from time to time.

Sleeping Member

means any Member to whom this status has been attributed in accordance with the provisions of the Shareholders' Agreement and, in particular, is no longer eligible to benefit from the financial services offered by the Agence France Locale Group or from any new loans granted by the Issuer.

Under the Shareholders' Agreement, Sleeping Member means any Member attributed such status as a result of (i) failure to pay the ICC in accordance with the terms of and timetable set out in the bylaws of ST, (ii) a transfer of powers between one Local Authority and another, where the Local Authority to which the power(s) were transferred does not or cannot become a member of ST, (iii) a transfer of ST shares by a full Member to a third party which the Board of Directors has not recognized as a Member, (iv) a breach of the Shareholders' Agreement, the Member Guarantee or the bylaws of the Guarantor or, as the case may be, the Issuer, or (v) failure to approve all proposed amendments to the Shareholders' Agreement.

ST or AFL-ST

means the parent company of the Issue, Agence France Locale – Société Territoriale

ST Guarantee

means the guarantee granted by ST

Total debt

means total outstanding loans recognised in management account of the Local Authority applying for membership, with respect to the third-to-last year preceding the date on which the decision on the Local Authority's membership becomes enforceable, unless such Local Authority has not closed out a minimum of two financial years as of the date thereof

Syndicats

means the *syndicats de communes* and the *syndicats mixtes*

Reference Total Debt

means the total indebtedness assumed by a Local Authority which has expressly opted to benefit from adjusted ICC calculation terms, in respect of the calendar year preceding its accession or the total indebtedness that it plans to assume (i) in respect of the calendar year in which it applies for accession or (ii) in respect of the calendar year following that in which it applied for accession

Actual Debt

means the total indebtedness actually assumed by a Local Authority which has expressly opted to benefit from adjusted ICC calculation terms, in respect of the reference calendar year that it has nominated for the purpose of calculating its ICC

CONDITIONS RELATING TO THE ISSUER'S CONSENT TO THE USE OF THE PROSPECTUS

Within any offer of Notes in France or Luxembourg which is not exempt from the obligation to publish a prospectus pursuant to article 1 paragraph 4 of the Prospectus Regulation (a **Non-Exempt Offer**), the Issuer consents to the using of the Base Prospectus (as amended, as the case may be, by any supplement) and the Final Terms (together, the **Prospectus**) in connection with a Non-Exempt Offer of any Note during the offer period (the **Offer Period**), in France or in Luxembourg, as will be specified in the relevant Final Terms:

- (1) subject to the provisions specified in the relevant Final Terms, by any financial intermediary authorised to make such offers pursuant to the Directive on Financial Instruments Markets, (Directive 2014/65/EU); or
- (2) if specified in the relevant Final Terms, by any financial intermediary satisfying the following conditions: (a) he acts in accordance with all applicable laws, rules, regulations and guidance of any competent authority (the **Rules**), including in particular and in each case, the Rules relating both to the opportunity or suitability of any investment in the Notes by any person and disclosure to any prospective investor; (b) he complies with the restrictions set out in section "*Subscription and Sale*" of this Base Prospectus which apply as if he were a Dealer and takes into consideration the assessment of the relevant target market carried out by the manufacturer and the distribution channels identified in paragraph "*MIFID II Product Governance*" of the relevant Final Terms; (c) he ensures that all costs (and all commissions or benefits of any kind) received or paid by this financial intermediary due to the offer or sale of the Notes are fully and clearly disclosed to investors or prospective investors; (d) in accordance with the Rules, he holds all licenses, authorisations, approvals and permits necessary to the solicitation, offer or sale of the Notes; (e) he holds investor identification files, at least during the minimum period required by the applicable Rules and shall, upon request, provide the relevant Dealer(s), the Issuer and the Guarantors with those files, or directly make them available to the competent authorities on which depend the Issuer and/or the Guarantors and/or the relevant Dealer(s) in order to allow the Issuer and/or the Guarantors and/or the relevant Dealer(s) to comply with to anti- money laundering, anti-bribery and "know your customer" Rules applicable to the Issuer and/or the Guarantors and/or the relevant Dealer(s); (f) its intervention does not lead to the breach, directly or indirectly, of any Rules by the Issuer or the Guarantors or the relevant Dealer(s) or does not submit the Issuer or the Guarantors or the Dealer(s) to the obligation to make a deposit, obtain an authorisation or an approval in any jurisdiction; and (g) its intervention satisfies any other condition specified in the relevant Final Terms (in each case, an **Authorised Institution**). In order to avoid any doubt, neither the Dealer(s) nor the Issuer nor the Guarantors shall have the obligation to check that an Authorised Institution will act in compliance with all applicable laws, regulations and/or recommendation and, consequently, neither the Dealer(s) nor the Issuer nor the Guarantors shall be held liable on that ground.

If specified in the relevant Final Terms, the Issuer accepts responsibility, in France or in Luxembourg, for the content of the Prospectus vis-à-vis any person (an **Investor**) located in France or in Luxembourg to whom an offer of Notes is made by any Authorised Institution and, when the offer is made, during the Offer Period for which the consent was given. However, neither the Issuer nor any Dealer nor any Guarantors is liable for acts committed by any Authorised Institution, including concerning of its compliance with the rules of business behaviour applicable to the Authorised Institution or of other local regulatory obligations or of other legal obligations relating to financial instruments related to such an offer, applicable to the Authorised Institution.

The consent referred to above relates to Offer Periods, if any, ending no later than 12 months from the date on which the AMF's approval on the Base Prospectus has been obtained.

If the Final Terms appoint one or several financial intermediaries to which the Issuer has given its consent for the use the Prospectus during the Offer Period, the Issuer may also give his consent to additional Authorised Institutions after the date of the relevant Final Terms and, if so, will publish any new information relating to such Authorised Institutions which are not known at the date of approval of this Base Prospectus or of publication of the relevant Final Terms on its website (<http://www.agence-france-locale.fr>).

If the Final Terms specify that any Financial Intermediary may use the Prospectus during the Offer Period, each relevant Authorised Institution shall publish, during the Offer Period, on its website, information specifying that it uses the Prospectus for the relevant Non-Exempt Offer with the authorisation of the Issuer and in compliance with the conditions set forth therein.

Other than as set out above, neither the Issuer nor any of the Guarantors nor any of the Dealers authorises any Non-Exempt Offer by any person in any case, such a person is not authorised to use the Prospectus in connection with the offer of any Note. Those offers are not made for the account of the Issuer or of any of the Guarantors or of any of the Dealers or of any of the Authorised Institutions and neither the Issuer nor any of the Guarantors nor any of the Dealers nor any of the Authorised Institutions can be held liable for the actions of any person making such offers.

An Investor intending to acquire or acquiring Notes from an Authorised Institution shall do so, and the offers and sales of the Notes by an Authorised Institution to an investor shall be made, in accordance with any terms and other agreements between the Authorised Institution and the relevant Investor, including as to price, allocation, agreements on settlement/delivery arrangements and any expense or tax charged to the Investor (the Terms of the Non-Exempt Offer). The Issuer and the Guarantors shall not take part to such agreements with Investors (others than the Dealers) in connection with the offer or sale of the Notes and, consequently, this Base Prospectus and Final Terms shall not bear such information. The Terms of the Non-Exempt Offer shall be disclosed to Investors by the Authorised Institution at the moment of the Non-Exempt Offer. Neither the Issuer nor any of the Guarantors nor any Dealer or Authorised Institution shall be held liable for this information nor for the consequences of the use of such information by relevant Investors.

SUPPLEMENT TO THE BASE PROSPECTUS

Any new material fact or any error or inaccuracy concerning the information contained in the Base Prospectus, which may have a substantial impact on any assessment of the Notes and which arises or is noted between the date of approval of this Base Prospectus by the AMF and the commencement of trading in the Notes on a Regulated Market, shall be mentioned without undue delay in a supplement to the Base Prospectus, in accordance with article 23 paragraph 1 of the Prospectus Regulation. The Issuer undertakes to submit this supplement to the Base Prospectus to the AMF for approval.

In accordance with Article 23 paragraph 2 of the Prospectus Regulation, where the Notes are offered to the public, investors who have already agreed to purchase or subscribe for the Notes before a supplement is published have the right to withdraw their acceptance for two business days after publication of the supplement, provided that the material new fact or substantial error or inaccuracy referred to in article 23 paragraph 1 of the Prospectus Regulation occurred or was noted before the closing of the offer or the delivery of the Notes, if earlier. This period may be extended by the Issuer or, any Authorized Institution. The date on which the right of withdrawal ends is specified in the supplement. On 9 June 2021, this Base Prospectus (as updated by supplements, as applicable) will no longer be valid and the requirement to complete it with a supplement in the event of material new facts or substantial errors or inaccuracies will cease to apply.

Any supplement to the Base Prospectus shall be (a) published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer (www.agence-france-locale.fr) and (b) available for inspection and obtaining copies, free of charge, during normal office hours, on any weekday (except Saturdays, Sundays and public holidays) at the specified office of the Fiscal Agent or the Paying Agent(s).

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus must be read and construed in conjunction with the sections, mentioned in the table below, which are included in the following documents which have been previously published and filed with the AMF. These sections are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the sections, mentioned in the table below, from the Issuer's annual report as at 31 December 2018 containing the financial statements as at 31 December 2018 (prepared in accordance with the IFRS) and including the Issuer's auditors' report on such financial statements (the **Issuer's Annual 2018 IFRS Financial Statements**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2019-04/AFL-rapport-gestion-2018_0.pdf

- the sections, mentioned in the table below, of the Issuer's annual report as at 31 December 2019 containing the financial statements as at 31 December 2019 (prepared in accordance with IFRS) including the Issuer's auditors' report on the aforementioned annual financial statements (the **Issuer's Annual 2019 IFRS Financial Statements**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2020-03/AFL%20-%20Rapport%20de%20gestion%20VF%202019%20-%20complet.pdf

- the sections, mentioned in the table below, of the Issuer's annual report as at 31 December 2018 containing the financial statements as at 31 December 2018 (prepared in accordance with French GAAP) including the Issuer's auditors' report on the aforementioned annual financial statements (the **Issuer's Annual 2018 French GAAP Financial Statements**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2019-04/AFL-rapport-gestion-2018_0.pdf

- the sections, mentioned in the table below, of the Issuer's annual report as at 31 December 2019 containing the financial statements as at 31 December 2019 (prepared in accordance with French GAAP) including the Issuer's auditors' report on the aforementioned annual financial statements (the **Issuer's Annual 2019 French GAAP Financial Statements**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2020-03/AFL%20-%20Rapport%20de%20gestion%20VF%202019%20-%20complet.pdf

- the sections, mentioned in the table below, of the consolidated financial statements for ST as at 31 December 2018 and 31 December 2019 including ST's auditors' report on the aforementioned consolidated financial statements (respectively the **ST's 2018 Consolidated Financial Statements** and the **ST's 2019 Consolidated Financial Statements**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2019-04/AFL-ST-rapport-gestion-2018_1.pdf

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2020-03/AFL%20-%20ST%20-%20Rapport%20de%20gestion%202019%20-%20Vcomplete.pdf

- the terms and conditions of the Notes in pages 59 to 87 of the base prospectus which received the AMF visa No 15-079 dated 6 March 2015 (the **2015 Conditions**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2017-02/AFL_Prospectus_de_Base%20%281%29_0.pdf

- the terms and conditions of the Notes in pages 73 to 108 of the base prospectus which received the AMF visa n°16-140 dated 15 April 2016 (the **2016 Conditions**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2017-02/AFL-Prospectus-EMTN-2016_0.pdf

- the terms and conditions of the Notes in pages 81 to 117 of the base prospectus which received the AMF visa n°17-170 dated 21 April 2017 (the **2017 Conditions**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2017-04/PA-%2318951606-v1-AFL - Prospectus de Base - Mise %C3%A0 jour 2017 %28avec visa%29.pdf

- the terms and conditions of the Notes in pages 82 to 118 of the base prospectus which received the AMF visa n°18-176 dated 15 May 2018 (the **2018 Conditions**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2018-05/PA-%2321084604-v1-AFL - Update 2018 - Prospectus de Base %28avec visa%29.pdf

- the terms and conditions of the Notes in pages 88 to 130 of the base prospectus which received the AMF visa n°19-196 dated 13 May 2019 (the **2019 Conditions**);

http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2019-05/PA-%2322936878-v1-AFL - Update 2019 - Prospectus de Base %28Version finale a....pdf

The 2015 Conditions, the 2016 Conditions, the 2017 Conditions, the 2018 Conditions and the 2019 Conditions are incorporated by reference only for the issuance of fungible Notes, which form a single Series with the Notes already issued under the 2015 Conditions, the 2016 Conditions, the 2017 Conditions, the 2018 Conditions or the 2019 Conditions. The other parts of the relevant base prospectus are not incorporated by reference.

Cross reference list

Information incorporated by reference (Annex 6 of Regulation (EU) 2019/980)	Reference	
Financial information concerning the Issuer's assets and liabilities, financial position, and profits and losses		
	Issuer's Annual 2018 IFRS Financial Statements	Issuer's Annual 2019 IFRS Financial Statements
<u>Historical financial information</u>		
<u>Financial statements</u>		
Balance sheet	Pages 141	Page 135
Income statement	Page 142	Page 136
Net income and latent or deferred gains or losses accounted for directly as equity	Page 143	Page 137
Statement of changes in equity	Page 144	Page 138
Cash flow statement	Pages 145	Page 139
Accounting methods and explanatory notes	Pages 146 to 172	Pages 140 to 164
<u>Audit of the annual historical financial information</u>		
Auditors' report	Pages 138 to 140	Pages 165 to 167

	Issuer's Annual 2018 French GAAP Financial Statements	Issuer's Annual 2019 French GAAP Financial Statements
<u>Historical financial information</u>		
<u>Financial statements</u>		

Balance sheet	Pages 121	Page 118
Income statement	Page 122	Page 119
Off-balance sheet commitments	Page 123	Page 120
Accounting methods and explanatory notes	Pages 124 to 137	Pages 121 to 134
<u>Audit of the annual historical financial information</u>		
Auditors' report	Pages 115 to 120	Between pages 134 and 135

Financial information concerning ST's assets and liabilities, financial position, and profits and losses		
	ST's 2018 Consolidated Financial Statements	ST's 2019 Consolidated Financial Statements
<u>Historical financial information</u>		
<u>Consolidated financial statements</u>		
Consolidated balance sheet	Pages 120	Page 122
Consolidated income statement	Page 121	Page 123
Net income and latent or deferred gains or losses accounted for directly as equity	Page 122	Page 124
Statement of changes in equity	Page 123	Page 125
Cash flow statement	Page 124	Page 126
Accounting methods and explanatory notes	Pages 125 to 153	Pages 127 to 152
<u>Audit of the annual historical financial information</u>		
Auditors' report	Pages 115 to 119	Pages 153 to 157

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded by the contents of this Base Prospectus to the extent that a statement contained herein modifies or supersedes any such earlier statement. Any statement so modified or superseded shall not, except as so modified or superseded, be deemed to form part of this Base Prospectus.

The parts of the above-mentioned documents not incorporated by reference are either not relevant for investors or appear elsewhere in the Base Prospectus.

Copies of all documents incorporated by reference in this Base Prospectus may be viewed on the websites of (i) the Issuer (www.agence-france-locale.fr) and (ii) regarding the 2015 Conditions, the 2016 Conditions, the 2017 Conditions, the 2018 Conditions and the 2019 Conditions, the AMF (www.amf-france.org).

TERMS OF THE NOTES

*The following is the text of the terms and conditions that, as completed by the provisions of the relevant Final Terms, shall apply to the Notes (the **Terms**). In the case of Dematerialised Notes, the text of the Terms of the Notes will not be endorsed on Physical Notes evidencing title thereto, but shall be constituted by the following text as completed by the provisions of the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these Terms together with the relevant provisions of the relevant Final Terms (in each case subject to simplification by the deletion of non-applicable provisions) or (ii) the complete text of the Terms, shall be endorsed on Physical Notes. All capitalised terms that are not defined in these Terms shall have the meanings given to them in the relevant Final Terms. References made in the Terms of the Notes are to the Notes of a single Series and not to all Notes that may be issued under the Programme. The Notes constitute bonds (obligations) as defined under French law.*

The Notes are issued by Agence France Locale (the Issuer or **AFL**) in series (each a **Series**), on the same issue date or on different issue dates. Notes from a single Series shall be governed (except for the issue date, the issue price, and the amount of the first interest payment) by identical terms, Notes of each Series being fungible with one another. Each Series may be issued in tranches (each a **Tranche**), on the same issue date or on different issue dates. The Notes shall be issued under the Terms of this Base Prospectus as supplemented by the relevant Final Terms (the **Final Terms**) relating to the specific terms of each Tranche (including the issue date, the Issue Price, the amount of the first interest payment and the nominal amount of the Tranche).

A fiscal agency agreement (as amended and supplemented, the **Fiscal Agency Agreement**) relating to the Notes shall be signed no later than 9 June 2020 between the Issuer and BNP Paribas Securities Services as fiscal agent and principal paying agent and the other agents appointed therein. The fiscal agent, the paying agents and the calculation agent(s) for the time being (where relevant) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (such term including the Fiscal Agent) and the **Calculation Agent(s)**. Holders of interest coupons (the **Coupons**) relating to interest-bearing Materialised Notes and, if applicable to such Notes, talons for additional Coupons (the **Talons**) and holders of receipts relating to payments by instalment of the principal of Materialised Notes (the **Receipts**) which principal is redeemable by instalments are respectively referred to as the **Couponholders and the Receiptholders**.

Any reference below to **Condition** refers to the numbered conditions below, unless the context requires otherwise.

1. FORM, DENOMINATION, TITLE, REDENOMINATION AND CONSOLIDATION

1.1 Form

Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**), as specified in the relevant Final Terms.

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

Dematerialised Notes (as defined in articles L. 211-3 *et seq.* of the French *Code monétaire et financier*) are issued, at the option of the Issuer, either in bearer form, inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*), and in such latter case, at the option

of the relevant Noteholder, either in administered registered form (*au nominatif administré*), entered in the accounts of an Account Holder designated by the relevant Noteholder, or in pure registered form (*au nominatif pur*), entered in an account maintained by the Issuer or a registration agent (specified in the relevant Final Terms) acting on behalf of the Issuer (the **Registration Agent**).

Unless expressly excluded by the applicable Final Terms in accordance with Articles L. 228-2 of the French *Code de Commerce*, the Issuer may at any time request the central depository to provide information enabling Noteholders to be identified, such as their name, company name, nationality, date of birth or year of incorporation and address or, as the case may be, e-mail address of holders of Dematerialised Notes in bearer form.

In these Terms, **Account Holder** means any intermediary authorised to hold securities accounts, directly or indirectly, with Euroclear France and includes Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream**).

- (b) Materialised Notes are issued in bearer form only. Materialised Notes represented by physical notes (**Physical Notes**) are numbered in series and issued with Coupons (and, if applicable, with a **Talon**) attached, except in the case of Zero Coupon Notes in respect of which references to interest (except in relation to interest due after the Maturity Date), Coupons and Talons in these Terms shall not apply. **Instalment Notes** are issued with one or more Receipts attached.

In accordance with articles L.211-3 *et seq.* of the French *Code monétaire et financier*, securities (such as Notes constituting *obligations* under French law) issued on French territory and governed by French law may only be issued in dematerialised form. Consequently, securities in materialised form and governed by French law may only be issued outside France.

The Notes may be **Fixed Rate Notes, Floating Rate Notes, Fixed/Floating Rate Notes, Instalment Notes and Zero Coupon Notes.**

1.2 Denomination

Notes shall be issued in the specified denomination(s) specified in the relevant Final Terms (the **Specified Denomination(s)**). Dematerialised Notes must be issued in one single Specified Denomination.

1.3 Title

- (a) Title to Dematerialised Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) passes, and such Notes may only be transferred, by registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in pure registered form (*au nominatif pur*) passes, and such Notes may only be transferred, by registration of the transfer in the accounts held by the Issuer or the Registration Agent.
- (b) Title to Physical Notes with, if applicable, Coupons, Receipts and/or a Talon attached at issue, is transferred by delivery.
- (c) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon, Receipt or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or any right over or interest in such Note, Coupon, Receipt or

Talon, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Terms, **Noteholder** or, as the case may be, **holder of a Note** means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as applicable) as being entitled to such Notes, and (ii) in the case of Physical Notes, the bearer of any Physical Note and the Coupons, Receipts or Talons attached to it.

Capitalised terms shall have the meanings given to them in the relevant Final Terms. Where no definition is given, such term does not apply to the Notes.

1.4 Redenomination

The Issuer may (if so specified in the relevant Final Terms), without the consent of the holder of any Note, Coupon or Talon, by giving notice in accordance with Condition 14 at least 30 calendar days in advance, redenominate in euros all (and not some only) of the Notes of each Series, as from the date on which (i) the member state of the European Union (the **EU**) in whose currency the Notes are denominated becomes a member state of the Economic and Monetary Union (as defined in the Treaty establishing the European Community (the **EC**), as amended (the **Treaty**)), or (ii) events that may have substantially the same effect have occurred, convert the aggregate nominal amount and the specified denomination set forth in the applicable Final Terms. The date on which this redenomination becomes effective shall be defined in these Terms as the **Redenomination Date**. The redenomination of the Notes shall be made by converting the nominal amount of the issue and the nominal value of each Note denominated in the relevant national currency into euro by using the fixed conversion rate between this national currency and euro as set out by the European Union Council pursuant to article 123 (4) of the Treaty and by rounding the resulting number to the nearest hundredth of euro (0.005 euro being rounded up). If the Issuer decides so, the resulting number of the conversion of the issue's nominal amount and the nominal amount of each Note after application of the fixed conversion rate between such national currency and euro may be rounded to the nearest lower euro. The nominal amount of the issue and the nominal value of the Notes in euro thus determined shall be notified to the Noteholders pursuant to Condition 14. Any remainder in cash resulting from the redenomination of a value above 0.01 euro shall be paid through a cash portion rounded to the nearest hundredth euro (0.005 euro being rounded up). Such a cash portion shall be payable in euros at the Redenomination Date under the method noticed by the Issuer to the relevant Noteholders. Following a redenomination of Notes, any reference hereunder to the relevant national currency shall be interpreted as a reference to euro.

1.5 Consolidation

The Issuer shall (if so specified in the relevant Final Terms), on each Interest Payment Date occurring after the Redenomination Date, with the prior consent of the Fiscal Agent (which may not be unreasonably withheld) and without the consent of the Noteholders or Couponholders, by giving notice to the Noteholders as least 30 calendar days in advance in accordance with Condition 14, have the right to consolidate the Notes of a Series denominated in euros with the Notes of one or more other Series in issue, whether or not such Notes were initially issued in one of the European national currencies or in euros, provided that such other Notes have been redenominated in euros pursuant to the terms provided in Condition 1.4 above (if this was not the case initially) and also have, for all periods following such consolidation, the same terms and conditions as the Notes.

2. CONVERSION AND EXCHANGE OF NOTES

2.1 Dematerialised Notes

- (a) Dematerialised Notes issued in bearer form (*au porteur*) cannot be converted into Dematerialised Notes in registered form, whether in pure registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (b) Dematerialised Notes issued in registered form (*au nominatif*) cannot be converted into Dematerialised Notes in bearer form (*au porteur*).
- (c) Dematerialised Notes issued in pure registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. Such option must be exercised by the Noteholder in accordance with article R.211-4 of the French *Code monétaire et financier*. Any costs relating to such conversion shall be borne by the relevant Noteholder.

2.2 Materialised Notes

Materialised Notes of a Specified Denomination cannot be exchanged for Materialised Notes of another Specified Denomination.

3. STATUS AND RANKING

The Notes and, if applicable, any Receipts and Coupons relating to them, constitute direct, unconditional, senior preferred as defined in article L.613-30-3-I-3° of the Monetary and Financial Code and (subject to the paragraph below) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (subject to such exceptions as are mandatory under French law) equally and rateably with all other present or future senior preferred and unsecured obligations of the Issuer.

So long as any Notes or, if applicable, any Receipts or Coupons attached to such Notes remain outstanding (as defined below), the Issuer shall not grant or permit to subsist any mortgage, charge, pledge or other security interest (*sûreté réelle*) upon any of its assets, rights or revenues, present or future, to secure any Indebtedness (as defined below) incurred or guaranteed by the Issuer, unless the obligations of the Issuer under the Notes and, if applicable, any Receipts and Coupons benefit from equivalent and equal ranking security.

For the purposes of this Condition, **Indebtedness** means any indebtedness in the form of any present or future borrowing, represented by bonds or other securities or negotiable instruments (including in particular securities that are or were originally privately placed) listed or traded or capable of being listed or traded on any stock exchange or any other securities market.

In these Terms, **outstanding** means, in respect of the Notes of any Series, all the Notes issued other than (i) those that have been redeemed in accordance with these Terms, (ii) those in respect of which the redemption date has occurred and the redemption amount (including all interest accrued on such Notes up to such redemption date and any interest payable after such date) has been duly paid in accordance with the provisions of Condition 7, (iii) those which have become void or in respect of which claims have become prescribed, (iv) those which have been purchased and cancelled in accordance with Condition 6.8, (v) those which have been purchased and retained in accordance with Condition 6.7, (vi) in the case of Physical Notes, (A) those mutilated or defaced Physical Notes that have been surrendered in exchange for replacement Physical Notes, (B) (for the sole purpose of determining the number of Physical Notes outstanding and without prejudice to their status for any other purpose) those Physical Notes allegedly lost, stolen or destroyed and in respect of which

replacement Physical Notes have been issued and (C) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Physical Notes in accordance with its terms.

4. GUARANTEES

4.1 The ST Guarantee

The Notes will benefit from a first demand guarantee (*garantie autonome à première demande*) granted by Agence France Locale – Société Territoriale (**ST**) in accordance with the guarantee approved by the Board of Directors of ST on 28 September 2018 (the **ST Guarantee**), the Board of Directors having increased the maximum amount guaranteed by ST, in accordance with the provisions of its by-laws and the terms of the ST Guarantee.

As such, the Issuer represents and agrees that the Notes will be eligible for the benefit of the first demand guarantee granted by ST, in accordance with Title IV "Guarantee Mechanism" of ST's articles of association and whose terms and conditions are reproduced in paragraph 2 of "Description of the Guarantors and the Guarantee mechanism" section of this Base Prospectus. The acquisition or subscription of any Note will constitute acceptance of the ST Guarantee by each of the Noteholders.

The obligations of ST under the ST Guarantee are unsecured and unsubordinated obligations of ST which rank and will rank equally with all other present and future unsecured and unsubordinated obligations of ST, subject to such exceptions as are from time to time mandatory under French law.

4.2 The Member Guarantees

The Notes will benefit from first demand guarantees (*garanties autonomes à première demande*) granted by local authorities, their groupings and local public institutions which have completed the membership process and have consequently become shareholders of ST (the **Members**), equal, for each Member, to the outstanding amount of the loans of an initial term of more than 364 days that such Member would have subscribed with the Issuer (together with ST, the **Guarantors**) (the **Members Guarantees**, together with the ST Guarantee, the **Guarantees**).

In this context, the Issuer represents and agrees that the Notes will be eligible for the benefit of the first demand guarantees granted by Members, in accordance with Title IV "Guarantee Mechanism" of ST's articles of association, substantially in accordance with the terms and conditions of the form of guarantee reproduced in paragraph 3 of "Description of the Guarantors and the Guarantee mechanism" section of this Base Prospectus. The acquisition or subscription of any Note will constitute acceptance of the Members Guarantees by each of the Noteholders.

The obligations of each of the Members under each of the Members Guarantees are unsecured and unsubordinated obligations of each Guarantor which rank and will rank equally with all other present and future unsecured and unsubordinated obligations of each Guarantor, subject to such exceptions as are from time to time mandatory under French law.

4.3 Call on Guarantees

The Guarantees are independent guarantees under French law, and can be called in accordance with their respective terms, which are entirely reproduced in paragraphs 2 and 3 of the section "Description of the Guarantors and the Guarantee mechanism" of this Base Prospectus.

5. CALCULATION OF INTEREST AND OTHER CALCULATIONS

5.1 Definitions

In these Terms, unless the context requires otherwise, the terms defined below shall have the following meanings:

Benchmark (*Référence de Marché*) means the relevant rate EURIBOR (TIBEUR in French), the CMS Rate, LIBOR, €STR, SONIA or SOFR (or any successor rate or replacement rate) as specified in the relevant Final Terms.

Business Day (*Jour Ouvré*) means:

- (a) in the case of Euro, a day on which the Trans-European automated real-time gross settlement express transfer system (TARGET 2) (**TARGET**), or any system that replaces such system, is operating (a **TARGET Business Day**); and/or
- (b) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (c) in the case of a Specified Currency and/or one or more business centre(s) specified in the relevant Final Terms (the **Business Centre(s)**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the currency of the Business Centre(s) or, if no currency is specified, generally in each of the specified Business Centres.

Coupon Amount (*Montant de Coupon*) means the amount of interest due and, in the case of Fixed Rate Notes, the Fixed Coupon Amount or the Broken Amount (as defined in Condition 5.2), as the case may be, as specified in the relevant Final Terms.

Coupon Determination Date (*Date de Détermination du Coupon*) means, in respect of an Interest Rate and an Interest Accrual Period, the date specified as such in the applicable Final Terms or, if no date is specified, (a) the day falling two TARGET Business Days before the first day of such Interest Accrual Period if the Specified Currency is Euro or (b) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (c) if the Specified Currency is neither Sterling nor the Euro, the day falling two Business Days in the city specified in the relevant Final Terms preceding the first day of such Interest Accrual Period.

Day Count Fraction (*Méthode de Décompte des Jours*) means, in respect of the calculation of an amount of interests on any Note for any period of time (from (and including) the first day of such period to (but excluding) the last day in such period) (whether or not constituting an Interest Period, the **Calculation Period**):

- (a) if **Actual/365** or **Actual/365-FBF** or **Actual/Actual-ISDA** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **Actual/Actual-ICMA** is specified in the relevant Final Terms:

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods that would normally end in one year; and
- (ii) if the Calculation Period is longer than the Determination Period, the sum of:
 - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods that would normally end in one year; and
 - (B) the number of days in such Calculation Period falling in the following Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods that would normally end in one year,

in each case, **Determination Period** means the period from and including a Coupon Determination Date in any year to but excluding the next Determination Date, and **Coupon Determination Date** means the date specified in the relevant Final Terms, or if no date is specified, the Interest Payment Date;

- (c) if **Actual/Actual-FBF** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one year, the basis shall be determined as follows:
 - (i) the number of complete years shall be counted back from the last day of the Calculation Period;
 - (ii) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (d) if **Actual/365 (Fixed)** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (e) if **Actual/360** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (f) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 (i.e. the number of days to be calculated on the basis of year of 360 days with twelve 30-day months(unless (i) the last day of the Calculation Period is the 31st day of a month and the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month in which the last day falls shall not be reduced to a thirty day month or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be extended to a thirty day month));
- (g) if **30/360 - FBF** or **Actual 30A/360 (American Bond Basis)** is specified in the applicable Final Terms, then, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360 – FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first is neither a 30th nor a 31st, the last month of the Calculation Period shall be deemed to be a month of thirty-one (31) days.

The fraction is:

$$s_{jj^2} = 31 \text{ et } k^1 \neq (30, 31)$$

$$\text{then: } \frac{1}{360} \times [(aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + (jj^2 - jj^1)]$$

or:

$$\frac{1}{360} \times [(aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + \text{Min}(jj^2, 30) - \text{Min}(jj^1, 30)]$$

where:

D1(jj¹, mm¹, aa¹) is the commencement date of the period

D2(jj¹, mm², aa²) is the end date of the period;

- (h) if **30E/360** or **Euro Bond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve (12) 30-days months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a thirty-day month) and;
- (i) if **30E/360 - FBF** is specified in the relevant Final Terms, then, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year of 12 months of 30 days, subject to the following exception:

If the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days.

Using the same defined terms as used for **30/360 - FBF**, the fraction is:

$$\frac{1}{360} \times [(aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + \text{Min}(jj^2, 30) - \text{Min}(jj^1, 30)]$$

Effective Date (*Date de Valeur*) means, in respect of a Floating Rate to be determined on any Coupon Determination Date, the date specified in the relevant Final Terms or, if no date is specified, the first day of the Interest Accrual Period to which such Coupon Determination Date relates.

Euro-zone (*Zone Euro*) means the region composed of the Member states of the EU that have adopted the single currency in accordance with the Treaty.

FBF Definitions (*Définitions FBF*) means the definitions set out in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments, as supplemented by the Technical Schedules (*Additifs Techniques*), as published by the *Fédération Bancaire Française* (together the **FBF Master Agreement**) as amended, as the case may be, at the Issue Date.

Interest Accrual Period (*Période d'Intérêts Courus*) means the period beginning on (and including) the Interest Period Commencement Date and ending on (but excluding) the first Interest Accrual Period Date as well as each subsequent period beginning on (and including) an Interest Accrual Period Date and ending on (but excluding) the following Interest Accrual Period Date.

Interest Accrual Period Date (*Date de Période d'Intérêts Courus*) means each Interest Payment Date unless provided otherwise in the relevant Final Terms.

Interest Payment Date (*Date de Paiement du Coupon*) means the date(s) specified in the relevant Final Terms.

Interest Period (*Période d'Intérêts*) means the period beginning on (and including) the Interest Period Commencement Date and ending on (but excluding) the first Interest Payment Date as well as each subsequent period beginning on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date or on the relevant payment date if the Notes become redeemable on a date other than an Interest Payment Date.

Interest Period Commencement Date (*Date de Début de Période d'Intérêts*) means the Issue Date of the Notes or any other date referred to in the relevant Final Terms.

Interest Rate (*Taux d'Intérêt*) means the interest rate payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions of these Terms as supplemented by the applicable Final Terms.

ISDA Definitions (*Définitions ISDA*) means the 2006 ISDA Definitions, as published by the *International Swaps and Derivatives Association, Inc.* (formerly the *International Swap Dealers Association, Inc.*) as amended, as the case may be, at the Issue Date.

Issue Date (*Date d'Emission*) means, in respect of a relevant Tranche, the settlement date of the Notes.

Margin means, for an Interest Accrual Period, the percentage or number for the applicable Interest Accrual Period, as indicated in the relevant Final Terms, being specified that it may have a positive value, a negative value or equal zero.

Reference Banks (*Banques de Référence*) means the institutions specified as such in the relevant Final Terms or, if none is specified, four prime banks selected by the Calculation Agent on the interbank market (or if necessary, on the money market or the swaps market) with the closest connection to the Benchmark (which, if the relevant Benchmark is EURIBOR (TIBEUR in French) shall be the Euro-zone, if the Benchmark is LIBOR, shall be London and if the Benchmark is the CMS rate, shall be the swaps market of the Relevant Financial Centre.)

Relevant Date (*Date de Référence*) means, in respect of any Note, Receipt or Coupon, the date on which the amount payable under such Note, Receipt or Coupon becomes due and payable or (if any amount due and payable is improperly withheld or refused) the date on which the outstanding amount is paid in full or (in the case of Materialised Notes, if such date falls earlier) the day falling seven calendar days after the date on which the holders of such Materialised Notes have been notified that, upon further presentation of such Materialised Note, Receipt or Coupon being made in accordance with the Terms, such payment will be made, provided that payment is in fact made upon such presentation.

Relevant Financial Centre (*Place Financière de Référence*) means, in respect of a Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, the financial centre as may be specified in the relevant Final Terms or, if none is so specified, the

financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Paris.

Relevant Rate (*Taux de Référence*) means the Benchmark for a Representative Amount in the Specified Currency for a period equal to the Specified Duration commencing on the Effective Date, if the Representative Amount, Specified Duration and Effective Date are applicable to or compatible with the Benchmark, and in other cases, the Benchmark.

Relevant Time (*Heure de Référence*) means, with respect to any Coupon Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency on the interbank market in the Relevant Financial Centre. For this purpose **local time** means, with respect to Europe and the Eurozone as a Relevant Financial Centre, 11.00 a.m. (Brussels time).

Representative Amount (*Montant Donné*) means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, the amount specified as such on that date in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

Screen Page (*Page Ecran*) means any page, section, heading, column or any other part of a document supplied by any information service (including without limitation Thomson Reuters (**Reuters**)) as may be nominated to provide a Relevant Rate or any other page, section, heading, column or any other part of a document of such information service or any other information service as may replace it, in each case as nominated by the entity or organisation providing or responsible for the dissemination of the information appearing on such service to indicate rates or prices comparable to the Relevant Rate, as specified in the relevant Final Terms.

Specified Currency (*Devise Prévue*) means, the currency specified in the relevant Final Terms.

Specified Duration (*Durée Prévue*) means, with respect to any Floating Rate to be determined by Screen Rate Determination on a Coupon Determination Date, the duration specified in the relevant Final Terms, or if no duration is specified, a period of time equal to the Interest Accrual Period, ignoring any adjustment pursuant to Condition 5.3(b).

5.2 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest calculated on its outstanding nominal amount, as from the Interest Period Commencement Date, at an annual rate (expressed as a percentage) equal to the Interest Rate, payable annually, semi-annually, quarterly or monthly (unless provided otherwise in the relevant Final Terms) in arrears on each Interest Payment Date.

If a fixed coupon amount (**Fixed Coupon Amount**) or a broken amount of interest (**Broken Amount**) is specified in the relevant Final Terms, the Coupon Amount payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified.

5.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note shall bear interest calculated on its unredeemed nominal amount, as from the Interest Period Commencement Date, at an annual rate (expressed as a percentage) equal to the Interest Rate, payable annually, semi-annually, quarterly or monthly (unless

provided otherwise in the relevant Final Terms) in arrears on each Interest Payment Date. Such Interest Payment Date(s) shall be specified in the applicable Final Terms; if no Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date falling at the end of such number of months or at the end of such other period as is specified in the applicable Final Terms as being the Interest Period, falling after the preceding Interest Payment Date and, in the case of the first Interest Payment Date, falling after the Interest Period Commencement Date.

(b) **Business Day Convention**

If any date referred to in these Terms that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the applicable Business Day Convention is (i) the **Floating Rate Business Day Convention**, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the **Following Business Day Convention**, such date shall be postponed to the next day that is a Business Day, (iii) the **Modified Following Business Day Convention**, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the **Preceding Business Day Convention**, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, if the applicable Final Terms indicate that the Business Day Convention shall be applied on a "non-adjusted" basis, the Coupon Amount payable at any date shall not be affected by the application of the relevant Business Day Convention.

(c) **Interest Rate for Floating Rate Notes**

The Interest Rate in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in compliance with the provisions below relating to FBF Determination, Screen Rate Determination or ISDA Determination, as specified in the relevant Final Terms.

(i) **FBF Determination for Floating Rate Notes**

Where FBF Determination is specified in the relevant Final Terms as being the method applicable for the determination of the Interest Rate, the Interest Rate for each Interest Accrual Period shall be determined by the Agent as being a rate equal to the relevant FBF Rate plus or minus, as the case may be (as specified in the relevant Final Terms), the Margin. For the purposes of this sub-paragraph (i), **FBF Rate** in respect of an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent for a swap transaction entered into pursuant to an FBF Master Agreement supplemented by the Interest Rate or Currency Swaps Technical Schedule under the terms of which:

- (A) the relevant Floating Rate is as specified in the relevant Final Terms; and
- (B) the Floating Rate Determination Date is as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (i), **Floating Rate** and **Floating Rate Determination Date** have the meanings given to those terms in the FBF Definitions.

If the paragraph "Floating Rate", in the applicable Final Terms, provides that the interest rate in respect of an Interest Period shall be determined by linear interpolation, the Interest Rate applicable to such Interest Period shall be calculated by the Calculation Agent by linear interpolation between two (2) rates based on the relevant Floating Rate, the first rate as would be applicable to a maturity just shorter than the duration of the relevant Interest Period and the second rate as would be applicable to a maturity just longer than the relevant Interest Period.

(ii) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as being the method applicable for the determination of the Interest Rate, the Interest Rate for each Interest Accrual Period shall be determined by the Calculation Agent as being a rate equal to the relevant ISDA Rate plus or minus, as the case may be (as specified in the relevant Final Terms), the Margin. For the purposes of this sub-paragraph (ii), the **ISDA Rate** in respect of an Interest Accrual Period means a rate equal to the Floating Rate as determined by the Calculation Agent for a Swap Transaction entered into pursuant to an agreement incorporating the ISDA Definitions under the terms of which:

- (A) the Floating Rate Option is as specified in the relevant Final Terms;
- (B) the Designated Maturity is a period specified in the relevant Final Terms; and
- (C) the relevant Reset Date is the first day of such Interest Accrual Period, unless provided otherwise in the relevant Final Terms.

For the purposes of this sub-paragraph (ii), **Floating Rate, Floating Rate Option, Designated Maturity, Reset Date** and **Swap Transaction** shall have the meanings given to those terms in the ISDA Definitions.

If the paragraph "Floating Rate Option", in the applicable Final Terms, provides that the interest rate in respect of an Interest Period shall be determined by linear interpolation, the Interest Rate applicable to such Interest Period shall be calculated by the Calculation Agent by linear interpolation between two (2) rates based on the relevant Floating Rate, the first rate as would be applicable to a maturity just shorter than the duration of the relevant Interest Period and the second rate as would be applicable to a maturity just longer than the relevant Interest Period.

(iii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as being the method applicable for the determination of the Interest Rate, the Interest Rate for each Interest Accrual Period shall be determined by the Calculation Agent at (or about) the Relevant Time on the Coupon Determination Date relating to such Interest Accrual Period as specified below:

- (A) except for Notes in respect of which the relevant Final Terms specify that the Benchmark is €STR, SONIA or SOFR, if the primary source for the Floating Rate is a Screen Page, subject as provided below or in Condition 5.3(c)(iv) below, the Interest Rate shall be:

- I. the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity), or
- II. the arithmetic mean of the Relevant Rates of the entities whose Relevant Rates appear on that Screen Page,

in each case as published on such Screen Page, at the Relevant Time on the Coupon Determination Date, as specified in the relevant Final Terms, decreased or increased, as the case may be (as specified in the relevant Final Terms), by the Margin;

- (B) if the primary source for the Floating Rate is Reference Banks or if subparagraph (A)(I) above applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Coupon Determination Date or if subparagraph (A)(II) above applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Coupon Determination Date, the Interest Rate, subject as provided below, shall be equal to the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Coupon Determination Date, as determined by the Calculation Agent, decreased or increased, as the case may be (as specified in the relevant Final Terms) by the Margin; and
- (C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Interest Rate shall, subject as provided below, be the arithmetic mean of the rates *per annum* (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent, (the **Principal Financial Centre**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period beginning on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall be the Interest Rate determined on the previous Coupon Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period as specified, as the case may be, in the applicable Final Terms).

If the paragraph "Benchmark", in the applicable Final Terms, provides that the interest rate in respect of an Interest Period shall be determined by linear interpolation, the Interest Rate applicable to such Interest Period shall be calculated by the Calculation Agent by linear interpolation between two (2) rates based on the relevant Floating Rate, the first rate as would be applicable to a maturity just shorter than the duration of the relevant Interest

Period and the second rate as would be applicable to a maturity just longer than the relevant Interest Period.

- (D) Where Screen Rate Determination is specified in the relevant Final Terms as being the method applicable for the determination of the Interest Rate and the Benchmark for such Floating Rate Notes is €STR, the Interest Rate for each Interest Accrual Period shall, except as provided below, equal the rate of return of a daily compound interest investment (with the Euro Short-Term Rate as reference rate), plus or minus the Margin (if applicable, as specified in the relevant Final Terms), as determined by the Calculation Agent on the Coupon Determination Date, as specified below, the result being rounded, if necessary, to the nearest fifth decimal place, 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{€STR}_{i-p} \text{JOT} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where :

d is the number of calendar days in the relevant Interest Accrual Period;

d₀ is the number of TARGET Business Days in the relevant Interest Accrual Period;

€STR_{i-p}JOT means, for any TARGET Business Day falling in the relevant Interest Accrual Period, the €STR on the TARGET Business Day falling "p" TARGET Business Day(s) before the relevant TARGET Business Day "i";

i is a series of whole numbers from one (1) to d₀, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day of the relevant Interest Accrual Period to, but excluding, the Coupon Payment Date for such Interest Accrual Period ;

n_i means, for any TARGET Business Day "i", the number of calendar days from and including the relevant TARGET Business Day "i", up to but excluding the immediately following TARGET Business Day, in the relevant Interest Accrual Period; and

p means, for any Interest Accrual Period, the number of TARGET Business Days in the Observation "Look-Back" Period .

If the €STR, on any TARGET Business Day, is not published on the Screen Page and no €STR Index Cessation Event has occurred, the €STR to be applied for such TARGET Business Day shall be the €STR rate in respect of the last TARGET Business Day for which such rate was published on the Website of the European Central Bank (as defined below).

If the €STR, for any TARGET Business Day, is not published on the Screen Page and an €STR Index Cessation Event and an €STR Index Cessation Effective Date have both occurred, then the €STR, for each TARGET Business Day in the relevant €STR Observation Period falling on the day or

days following the €STR Index Cessation Effective Date, shall be determined as if references to €STR were references to the ECB Recommended Rate.

If no ECB Recommended Rate has been recommended before the end of the first TARGET Business Day following the date on which the €STR Index Cessation Event occurred, then the €STR, for each TARGET Business Day in the relevant €STR Observation Period falling on the day or days following the €STR Index Cessation Effective Date, shall be determined as if references to €STR were references to Modified EDFR.

If an ECB Recommended Rate has been recommended and an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date have both occurred, then the €STR, for each TARGET Business Day in the relevant €STR Observation Period falling on the day or days following the ECB Recommended Rate Index Cessation Effective Date, shall be determined as if references to €STR were references to Modified EDFR.

Any substitution of €STR, as specified above, shall remain effective until the Maturity Date of the Notes (as specified in the relevant Final Terms).

If the Interest Rate cannot be determined by the Calculation Agent in accordance with the above, (i) the Interest Rate shall be that determined as at the last preceding Coupon Determination Date or (ii) if there is no such preceding Coupon Determination Date, the Interest Rate shall be determined as if the €STR rate, for each TARGET Business Day in the relevant €STR Observation Period falling on the day or days following the €STR Index Cessation Effective Date, were references to the latest published ECB Recommended Rate or, if EDFR is published on a date subsequent to the date of publication of the latest ECB Recommended Rate, to Modified EDFR or (iii) if there is no preceding Coupon Determination Date and no ECB Recommended Rate, or Modified EDFR is available, then the €STR, for each TARGET Business Day in the relevant €STR Observation Period falling on the day or days following the €STR Index Cessation Effective Date, shall be determined as if references to €STR were references to the latest published €STR rate (though substituting, in each of cases (i), (ii) and (iii) above, where a different Margin, or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Accrual Period).

For the purposes of this paragraph 5.3(c)(iii)(D) :

ECB Recommended Rate Index Cessation Effective Date means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate is no longer provided, as determined by the Issuer and notified by the Issuer to the Calculation Agent.

€STR Index Cessation Effective Date means, in respect of an €STR Index Cessation Event, the first TARGET Business Day on which €STR is no longer provided by the European Central Bank (or any successor

administrator of €STR), as determined by the Issuer and notified by the Issuer to the Calculation Agent.

EDFR means the *Eurosystem Deposit Facility Rate*, being the offered rate of return on deposits, which banks may use to make overnight deposits with the Eurosystem (comprising the European Central Bank and the national central banks of those countries that have adopted the Euro) as published on the Website of the European Central Bank (as defined below).

Modified EDFR means a reference rate equal to the EDFR plus the *EDFR Spread*.

EDFR Spread means :

- (1) if no ECB Recommended Rate is recommended before the end of the first TARGET Business Day following the date on which the €STR Index Cessation Event occurs, the arithmetic mean of the daily difference between the €STR and the EDFR for each of the thirty (30) TARGET Business Days immediately preceding the date on which the €STR Index Cessation Event occurred; or
- (2) if an ECB Recommended Rate Index Cessation Event occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the thirty (30) TARGET Business Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurred.

€STR (or **€uro Short Term Rate**) means, for any TARGET Business Day, the interest rate representing the unsecured overnight borrowing costs of banks located in the Euro zone provided by the European Central Bank as administrator of such rate (or any successor administrator), and published on the Website of the European Central Bank at or before 9:00 a.m. (Frankfurt time) (or, in case a revised €uro Short-Term Rate is published as provided in Article 4 paragraph 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the TARGET Business Day immediately following such TARGET Business Day.

ECB Recommended Rate Index Cessation Event means the occurrence of one or more of the following events, as determined by the Issuer and notified by the Issuer to the Calculation Agent :

- (1) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or

an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate.

€STR Index Cessation Event means the occurrence of one or more of the following events, as determined by the Issuer and notified by the Issuer to the Calculation Agent:

- (1) a public statement or publication of information by or on behalf of the European Central Bank (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR.

ECB €STR Guideline means Guideline (EU) 2019/1265 of the European Central Bank of 10 July 2019 on the €uro Short-Term Rate (€STR) (ECB/2019/19), as amended from time to time.

€STR Observation Period means, in respect of any Interest Accrual Period, the period from and including the date falling “p” TARGET Business Days prior to the first day of the relevant Interest Accrual Period (the first €STR Observation Period beginning on and including the date falling “p” TARGET Business Day(s) prior to the Interest Period Commencement Date) up to, but excluding, the date falling “p” TARGET Business Day(s) prior to the Coupon Payment Date of such Interest Accrual Period (or the date falling “p” TARGET Business Day(s) prior to such earlier date, if any, on which the Notes become due and payable).

Observation “Look-Back” Period means the observation period specified in the relevant Final Terms.

ECB Recommended Rate means a rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European

Central Bank or another benchmark administrator), as determined by the Issuer and notified by the Issuer to the Calculation Agent.

Website of the European Central Bank means the website of the European Central Bank currently at <http://www.ecb.europa.eu> or any successor website officially designated by the European Central Bank.

- (E) Where Screen Rate Determination is specified in the relevant Final Terms as being the method applicable for the determination of the Interest Rate and the Benchmark for such Floating Rate Notes is SONIA, the Interest Rate for each Interest Accrual Period shall, except as provided below, equal the rate of return of a daily compound interest investment (with the *Sterling daily overnight reference* as reference rate), plus or minus the Margin (if applicable, as specified in the relevant Final Terms), as determined by the Calculation Agent on the Coupon Determination Date, as specified below, the result being rounded, if necessary, to the nearest fifth decimal place, 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{i-p\text{JBL}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where :

d is the number of calendar days in the relevant Interest Accrual Period.

d₀ is the number of London Banking Days in the relevant Interest Accrual Period.

i is a series of whole numbers from one (1) to d₀, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Interest Accrual Period.

London Banking Day or **LBD** or **JBL** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

n_i means, for any London Banking Day “i”, the number of calendar days from and including such London Banking Day “i”, up to but excluding the immediately following London Banking Day.

SONIA Observation Period means, in respect of any Interest Accrual Period, the period from and including the date falling “p” London Banking Days prior to the first day of the relevant Interest Accrual Period (the first SONIA Observation Period beginning on and including the date falling “p” London Banking Day(s) prior to the Interest Period Commencement Date) up to, but excluding, the date falling “p” London Banking Day(s) prior to the Coupon Payment Date of such Interest Accrual Period (or the date falling “p” London Banking Day(s) prior to such earlier date, if any, on which the Notes become due and payable);

Observation Look-Back Period means the observation period specified in the relevant Final Terms.

p means in relation to any Interest Accrual Period, the number of London Banking Days included in the Observation Look-Back Period.

SONIA in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the relevant Screen Page or, if the relevant Screen Page is not available, as published by such authorised distributors, on the London Banking Day immediately following such London Banking Day.

"SONIA_{i-pLBD}" means, in respect of any London Banking Day "i" falling in the relevant Interest Accrual Period, the SONIA for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

If, in respect of that London Banking Day "i-pLBD" in the SONIA Observation Period, the Calculation Agent determines that the SONIA is not available on the relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA shall be: (i) the Bank of England's discount rate (the **Bank Discount Rate**) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA to the Bank Discount Rate over the previous five days on which a SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Discount Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA is to be determined or (ii) any rate that is to replace the SONIA, the Calculation Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the Interest Rate to apply whilst the SONIA is not available or has not been published by the authorised distributors.

If the Interest Rate cannot be determined by the Calculation Agent in accordance with the above provisions, the Interest Rate shall be (i) that determined as at the last preceding Coupon Determination Date (though substituting, where a different Margin, or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Accrual Period) or (ii) if there is no such preceding Coupon Determination Date, the initial Interest Rate that would have applied for the first Interest Accrual Period if the Notes had been issued for a period equal in duration to the first scheduled Interest Accrual Period but ending on, and excluding, the Interest Period Commencement Date (although substituting the Margin, Maximum Interest Rate or Minimum Interest Rate applicable to the first Interest Accrual Period).

Notwithstanding any Coupon Determination Date specified in the Final Terms, if the Notes have matured in accordance with the Conditions, the final Coupon Determination Date shall be deemed to be the date on which

the Notes matured and the Interest Rate shall, for so long as the Notes remain in issue, be as determined on that date.

(F) Where Screen Rate Determination is specified in the relevant Final Terms as being the method applicable for the determination of the Interest Rate and the Benchmark for such Floating Rate Notes is SOFR, the Interest Rate shall be determined by the Calculation Agent as follows:

(x) if SOFR Arithmetic Average is specified as being applicable in the relevant Final Terms, the Interest Rate for each Interest Accrual Period shall be the arithmetic average of the SOFR for each day in the period, plus or minus the Margin (if applicable, as specified in the relevant Final Terms), as determined by the Calculation Agent, the SOFR value on the SOFR Rate Cut-Off Date being deemed to be the SOFR value for the days in the period from and including the SOFR Rate Cut-Off Date up to but excluding the Coupon Payment Date;

(y) if SOFR *Lockout Compound* is specified as applicable in the relevant Final Terms, the Interest Rate for each Interest Accrual Period shall, except as provided below, be the USD-SOFR-LOCKOUT-COMPOUND, plus or minus the Margin (if applicable, as specified in the relevant Final Terms) ;
or

(z) if SOFR *Lookback Compound* is specified as applicable in the relevant Final Terms, the Interest Rate for each Interest Accrual Period shall, except as provided below, be the USD-SOFR-LOOKBACK-COMPOUND, plus or minus the Margin (if applicable, as specified in the relevant Final Terms) ;
or

(xx) if SOFR *Shift Compound* is specified as applicable in the relevant Final Terms, the Interest Rate for each Interest Accrual Period shall, except as provided below, be the USD-SOFR-SHIFT-COMPOUND, plus or minus the Margin (as applicable, as specified in the relevant Final Terms).

For the purposes of this condition 5.3(c)(iii)(F) :

If the Calculation Agent, or any other entity designated by the Issuer determines, no later than the SOFR Determination Time, that a Benchmark Transition Event and related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then current Benchmark for the purposes of all Interest Rate determinations to be made on or after such date.

In connection with the implementation of a Benchmark Replacement, the Calculation Agent, or any other entity designated by the Issuer, will have the right to make any necessary or useful Benchmark Replacement Conforming Changes.

If a Benchmark Transition Event and related Benchmark Replacement Date have occurred, any determination, decision or election made by the Calculation Agent, or any other entity designated by the Issuer, in accordance with this Condition 5.3(c)(iii)(F), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or

refrain from taking any action or any election: (i) shall be conclusive and binding absent manifest error; (ii) will be made in the sole discretion of the Calculation Agent or any other entity designated by the Issuer, as the case may be ; and (iii) notwithstanding anything to the contrary in the documentation relating to the Programme or the Notes, shall become effective without consent from the Holders of the Notes or any other party.

USD-SOFR-LOCKOUT-COMPOUND means the rate of return of a daily compound interest investment (with the SOFR as the reference rate), calculated by the Calculation Agent on the U.S. Government Securities Business Day following each SOFR Rate Cut-Off Date, as specified below, the result being rounded, if necessary, to the nearest fifth decimal place, 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where :

d is the number of calendar days in the relevant Interest Accrual Period.

d₀ is the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period.

SOFR Rate Cut-Off Date means the date that is the second U.S. Government Securities Business Day prior to the Coupon Payment Date in respect of the relevant Interest Accrual Period or such other date specified in the relevant Final Terms.

SOFR Interest Reset Date means each U.S. Government Securities Business Day in the relevant Interest Accrual Period; provided, however, that the SOFR with respect to each SOFR Interest Reset Date in the period from, and including, the SOFR Rate Cut-Off Date to, but excluding, the corresponding Coupon Payment Date of an Interest Accrual Period, will be the SOFR value on the SOFR Rate Cut-Off Date for such Interest Accrual Period.

i is a series of whole numbers from one (1) to d₀, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period.

n_i means, for any U.S. Government Securities Business Day “i” falling in the relevant Interest Accrual Period, the number of calendar days from, and including, such U.S. Government Securities Business Day “i”, up to but excluding the following U.S. Government Securities Business Day “i” (i+1).

SOFR_i means, for any U.S. Government Securities Business Day “i” which is a SOFR Interest Reset Date, the SOFR applicable to such SOFR Interest Reset Date.

USD-SOFR-LOOKBACK-COMPOUND means the rate of return of a daily compound interest investment (with the SOFR as the reference rate), calculated by the Calculation Agent on the U.S. Government Securities Business Day following each Coupon Determination Date, as specified below, the result being rounded, if necessary, to the nearest fifth decimal place, 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-p\text{USGSBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where :

d is the number of calendar days in the relevant Interest Accrual Period.

d₀ is the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period.

Coupon Determination Date means, for the purposes of this Condition, for each Interest Accrual Period, the date falling “p” U.S. Government Securities Business Days before each Coupon Payment Date.

i is a series of whole numbers from one (1) to **d₀**, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period.

n_i means, for any U.S. Government Securities Business Day “i” falling in the relevant Interest Accrual Period, the number of calendar days from, and including, such U.S. Government Securities Business Day “i”, up to but excluding the following U.S. Government Securities Business Day “i” (i+1).

p means, for each Interest Accrual Period, the number of U.S. Government Securities Business Days in the Observation Look-Back Period.

Observation Look-Back Period means the observation period specified in the relevant Final Terms.

SOFR_{i-pUSGSBD} means, for each U.S. Government Securities Business Day “i” in the relevant Interest Accrual Period, the SOFR applicable to the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days before such day “i”.

USD-SOFR-SHIFT-COMPOUND means the rate of return of a daily compound interest investment (with the SOFR as the reference rate), calculated by the Calculation Agent on the U.S. Government Securities Business Day following each Coupon Determination Date, as specified below, the result being rounded, if necessary, to the nearest fifth decimal place, 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where :

d is the number of calendar days in the relevant Observation Period.

d₀ is, for any Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period.

Coupon Determination Date means, for the purposes of this Condition, for each Interest Accrual Period, the date falling “p” U.S. Government Securities Business Days before each Coupon Payment Date.

i is a series of whole numbers from one (1) to d₀, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period.

Shift Observation Days means the number of U.S. Government Securities Business Days specified in the relevant Final Terms.

n_i means, for any U.S. Government Securities Business Day “i” falling in the relevant Observation Period, the number of calendar days from, and including, such U.S. Government Securities Business Day “i”, up to but excluding the following U.S. Government Securities Business Day “i” (i+1).

Observation Period means, in respect of each Interest Accrual Period, the period from (and including) the date falling the number of U.S. Government Securities Business Days corresponding to the number of Shift Observation Days prior to the first day of the relevant Interest Accrual Period up to (but excluding) the date falling the number of U.S. Government Securities Business Days corresponding to the number of Shift Observation Days preceding the Coupon Payment Date of the relevant Interest Accrual Period.

SOFR_i means, for any U.S. Government Securities Business Day “i” in the relevant Observation Period, the SOFR applicable on such day “i” ;

SOFR means, in respect of any U.S. Government Securities Business Day :

(i) the *Secured Overnight Financing Rate* for such U.S. Government Securities Business Day, as published by the New York Federal Reserve, as the administrator of such rate (or a successor administrator) on the Website of the New York Federal Reserve (or on the website of any successor administrator) by 5:00p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **SOFR Determination Time**) ; or

(ii) if the *Secured Overnight Financing Rate* in respect of such U.S. Government Securities Business Day is not published as specified in paragraph (i) above, and unless both a Benchmark Transition Event and related Benchmark Replacement Date have occurred, the *Secured Overnight*

Financing Rate in respect of the last U.S. Government Securities Business Day on which such rate was published on the Website of the New York Federal Reserve (or on the website of any successor administrator).

Benchmark means initially, SOFR, unless a Benchmark Transition Event relating to SOFR or the then current Benchmark and its related Benchmark Replacement Date have occurred, in which case “Benchmark” shall mean Benchmark Replacement.

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Calculation Agent or any other entity nominated by the Issuer on the Benchmark Replacement Date.

(1) the sum of : (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment; or

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(3) the sum of : (a) the alternate rate of interest that has been selected by the Calculation Agent, or any other entity nominated by the Issuer, as replacement for the then current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the current Benchmark for U.S. Dollar-denominated floating rate notes and (b) the Benchmark Replacement Adjustment.

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Calculation Agent or any other entity nominated by the Issuer on the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment;

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent, or any other entity nominated by the Issuer, giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated floating rate notes at such time.

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Accrual Period", the timing and frequency of determining rates and making payments of interest, rounding of amounts or adjusting tenors, and other administrative matters) that the Calculation Agent, or any other entity nominated by the

Issuer, decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner consistent with market practice (or, if the Calculation Agent, or any other entity nominated by the Issuer, decides that the adoption of all or any part of such market practice is not administratively feasible or if the Calculation Agent, or any other entity nominated by the Issuer, determines that no market practice for use of the Benchmark Replacement currently exists, in such manner as the Calculation Agent, or any other entity nominated by the Issuer, determines as reasonably necessary).

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark :

- (i) in the case of paragraphs (i) or (ii) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (ii) in the case of paragraph (iii) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that it has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the Benchmark;
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator of the Benchmark, a resolution authority with jurisdiction over the administrator of the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator of the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, announcing that the Benchmark is no longer representative.

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark having regard to the applicable tenor.

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

New York Federal Reserve means the Federal Reserve of the Bank of New York.

Website of the New York Federal Reserve means the website of the New York Federal Reserve, currently accessible at the following address <http://www.newyorkfed.org>, or any successor website or the website of any successor administrator of SOFR.

SOFR Determination Time with respect to any determination of the Benchmark means, (i) if the Benchmark is SOFR, the SOFR Determination Time and (ii) if the Benchmark is not SOFR, the time determined by the Calculation Agent, or any other entity nominated by the Issuer, after giving effect to the Benchmark Replacement Conforming Changes.

Relevant Governmental Body means the Board of the New York Federal Reserve (*Federal Reserve Board*) and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the New York Federal Reserve and/or the Federal Reserve Bank of New York or any successor thereto.

U.S. Government Securities Business Day or **USGSBD** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. government securities.

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (G) Notwithstanding the provisions of paragraphs (A), (B), (C), (D), (E) and (F) above, if the major source for the Floating Rate is a Screen Page and the Benchmark is specified as being CMS Rate, the Interest Rate for each Interest Accrual Period will, subject as provided below or in Condition 5.3(c)(iv) below, be determined by the Calculation Agent based on the annual rate applicable to a swap for a swap in the Specified Currency which maturity is the Specified Period, expressed on percentage, as it appears on the Screen Page at the Specified Time on the relevant Coupon

Determination Date and increased or decreased, as the case may be (as specified in the relevant Final Terms) with the Margin (the **CMS Rate**).

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Coupon Determination Date. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Coupon Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

For the purposes of this sub-paragraph (G):

Relevant Swap Rate means:

- (i) where the Specified Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a Specified Duration determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (ii) where the Specified Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on an Actual 30/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg is, in each case, calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Specified Duration is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Specified Duration is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Specified Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the

arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

- (iv) where the Specified Currency is any other currency or, if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the relevant Final Terms.

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time.

(iv) **Benchmark discontinuation**

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over other fallbacks specified in Condition 5.3(c)(iii), provided that this Condition 5.3(c)(iv) shall not apply if the Relevant Rate is €STR, SONIA or SOFR.

(A) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3(c)(iv)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.3(c)(iv)(C)) and any Benchmark Amendments (in accordance with Condition 5.3(c)(iv)(D)).

An Independent Adviser appointed pursuant to this Condition 5.3(c)(iv) shall act in good faith as an expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Interest Rate specified in the applicable Final Terms, or the Noteholders for any determination made by it pursuant to this Condition 5.3(c)(iv).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith that:

- I. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.3(c)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate(s) (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.3(c)(iv)); or

II. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.3(c)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate(s) (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.3(c)(iv)).

(C) Adjustment Spread

If the Independent Adviser determines in good faith (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(D) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.3(c)(iv) and the Independent Adviser determines in good faith (i) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.3(c)(iv)(E), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.3(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

After a Successor Rate or Alternative Rate has been determined, the fallbacks specified in Condition 5.3(c)(iii) shall apply to the Successor Rate or the Alternative Rate, or as the case may be, if a Benchmark Event occurs, the Successor Rate or Alternative Rate shall be treated as the Original Reference Rate for the purposes of this Condition 5.3(c)(iv).

(E) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 14, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 5.3(c)(iv). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(F) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Interest Rate on the immediately following Coupon Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the fallbacks for the Original Reference Rate specified in Condition 5.3(c)(iii), namely the Interest Rate determined on the preceding Coupon Determination Date will continue to apply to such determination (after adjustment for any difference in Margin, Rate Multiplier, or Maximum or Minimum Interest Rate applicable to the previous Interest Accrual Period and to the applicable Interest Accrual Period specified, if any, in the relevant Final Terms).

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5.3(c)(iv), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5.3(c)(iv) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the fallbacks specified in Condition 5.3(c)(iii), will continue to apply in accordance with their terms unless a Benchmark Event occurs).

(G) Definitions

In this Condition 5.3(c)(iv) :

Adjustment Spread means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (ii) in the case of an Alternative Rate (or in the case of a Successor Rate where (i) above does not apply), is determined by the Independent Adviser and is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (iii) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in

customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate.

Independent Adviser means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 5.3(c)(iv)(A).

Benchmark Event means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to exist or be published;
- (ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six (6) months prior to the date referred to in (a);
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (b) the date falling six (6) months prior to the specified date referred to in (a)
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that it will be prohibited to use the Original Reference Rate or indicating that its use will be subject to significant restrictions or may have adverse consequences;
- (vi) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed;
- (vii) it has or will prior to the next Coupon Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation,

under the Benchmark Regulation (EU) 2016/2011, if applicable); or

- (viii) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmark Regulation (Regulation (EU) 2016/2011) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted.

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5.3(c)(iv) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes.

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate (or any relevant component part(s) thereof) on the Notes.

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and if, following a Benchmark Event, two or more successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser shall determine which of the successor or replacement rates is the most appropriate, having regard to the particular characteristics of the relevant Notes and the nature of the Issuer.

5.4 Interest on Fixed/Floating Rate Notes

Each Fixed/Floating Rate Note bears interest at a rate (i) that the Issuer may decide to convert at the date specified in the relevant Final Terms from a Fixed Rate to a Floating Rate (among the types of Floating Rate Notes mentioned in Condition 5.3(c) above) or from a Floating Rate to a Fixed Rate (ii) which shall be automatically converted from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate at the date specified in the relevant Final Terms.

5.5 Zero Coupon Notes

Where a Zero Coupon Note is redeemable prior to its Maturity Date by exercise of an Option of Redemption of the Issuer (as described in Condition 6.3 below) or, if so specified in the relevant Final Terms, pursuant to Condition 6.5 or in any other manner, and such Note is not redeemed on the due date, the amount due and payable prior to the Maturity Date shall be the Optional Redemption Amount or the Early Redemption Amount, as the case may be. As from the Maturity Date, the overdue principal of such Note shall bear interest at a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6.5(a)).

5.6 Accrual of interest

Interest shall cease to accrue on each Note on the due date for redemption unless (a) on such due date, in the case of Dematerialised Notes or (b) upon due presentation, in the case of Materialised Notes, repayment of principal is improperly withheld or refused, in which event interest shall continue to accrue (after as well as before judgment) at the Interest Rate in the manner provided in Condition 5 up to the Relevant Date.

5.7 Margin, Rate Multiplier, Minimum and Maximum Interest Rate, Instalment Amounts and Rounding

- (a) If a Margin or a Rate Multiplier is specified in the relevant Final Terms, (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates applicable to the relevant Interest Accrual Periods, in the case of (y), calculated in accordance with paragraph (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying the Interest Rate by the Rate Multiplier, subject always to the provisions of the following paragraph.
- (b) If any Minimum or Maximum Interest Rate or Instalment Amount is specified in the relevant Final Terms, then any Interest Rate or Instalment Amount shall be subject to such maximum or minimum, as the case may be, provided that under no circumstances may the Coupon Amount be less than zero (0).
- (c) For the purposes of any calculations required pursuant to these Terms, (i) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up) (ii) otherwise all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (iii) all figures shall be rounded to seven figures (with halves being rounded up) and (iv) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes, **unit** means the lowest amount of such currency that is available as legal tender in the country of such currency.

5.8 Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding nominal amount of such Note by the Day Count Fraction, unless a Coupon Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Coupon Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable

in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

5.9 Determination and publication of Interest Rates, Coupon Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Coupon Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period. It shall also calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be. It shall then cause the Interest Rate and the Coupon Amounts for each Interest Period and the relevant Interest Payment Date and, if required, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information. If the Notes are admitted to trading on a regulated market and the rules of such market so require, it shall also notify such information to such market and/or the Noteholders as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such date, in the case of notification to such market of an Interest Rate and Coupon Amount, or (ii) in all other cases, no later than the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period Date is subject to adjustment pursuant to Condition 5.3(b), the Coupon Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

5.10 Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with at least one office in the Relevant Financial Centre, except for Notes in respect of which €STR, SONIA or SOFR are the applicable Benchmarks, and one or more Calculation Agents if so specified in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 3 above). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall, except for Notes in respect of which €STR, SONIA or SOFR are the applicable Benchmarks, appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Terms to the Calculation Agent shall be construed as a reference to each Calculation Agent performing its respective duties under these Terms. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for an Interest Period or Interest Accrual Period or to calculate any Coupon Amount, Instalment Amount, Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment bank operating in the interbank market (or, if appropriate, money market, or swaps market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed in the manner described above.

6. REDEMPTION, PURCHASE AND OPTIONS

6.1 Redemption at maturity

Unless previously redeemed, or purchased or cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at the Final Redemption Amount (which, unless otherwise provided, equals its nominal amount (except for Zero Coupon Notes)) specified in the relevant Final Terms or, in the case of a Note falling within Condition 6.2 below, its final Instalment Amount.

6.2 Redemption by instalments

Unless previously redeemed or purchased and cancelled as provided in this Condition 6 each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, by such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the date specified for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

6.3 Redemption at the option of the Issuer

If Issuer call is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all applicable laws, regulations and directives, and on giving not less than 30 and not more than 60 calendar days' irrevocable notice to the Noteholders in accordance with Condition 14 (or any other notice period as may be specified in the relevant Final Terms), redeem all or, if so provided, some of the Notes, as the case may be, on any Option Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the relevant Final Terms together with interest accrued to the date fixed for redemption in the relevant Final Terms. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption by the Issuer in respect of Materialised Notes of the same series, the notice to holders of such Materialised Notes must also indicate the number of Physical Notes to be redeemed. The Notes must have been selected in such manner as is fair and objective in the circumstances, taking account of prevailing market practices and in accordance with all applicable stock market laws and regulations.

In the case of a partial redemption by the Issuer in respect of Dematerialised Notes of any one Series, the redemption shall be made by reducing the nominal amount of such Dematerialised Notes pro rata the nominal amount redeemed.

6.4 Redemption at the option of the Noteholders

If Noteholders put is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note and upon giving not less than 30 and not more than 60 calendar days' irrevocable notice to the Issuer (or any other notice period as may be specified in the relevant Final

Terms), redeem such Note on the Optional Redemption Date(s) at the Optional Redemption Amount specified in the applicable Final Terms together with interest accrued to the date fixed for redemption in the relevant Final Terms. In order to exercise such option, the Noteholder must deposit with a Paying Agent at its specified office by the required deadline a duly completed option exercise notice (the **Exercise Notice**) in the form obtainable during normal office hours from the Paying Agent or Registration Agent, as the case may be. In the case of Materialised Notes, the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons) must be attached to the Exercise Notice. In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent, as specified in the Exercise Notice. No option that has been exercised or, if relevant, no Note that has been deposited or transferred may be withdrawn without the prior written consent of the Issuer.

6.5 Early Redemption

(a) Zero Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6.6 or 6.9 or upon it becoming due and payable as provided in Condition 9, shall be calculated as provided below.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Early Redemption Amount of any such Zero Coupon Note shall be equal to the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (which, if a rate is not specified in the relevant Final Terms, shall be such rate as would result in an Early Redemption Amount equal to the Issue Price of the Notes if discounted back to their Issue Price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of each Note upon its redemption pursuant to Condition 6.6 or 6.9 or upon it becoming due and payable in accordance with Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as if the reference therein to the date on which the Early Redemption Amount becomes due and payable were a reference to the Relevant Date. The calculation of the Early Redemption Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date, together with any interest that may accrue in accordance with Condition 5.5. Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of one of the Day Count Fractions mentioned in Condition 5.1 and specified in the relevant Final Terms.

(b) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes referred to in paragraph (a) above), upon redemption pursuant to Condition 6.6 or 6.9 or upon it becoming due and payable pursuant to Condition 9, shall be the Final Redemption Amount plus all accrued interests until the date fixed for redemption in the relevant Final Terms.

6.6 Redemption for tax reasons

- (a) If, at the time of any redemption of principal or payment of interest, the Issuer is obliged to pay additional amounts in accordance with Condition 0 below, by reason of any change in or amendment to the laws and regulations in France, or any change in the official application or interpretation thereof, made after the Issue Date, the Issuer may (having given notice to the Noteholders in accordance with Condition 14, at the earliest 45 calendar days and at the latest 30 calendar days prior to such payment (which notice shall be irrevocable)) redeem, on any Interest Payment Date or, if specified in the applicable Final Terms, at any time, all but not some only of the Notes at the Early Redemption Amount together with, all interest accrued until the date fixed for redemption, provided that the due date for redemption of which notice hereunder shall be given shall not be earlier than the latest practicable date on which the Issuer could make a payment of principal and/or interest without withholding or deduction for French taxes.
- (b) If, on the occasion of the next redemption of principal or payment of interest in respect of the Notes, the Issuer would be prevented by French law from making payment of the full amount then due and payable to the Noteholders and Couponholders, notwithstanding the undertaking to pay additional amounts in accordance with Condition 0 below, the Issuer shall forthwith give notice of such fact to the Fiscal Agent. The Issuer shall, having given 7 calendar days' notice to the Noteholders in accordance with Condition 14, redeem all, and not some only, of the Notes then outstanding at their Early Redemption Amount, together with all interest accrued up to the date fixed for redemption, on (i) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount due and payable on the Notes, provided that if the notice referred to above would expire after such Interest Payment Date, the date for redemption to the Noteholders shall be the later of (A) the latest practicable date on which the Issuer could make payment of the full amount then due and payable on the Notes, Receipts or Coupons and (B) 14 calendar days after giving notice to the Fiscal Agent or (ii) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder is given shall be the latest practicable date on which the Issuer could make payment of the full amount due and payable in respect of the Notes and, if relevant, any Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

6.7 Purchases

The Issuer may at any time purchase Notes on the stock market or otherwise (including pursuant to a public offer) at any price (provided however that, in the case of Materialised Notes, all unmatured Receipts and Coupons, and all unexchanged Talons relating thereto, are attached to or surrendered with such Materialised Notes), in accordance with applicable laws and regulations.

The Final Terms shall specify if Notes purchased by the Issuer may be retained in accordance with applicable laws and regulations or cancelled in accordance with Condition 6.8 below.

6.8 Cancellation

All Notes redeemed or purchased for cancellation in accordance with Condition 6.7 above, by or on behalf of the Issuer, shall be cancelled, in the case of Dematerialised Notes, by transfer to an account pursuant to the rules and procedures of Euroclear France, and in the case of Materialised Notes, by delivery to the Fiscal Agent of the relevant Temporary Global Certificate or the Physical Notes in question, together with all unmatured Coupons and Receipts and all unexchanged Talons attached to such Notes, if relevant, and in each case, if so transferred and surrendered, all such Notes shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights in respect of payment of interest and other amounts in respect of

such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and Receipts and all unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, as the case may be, transferred or surrendered for cancellation may not be re-issued or re-sold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.9 Illegality

If, by virtue of the introduction of any new law or regulation in France, any change of law or other mandatory provision or any change in the interpretation thereof by any French court or administrative authority, which takes effect after the Issue Date, it becomes unlawful for the Issuer to perform or comply with its obligations under the Notes, the Issuer shall, having given notice to the Noteholders in accordance with Condition 14, at the earliest 45 calendar days and at the latest 30 calendar days prior to such payment (which notice shall be irrevocable), redeem all and not some only of the Notes at the Early Redemption Amount together with all interest accrued up to the date fixed for redemption.

7. PAYMENTS AND TALONS

7.1 Dematerialised Notes

Any payment of principal or interest in respect of Dematerialised Notes shall be made (a) in the case of Dematerialised Notes in bearer form (*au porteur*) or in administered registered form (*au nominatif administré*), by transfer to an account denominated in the Specified Currency held with the Account Holders for the benefit of the Noteholders, and (b) in the case of Dematerialised Notes in pure registered form (*au nominatif pur*), by transfer to an account denominated in the Specified Currency, held with a Bank (as defined below) designated by the relevant Noteholder. The Issuer's payment obligations shall be discharged upon such payments being duly made to such Account Holders or such Bank.

7.2 Physical Notes

(a) Method of payment

Subject as provided below, any payment in a Specified Currency shall be made by credit or transfer to an account denominated in the Specified Currency or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) held by the beneficiary or, at the option of the beneficiary, by cheque denominated in the Specified Currency drawn on a bank located in the principal financial centre of the country of the Specified Currency (which, if the Specified Currency is the euro, shall be a country within the Euro-zone and if the Specified Currency is the Australian dollar or New Zealand dollar, shall be Sydney or Auckland respectively).

(b) Presentation and surrender of Physical Notes, Receipts and Coupons

Any payment of principal in respect of Physical Notes, shall (subject as provided below) be made in the manner described in paragraph (a) above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the relevant Notes and any payment of interest in respect of Physical Notes shall (subject as provided below) be made in the manner described above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the relevant Coupons, in each case at the specified office of any Paying Agent located outside the United States of America (such term meaning for the purposes hereof the United

States of America (including the States and District of Columbia, their territories, possessions and other places under its jurisdiction)).

Any instalment of principal in respect of Physical Notes, other than the last payment, shall, where appropriate, (subject as provided below) be made in the manner described in paragraph (a) above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the last instalment shall be made in the manner described in paragraph (a) above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment with the related Physical Note. Any relevant Receipt presented for payment without the related Physical Note shall render the Issuer's obligations null and void.

Unmatured Receipts relating to Physical Notes (whether or not attached) shall, where appropriate, become void and no payment shall be made in respect thereof on the date on which such Physical Notes become due.

Fixed Rate Notes represented by Physical Notes must be surrendered for payment together with all unexpired Coupons appertaining thereto (such expression including, for the purposes hereof, Coupons to be issued in exchange for matured Talons), failing which the amount of any missing unexpired Coupon (or, in the case of a partial payment, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the amount due. Any amount of principal so deducted shall be paid in the manner described above against surrender of the missing Coupon before the 1st January of the fourth year following the due date for payment of such amount, and not under any circumstances thereafter.

Where a Fixed Rate Note represented by a Physical Note becomes due prior to its Maturity Date, unexpired Talons appertaining thereto become void and no further Coupons shall be delivered.

Where a Floating Rate Note represented by a Physical Note becomes due prior to its Maturity Date, unexpired Coupons and Talons (if any) appertaining thereto (whether or not attached) become void and no payment shall be made or, if relevant, no further Coupons shall be delivered in respect thereof.

If a Physical Note is redeemed on a date that is not an Interest Payment Date, the interest (if any) accrued on such Note since the previous Interest Payment Date (included) or, as the case may be, the Interest Period Commencement Date (included) shall be paid only upon presentation and surrender (if relevant) of the related Physical Note.

7.3 Payments in the United States of America

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

7.4 Payments subject to fiscal laws

All payments shall be subject to any laws, regulations and directives, including fiscal, applicable without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

7.5 Appointment of Agents

The Fiscal Agent, the Paying Agents, the Calculation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer, and the Calculation Agents solely as independent experts, and under no circumstances do any of them assume any obligation or relationship of agency for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, Calculation Agent or Registration Agent and to appoint any other Fiscal Agent, Paying Agent(s), Calculation Agent(s) or Registration Agent(s) or any additional Paying Agent(s), Calculation Agent(s) or Registration Agent(s), provided that the Issuer shall at all times maintain (a) a Fiscal Agent, (b) one or more Calculation Agents, where the Terms so require, (c) a Paying Agent with specified offices in at least two major European cities (providing fiscal agency services in respect of the Notes in France so long as any Notes are admitted to trading on Euronext Paris and applicable market regulations so require), (d) in the case of Dematerialised Notes in pure registered form (*au nominatif pur*), a Registration Agent and (e) any other agent that may be required under the rules of any Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated U.S. dollars in the circumstances described in Condition 7.3 above.

Notice of any such change or of any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14.

7.6 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

7.7 Business Days

If any date for payment in respect of any Note or Coupon is not a business day (as defined below), the Noteholder, or Couponholder shall not be entitled to payment until the next following business day, nor to any other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or Sunday) (a) (i) in the case of Dematerialised Notes, on which Euroclear France is operating, or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation of the note for payment, (b) on which banks and foreign exchange markets are open for business in the countries specified as "Financial Centres" in the relevant Final Terms and (c) (i), in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the Specified Currency, a day on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii), in the case of a payment in euros, a day which is a TARGET Business Day.

7.8 **Bank**

For the purposes of this Condition 7, **Bank** means a bank established in the principal financial centre of the country in which the Specified Currency is the lawful currency, or in the case of payments in euros, in a city in which banks have access to the TARGET system.

8. **TAXATION**

8.1 **Withholding**

All payments of principal, interest and other similar income made by or on behalf of the Issuer in respect of the Notes, Receipts or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes or duties of any kind imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

8.2 **Additional Amounts**

If French law should require that payments of principal, interest or other similar income in respect of any Note, Receipt or Coupon are to be subject to withholding or deduction for any taxes or duties of any kind, present or future, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary for the Noteholders, Receiptholders and Couponholders to receive the full amount that would have been payable in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon in the following cases:

- (a) **Other connection:** the Noteholder, Receiptholder or Couponholder, or any third party acting on his behalf, is liable to such tax or duty in France by reason of having some connection with France other than the mere holding of the Notes, Receipts or Coupons; or
- (b) **More than 30 calendar days have passed since the Relevant Date:** in the case of Materialised Notes, more than 30 calendar days have passed since the Relevant Date, except where the holder of such Notes, Receipts or Coupons would have been entitled to an additional amount on presentation of the same for payment on the last day of such 30 day period.

References in this Condition to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 as completed by the relevant Final Terms, (ii) **interest** shall be deemed to include all Coupon Amounts and all other amounts payable pursuant to Condition 5 as completed by the relevant Final Terms and (iii) **principal** and/or **interest** and/or **similar income** shall be deemed to include any additional amounts that may be payable under this Condition.

9. **EVENTS OF DEFAULT**

If any of the following events occurs (each constituting an **Event of Default**), (i) the Representative (as defined in Condition 11) acting on its own or upon request of any Noteholder, may, upon written notice given on behalf of the *Masse* (as defined in Condition 11) by registered letter with acknowledgment of receipt to the Issuer, with a copy to the Fiscal Agent and the Guarantors, before the relevant default has been remedied, cause all of the Notes (but not some only) to become immediately due and payable; or (ii) if there is no Representative, any Noteholder may, upon written notice by registered letter with acknowledgment of receipt to the Issuer with a copy to the Fiscal Agent, cause all of the Notes (but not some only) to become immediately due and payable at the

Early Redemption Amount together with all accrued interest up to the actual date of redemption, without the necessity for any prior formal demand:

- (a) if the Issuer defaults in any payment of principal or interest due under any Note, Receipt or Coupon or, where applicable, the increase provided in case of withholding or deduction which the Notes become subject for a period of more than fifteen (15) calendar days from such due date; or
- (b) if there is a default by the Issuer in the due performance of any other provision of the Terms of the Notes, and such default has not been remedied within thirty (30) calendar days after receipt by the Issuer of written notice of such default from the Representative or, in the event that the holders of the Notes of a Series are not grouped together in a *Masse*, any Noteholder; or
- (c) if the Issuer or ST proposes a general moratorium on its debts; or judgment is rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*); or, to the extent permitted by law, the Issuer or ST is subject to any other liquidation or bankruptcy procedure.

10. PRESCRIPTION

All claims against the Issuer in relation to the Notes, Receipts and Coupons (except for Talons) shall lapse after five (5) years from their respective due dates.

11. REPRESENTATION OF NOTEHOLDERS

The Noteholders shall, in respect of all Tranches of a single Series, be grouped together automatically for the defence of their common interests in a *masse* (the *Masse*), which shall be governed by the provisions of articles L.228-46 et seq. of the *Code de commerce*, with the exception of articles L.228-71 and R.228-69 of the *Code de commerce*, as completed by Condition 11.

(a) Legal personality

The *Masse* will be a separate legal entity, acting in part through a representative (the **Representative**) and in part through collective decisions of Noteholders' (**Collective Decisions**).

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

(b) The Representative

In accordance with article L.228-51 of the *Code de Commerce*, the names and addresses of the Representative and his alternate (if relevant) shall be set forth in the relevant Final Terms. The Representative appointed for the first Tranche of a Series of Notes shall be the sole Representative of the *Masse* for all Tranches of such Series.

The Representative shall receive remuneration for the performance of his functions and duties, as specified in the relevant Final Terms. No additional remuneration shall be payable in relation to any subsequent Tranches of the same Series of Notes.

In the event of death, resignation or dismissal of a Representative, the alternate Representative (if applicable) shall replace him. Another Representative may be appointed.

All interested parties may at any time obtain the names and addresses of the initial Representative and his alternate at the principal office of the Issuer and the specified office of any of the Paying Agents.

(c) **Powers of the Representative**

The Representative shall (in the absence of any resolution to the contrary of the Noteholders' General Meeting), have the power to take any management action necessary for the defence of the common interests of the Noteholders.

All legal proceedings brought against or by the Noteholders must be brought by or against the Representative, as the case may be.

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

(d) **Collective Decisions**

Collective Decisions are adopted in general meeting (**General Meeting**) or by approval following a written consultation (**Written Decision**).

In accordance with article R.228-71 of the *Code de Commerce*, each Noteholder shall be entitled to participate in Collective Decisions by book entry, in its name, of its Notes either in the registered notes accounts held by the Issuer, or in the bearer notes accounts held by an intermediary (if applicable) on the second (2nd) business day prior to the date of the Collective Decision at midnight (00.00h), Paris time.

Collective Decisions must be published in accordance with Condition 11(h).

The Issuer shall keep a register of Collective Decisions and shall make it available, upon request, to any subsequent Noteholder of the Notes of such Series.

(A) **General Meetings**

Noteholders' General Meetings may be held at any time, on convocation either by the Issuer or the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30th) of the nominal amount of the Notes outstanding may request the Issuer or the Representative to convene a General Meeting; if such General Meeting has not been convened within two (2) months from such demand, such Noteholders may instruct one of themselves to petition the competent courts to appoint an agent to convene the meeting.

General Meetings may only deliberate validly on first convocation if the Noteholders present or represented hold at least one fifth (1/5th) of the nominal amount of Notes then outstanding. On second convocation no quorum is required. Decisions at General Meetings shall be valid if taken by a majority of two thirds (2/3rd) of the votes cast by the Noteholders present or represented at such meeting.

A notice indicating the date, time and place and agenda of the General Meeting shall be published in accordance with Condition 11(h) fifteen (15) calendar days at least prior to the date of the General Meeting on first convocation and no less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in General Meetings in person, by proxy, by postal ballot, by video conference or by any other means of

communication enabling the Noteholders participating in the General Meeting to be identified.

Each Noteholder or its representative shall have the right, throughout the fifteen (15) calendar day period preceding the holding of a General Meeting, on first convocation, or throughout the five (5) calendar day period preceding the holding of a General Meeting on second convocation, to consult or make copies of the text of the resolutions to be proposed and of the reports to be presented at the General Meeting. Such documents will be available for inspection at the registered office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of such General Meeting.

(B) Written Decisions and Electronic Consent

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by Written Decision.

Such Written Decision may be signed by or on behalf of Noteholders holding at least eighty per cent (80%) of the nominal amount of the Notes in issue, without having to comply with the formality requirements and deadlines specified in Condition 11(d)(A). Any Written Decision shall have in all respects the same effect as a resolution adopted at a General Meeting of Noteholders. The Written Decision shall be evidenced in a single document or in several documents of identical format, signed by or on behalf of one or more Noteholders. Pursuant to article L.228-46-1 of the Commercial Code, Noteholders may also express their approval or rejection of a proposed Written Decision by any means of electronic communication enabling them to be identified (Electronic Consent). Any Written Decision (including those adopted by Electronic Consent) shall be published in accordance with Condition 11(h).

Notices relating to requests for approval via Written Decision (including by Electronic Consent) must be published in accordance with Condition 11(h) at least five (5) calendar days before the date set for adoption of such Written Decision (the **Written Decision Date**). Notices relating to requests for approval via Written Decision shall contain the conditions relating to form and deadlines to be observed by Noteholders who wish to express their approval or rejection of the proposed Written Decision. Noteholders who express their approval or rejection before the Written Decision Date undertake not to dispose of their Notes before the Written Decision Date.

(C) Disapplication of various articles of the *Code de commerce*

The following provisions of the *Code de commerce* shall not apply to the Notes:

- i) article L.228-65 I. 1° requiring prior approval by Collective Decision for proposed changes to the form or corporate objects of the Issuer;
- ii) articles L.228-65 I. 3°, L.236-13 and L.236-18 requiring prior approval by Collective Decision for any proposed merger or spin-off but only in the case of an intragroup merger or spin-off;
- iii) article L.228-65 I. 4° requiring prior approval by Collective Decision for issuance of notes guaranteed by security (*sûreté réelle*).

(e) **Expenses**

The Issuer shall pay, upon presentation of the appropriate supporting documents, all expenses incurred in connection with the conduct of the affairs of the *Masse*, including all expenses relating to notices and the holding of Collective Decisions and, more generally, all administrative expenses adopted by Collective Decisions, provided however that no expenses may be imputed against any interest payable on the Notes.

(f) **Single *Masse***

The Noteholders of the same Series, (including Noteholders of any other Tranche consolidated in accordance with Condition 13) and the holders of the Notes of any series that have been consolidated with another Series in accordance with Condition 1.5, shall be grouped together for the defence of their common interests into a single *Masse*. The Representative appointed for the first Tranche of a Series of Notes shall be the Representative of the single *Masse* of the Series.

(g) **Single Noteholder**

As long as the Notes are held by a single Noteholder, and unless a Representative has been appointed in relation to such Series, the relevant Noteholder will exercise all of the powers delegated to *Masse* by the provisions of the *Code de commerce*. The Issuer shall keep a register of all decisions adopted by the single Noteholder, in such capacity, and shall make it available, on demand, to any future Noteholder of the Notes of such Series. A Representative shall be appointed when the Notes of a Series are held by more than one Noteholder.

(h) **Notices to Noteholders**

All notices to be delivered to Noteholders in accordance with this Condition 11(h) shall be addressed in accordance with Condition 14.

(i) **Full *Masse***

In respect of any Note issued with a nominal value of less than 100,000€(or the equivalent thereof in other currencies) in respect of which the Final Terms specify that “Issue outside France” is not applicable, Condition 11 shall apply with the following modifications:

(A) The introductory paragraph to Condition 11 shall be deleted and replaced as follows:

*“The Noteholders shall, in respect of all Tranches of a single Series, be grouped together automatically for the defence of their common interests in a masse (the **Masse**), which shall be governed by the provisions of articles L.228-46 et seq. of the Code de commerce, with the exception of article R.228-69 of the Code de commerce, as completed by Condition 11”*

(B) Condition 11(d)(C) shall not apply to the Notes.

(C) Condition 11(e) shall be deleted.

- (D) Following the deletion of Condition 11(e), the subsequent conditions shall be renumbered accordingly and any reference to Condition 11(h) shall be construed as a reference to Condition 11(g).

For the avoidance of doubt in this Condition 11, the term "outstanding" shall not include the Notes purchased by the Issuer pursuant to Condition 6.7, which are held by it and not cancelled.

12. REPLACEMENT OF PHYSICAL NOTES, RECEIPTS, COUPONS AND TALONS

In the case of Materialised Notes, any Physical Note, Receipt, Coupon or Talon that has been lost, stolen, defaced or destroyed in whole or in part, may be replaced, in compliance with applicable laws and stock market rules and regulations at the offices of the Fiscal Agent or any other Paying Agent, if any, appointed by the Issuer for such purpose and whose appointment shall be notified to the Noteholders. Such replacement shall be made against payment by the claimant of any fees and expenses incurred in connection therewith and subject to such terms as to proof, security or indemnity (which may provide, inter alia, that in the event that the Physical Note, Receipt, Coupon or Talon allegedly lost, stolen or destroyed is subsequently presented for payment or, as the case may be, for exchange for further Coupons, the Issuer shall be paid, at its request, the amount payable by the Issuer in respect of such Physical Notes, Coupons or further Coupons). Partially destroyed or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. FUNGIBLE ISSUES

The Issuer shall be entitled, without the consent of the holders of any Notes, Receipts or Coupons, to create and issue further notes to be consolidated with the already issued Notes to form a single Series, provided that such already issued Notes and the further notes confer on their holders rights that are identical in all respects (or identical in all respects other than the issue date, Issue Price and the amount of the first interest payment) and that the terms of such Notes provide for consolidation. References to "Notes" in these Terms shall be interpreted accordingly.

14. NOTICES

- 14.1** Notices addressed by the Issuer to the holders of Dematerialised Notes in registered form shall be valid either (a) if they are posted to their respective addresses, in which case they shall be deemed to have been delivered on the fourth Business Day after posting or (b) at the option of the Issuer, if they are published in one of the leading economic and financial daily newspapers with general circulation in Europe (which is expected to be the *Financial Times*). So long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall not be deemed to be valid unless published on the website of any relevant regulatory authority, in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of such market.
- 14.2** Notices addressed to Noteholders of Materialised Notes and Dematerialised Notes in bearer form shall be valid if published in a leading economic and financial daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and, so long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of such market.

- 14.3** If any such publication is not practicable, the notice shall be validly given if published in a leading economic and financial newspaper with general circulation in Europe, provided however that, so long as the Notes are admitted to trading on any regulated market, notices must be published in any other manner required, as the case may be, under the applicable rules of such regulated market. Noteholders shall be deemed to have had notice of the contents of any notice on the date of publication, or if the notice was published more than once or on different dates, on the date of the first publication as described above. Couponholders shall be deemed, in all circumstances, to have had notice of the contents of any notice addressed to Noteholders of Materialised Notes in accordance with this Condition.
- 14.4** Notices addressed to holders of Dematerialised Notes (whether in registered or bearer form) in accordance with these Terms may be delivered to Euroclear France, Euroclear, Clearstream or any other clearing system through which the Notes are then cleared, instead of posting or publishing the notice as provided in Conditions 14.1, 14.2 and 14.3 above, provided however that so long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of such market.
- 14.5** Notices concerning convocations and decisions of General Meetings shall, in accordance with Condition 11 and pursuant to articles R.228-79 and R.236-11 of the *Code de Commerce*, be delivered to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are cleared at such time. For the avoidance of doubt, Conditions 14.1, 14.2, 14.3 and 14.4 shall not apply to such notices.

15. GOVERNING LAW, LANGUAGE AND JURISDICTION

15.1 Governing law

The Notes, Receipts, Coupons, Talons and Guarantees are governed by and shall be interpreted in accordance with French law.

15.2 Jurisdiction

Any claims against the Issuer relating to the Notes, Receipts, Coupons or Talons shall be brought before the competent courts of the jurisdiction of the Issuer's registered office.

16. LANGUAGE

This Base Prospectus has been drafted in French and English, only the French version approved by the AMF may be relied upon as the authentic and binding version.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

1. TEMPORARY GLOBAL CERTIFICATES

A Temporary Global Certificate in respect of Materialised Notes, without interest coupons, will initially be issued (a **Temporary Global Certificate**) for each Tranche of Materialised Notes, and shall be deposited at the latest by the issue date of such Tranche with a common depository (the **Common Depository**) for Euroclear Bank SA/NV (**Euroclear**), and Clearstream banking, S.A. (**Clearstream**). Following deposit of such Temporary Global Certificate with a Common Depository, Euroclear or Clearstream shall credit each subscriber with an amount in principal of Notes equal to the nominal amount so subscribed and paid for.

The Common Depository may also credit the accounts of subscribers of a nominal amount of Notes (if so specified in the applicable Final Terms) with other clearing systems through accounts held directly or indirectly by such other clearing systems with Euroclear and Clearstream. Conversely, a nominal amount of Notes initially deposited with any other clearing system may, in the same manner, be credited to the accounts of subscribers held with Euroclear, Clearstream or other clearing systems.

2. EXCHANGE

Each Temporary Global Certificate in respect of Materialised Notes shall be exchangeable, free of charge to the bearer, at the earliest on the Exchange Date (as defined below):

- (a) if the relevant Final Terms specify that the Temporary Global Certificate is issued in compliance with the TEFRA C Rules or in a transaction to which the TEFRA rules do not apply (see section "General Description of the Programme"), in whole but not in part, for Physical Notes; and
- (b) in all other cases, in whole but not in part, after certification, to the extent required under section § 1.163-5(c)(2)(i)(D)(4)(ii) of the U.S. Treasury regulations, that the Notes are not held by U.S. persons, for Physical Notes.

3. DELIVERY OF PHYSICAL NOTES

On or after the Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. The Issuer shall, in exchange for any Temporary Global Certificate, deliver or procure the delivery of an equal aggregate nominal amount of duly signed and authenticated Physical Notes. For the purposes of this Base Prospectus, **Physical Notes** means, in respect of a Temporary Global Certificate, the Physical Notes for which the Temporary Global Certificate may be exchanged (having, if appropriate, attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Physical Notes will be security printed in accordance with any applicable legal and stock exchange requirements.

Exchange Date means, in relation to a Temporary Global Certificate, the day falling no earlier than 40 calendar days after its issue date, provided however that, in the case of a further issue of Materialised Notes, to be consolidated with such previously mentioned Materialised Notes, issued prior to such day in accordance with Condition 13, the Exchange Date may, at the option of the Issuer, be postponed until a date falling at least 40 calendar days after the issue date of such further Materialised Notes.

In the case of Materialised Notes with a minimum maturity of more than 365 days (to which the TEFRA C Rules do not apply), the Temporary Global Certificate must include the following legend:

ANY UNITED STATES PERSON (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986) WHO HOLDS THIS NOTE WILL BE SUBJECT TO RESTRICTIONS UNDER UNITED STATES FEDERAL INCOME TAX LAWS, INCLUDING THOSE PROVIDED UNDER SECTIONS 165(J) AND 1287(A) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED.

USE OF PROCEEDS

The net proceeds of the issue of Notes are intended to finance the Issuer's activities in accordance with its general corporate purposes. More specifically, the proceeds of the Issue of Notes is used, firstly, to grant loans to Members in the context of the lending policy as well as to gradually establish and maintain liquidity reserves in accordance with regulatory obligations and good management practices.

If the relevant Final Terms specify that the Bonds are Sustainable Bonds (the **Sustainable Bonds**), an amount equivalent to the net proceeds derived from of the issue of the Sustainable Bonds shall be used exclusively to finance or refinance, in whole or in part, eligible expenditure falling in the Eligible Categories indicated below (as described in the Issuer's Sustainable Bonds Scheme (the **Scheme**) available on the Issuer's website: http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2020-05/AFL_Sustainability%20Bond%20Framework_200331_VFr.pdf). Identifying eligible expenditure involves determining, within the annual budget of each target Local Authority, the share of that budget which is entirely devoted to investment falling within Eligible Categories (in accordance with the eligibility criteria listed below). This percentage is then applied to the loans granted by the Issuer to the relevant Local Authority Member during the reference year.

The Members' **Eligible Categories** are as follows:

1. ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES		SDG
1.1 Education and culture	<p>Eligibility criteria The (re-) financing of expenditure which:</p> <ul style="list-style-type: none"> • Provides access to educational infrastructure and services for all • Provides access to sports, cultural and leisure infrastructure for all <p>Target population The entire population of target local authorities</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> • Building of schools, campuses and student housing, including sports facilities in educational establishments: provides the population with accessible and affordable services • Financing works for renovation, modernisation, compliance with safety and seismic standards, energy renovation of public school and university buildings • Financing of public libraries, archives and museums 	4. Quality Education
1.2 Employment	<p>Eligibility criteria The (re-) financing of expenditure which supports development of economic activity with the aim of promoting and protecting employment in disadvantaged local authorities*, including:</p> <ul style="list-style-type: none"> • Socio-economic development and progress of the area • Developing attractiveness and competitiveness of the area • Aid for economic integration • Support for SSE (social and solidarity economy) enterprises <p>Target population Disadvantaged local authorities*</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> • Financing of projects to promote attractiveness of the area • Financing professional career-change training 	8. Decent Work and Economic Growth 9. Industry, Innovation and Infrastructure 10. Reduced Inequalities
1.3 Access to essential health services	<p>Eligibility criteria The (re-) financing of expenditure which increases the ability of local authorities to provide health services accessible to all</p> <p>Target population The entire population of target local authorities</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> • Financing of the construction, development, maintenance or renovation of healthcare establishments, and associated medical equipment and technologies to improve and protect public health • Financing of preventive health and social welfare facilities and services 	3. Good Health And Well-Being
1.4 Social inclusion	<p>Eligibility criteria The (re-) financing of expenditure which:</p> <ul style="list-style-type: none"> • Provides access to health services and infrastructure for the elderly, persons with disabilities and the dependent • Provides access to paediatric health facilities and services • Provides financial assistance to low-income families <p>Target population Vulnerable population groups (the young, elderly, low-income families, persons with disabilities or at risk of social exclusion, etc.)</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> • Building of specialist care establishments for the elderly • Specialist support services and facilities for persons with disabilities 	1.No Poverty 10.Reduced Inequalities

	<ul style="list-style-type: none"> Financing of childcare facilities and nurseries 	
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2. ENERGY AND ECOLOGICAL TRANSITION

2.1 Low carbon public transport	<p>Eligibility criteria</p> <ul style="list-style-type: none"> Development, construction and/or maintenance of low carbon public transport infrastructure including: <ul style="list-style-type: none"> Railway infrastructure Non-motorised mobility, for example cycle lanes and pedestrian areas Zero direct emission public buses Development, construction and/or maintenance of multi-modal transport infrastructure in disadvantaged local authorities* <p>Exclusion criteria</p> <ul style="list-style-type: none"> Air transport expenditure is excluded Road, river and maritime transport are excluded in the absence of data confirming the environmental benefit of the local authority's budgetary item <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> Financing the construction, equipment or maintenance of low carbon public transport amenities, such as new public railways, multi-modal hubs or cycle lanes 	9. Industry, Innovation and Infrastructure 11. Sustainable Cities and Communities
2.2 Pollution prevention and control	<p>Eligibility criteria</p> <p>The (re-)financing of expenditure contributing to the prevention and control of pollution, including:</p> <ul style="list-style-type: none"> De-polluting the ground Prevention, reduction and recycling of waste <p>Exclusion criteria</p> <p>Average expenditure relating to landfill waste is excluded</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> Financing of public waste management sites with the aim of reducing and recycling waste Financing projects for the prevention of waste and awareness of waste reduction and recycling 	11.Sustainable Cities and Communities 12.Responsible Consumption and Production
2.3 Renewable energy	<p>Eligibility criteria</p> <p>The (re-)financing of expenditure which supports the development of renewable energy with the aim of promoting energy transition and contributing to the mitigation of climate change effects. The eligible sources of renewable energy are as follows:</p> <ul style="list-style-type: none"> wind energy solar energy <p>Exclusion criteria</p> <p>Categories relating to (i) hydroelectricity, biomass combustibles, geothermal energy (ii) urban heating and cooling networks and (iii) non-renewable energy sources are excluded</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> Financing the construction, equipment or maintenance of renewable energy infrastructure 	7. Affordable and Clean Energy

3. SUSTAINABLE INFRASTRUCTURE, DEVELOPMENT OF THE COMMUNES AND TERRITORIAL COHESION

3.1 Sustainable	<p>Eligibility criteria</p> <p>The (re-)financing of expenditure which:</p>	6. Clean Water and
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management of water and sewage	<ul style="list-style-type: none"> improves sanitation amenities and sewage systems improves the efficiency of sewage treatment and provides better access to drinking water improves flood risk mitigation <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> Financing the construction, maintenance or modernisation of water supply networks Financing sewage treatment infrastructure: sewage networks, sewage treatment facilities, on-site sanitation facilities 	Sanitation
3.2 Affordable housing	<p>Eligibility criteria The (re-)financing of expenditure which:</p> <ul style="list-style-type: none"> supports social housing organisations assists tenants in the search for housing offers other housing-related support <p>Target population Social housing (HLM) organisations, tenants receiving housing benefit</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> Financing of social housing Financing of subsidies for social housing (HLM) organisations Financing of financial support schemes for tenants 	11.Sustainable Cities and Communities
3.3 Affordable and sustainable infrastructure	<p>Eligibility criteria The (re-) financing of expenditure which supports the development of quality and sustainable infrastructure for all disadvantaged local authorities*, including:</p> <ul style="list-style-type: none"> developing public infrastructure contributing to the improvement of living conditions in disadvantaged urban and/or rural areas construction, renovation and maintenance of public buildings, public lighting and infrastructure <p>Target population Disadvantaged local authorities*</p> <p>Examples of eligible expenditure/investment</p> <ul style="list-style-type: none"> Financing of works for the renovation, modernisation and conformity with safety standards of public buildings and infrastructure Financing of amenities contributing to rural development Financing of public lighting 	9.Industry, Innovation and Infrastructure 10. Reduced Inequalities 11.Sustainable Cities and Communities

Disadvantaged Local Authorities will receive special attention.

Disadvantaged Local Authority refers to any local authority ranked in the bottom third based on an internal score derived from public data and statistics, including:

- the unemployment rate;
- the share of long-term unemployed;
- the share of the population living in priority neighbourhoods; and
- the poverty rate.

Eligible expenditure does not include:

- expenses incurred thirty-six months prior, as from the year the Bond was issued;

- expenditure that has already been (or could be) refinanced through specific local authority green and/or social/or sustainable bonds;
- expenditure supported by EU funding; and
- additional sectoral exclusions, as detailed in previous pages.

If necessary, the Final Terms will specify the expected refinancing element, the Eligible Categories for a Tranche of Notes and any other necessary information, including whether opinions from third-party organizations or audit reports are issued and how they are made available.

The AFL intends to produce an allocation and impact report at least once per year until all the funds issued under Sustainable Bonds have been allocated, and thereafter if such allocation is materially changed. The report shall contain the following information:

- the total amount of funds distributed by reference to the (i) main areas of intervention and (ii) the Eligible Categories;
- the total amount of funds utilised for refinancing or the new loans granted;
- the amount of funds unallocated (if relevant);
- the number, type and geographical distribution of the Local Authorities financed;
- the contribution of the funds towards the applicable United Nations' sustainable development objectives;

The allocation and impact report shall appear in a report devoted to Sustainable Bonds to be made available on AFL's website: www.agence-france-locale.fr.

Second opinion

For the purpose of the establishment of the Scheme, the Issuer appointed Vigeo Eiris to carry out an external examination of its Sustainable Bonds scheme and to provide it with a second opinion on the environmental and social aspects of its Scheme, as well as its conformity with the principles applicable to green and social bonds defined in the June 2018 version of the Green Bond Principles and Social Bond Principles of the International Capital Markets Association.

This second opinion is published on AFL's website: www.agence-france-locale.fr.

External examination

The Issuer will publish on its website the report expressing moderate or reasonable assurance, provided by its external statutory auditors or by any other independent entity it has appointed. In each report, the statutory auditors shall verify:

- that an amount equal to the net proceeds of the Sustainable Bonds has been allocated in compliance (all material aspects being considered) with the Eligible Categories defined in the Scheme;
- the number of Local Authorities financed and the contribution of the proceeds towards the applicable sustainable development objectives.

If, in relation to a Series of Notes, a specific use for the proceeds, or a use other than that stipulated above, is intended, this will be stated in the relevant Final Terms.

DESCRIPTION OF THE ISSUER

1. INFORMATION ABOUT THE ISSUER

1.1 History and Development of the Issuer

(a) Company name and trade name

The Issuer's company name is "Agence France Locale," as adopted by the Issuer's shareholders' general meeting on 24 June 2014. It was formerly called "Agence France Locale – Operating Company."

(b) Place of registration and registration number

The Issuer is registered with the Lyon Trade and Companies Register under no. 799 379 649.

(c) Issuer's date of incorporation and term

The Issuer was incorporated on 17 December 2013 as a French limited liability (*société anonyme*) company governed by an Executive Board and a Supervisory Board.

The Issuer was created in the wake of adoption of the Law of 26 July 2013. Article 35 of this Law (subsequently codified in Article L. 1611-3-2 of the amended French CGCT (General Local Authorities Code)) expressly stipulates that French local authorities may create a public company in the form of a limited liability company (*société anonyme*) governed by Book II of the French Commercial Code (*Code de commerce*), whose purpose is to contribute to their funding through a dedicated subsidiary company.

Article L. 1611-3-2 of the CGCT in the version appearing in the Engagement and Proximity Law provides:

"Local authorities, their groupings and local public establishments can create a limited liability company (société anonyme) governed by Book II of the French Commercial Code in which they hold 100% of the share capital and whose purpose is to contribute to their funding through a dedicated subsidiary company.

This company and its subsidiary shall perform their activities exclusively on behalf of the local authorities, their groupings and local public establishments. This financing activity shall be carried out by the subsidiary using resources mainly generated by issues of financial instruments, excluding resources received directly from the French State or resources guaranteed by the French State.

In derogation of the provisions of Articles L. 2252-1 to L. 2252-5, L. 3231-4, L. 3231-5, L. 4253-1, L. 4253-2 and L. 5111-4, local authorities, their groupings and local public establishments are authorised to guarantee all of the subsidiary's commitments up to the amount of their own outstanding loans with said subsidiary. The conditions for the application of this guarantee are specified in the articles of association of the two companies."

The implementation decree no. 2020-556 dated 11 May 2020, published on 12 May 2020 (the **Decree**), has specified the financial conditions applicable to all new entrants as from the date of publication, under which local authorities, their groupings and local public

establishments may become shareholders in this company (see paragraph 2.5(a) “Rating policy” in the “Issuer Description” section).

In accordance with the aforementioned provisions, ST holds practically all of the Issuer's share capital and voting rights. Further information about ST is provided in paragraph 4 "Description of ST" of the section "Description of Guarantors and the guarantee mechanism" herein.

The Issuer's term is 99 years as from the date of its registration with the Companies and Trade Register, i.e., until 23 December 2112, unless such term is extended or the Issuer is dissolved prior to this date.

(d) General information

(i) Registered office

The Issuer's registered office address, telephone and fax numbers and website are as follows:

Agence France Locale
Tour Oxygène, 10-12 boulevard Vivier Merle, Lyon, France
Tel.: +33 (0)4 81 11 29 33
Fax: +33 (0)4 81 11 29 20
Website: www.agence-france-locale.fr
E-mail: thiebaut.julin@agence-france-locale.fr

(ii) Legal form

This issuer is a French limited liability company (*société anonyme*) with an Executive Board and Supervisory Board governed by the provisions of the French Commercial Code.

(iii) Applicable legislation

Subject to the legal and regulatory provisions related to credit institutions, particularly the applicable articles of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer is governed by commercial law, principally by Articles L. 210-1 *et seq.* of the French Commercial Code, as well as its articles of association (*statuts*).

The Issuer is a licensed specialised credit institution that is authorised to carry out lending activities and collect repayable funds from the public.

It is therefore subject to an extensive number of prudential requirements and is regulated by the French prudential supervisory authority (ACPR). Section 12.3 (“The Issuer's capital and liquidity requirements”) herein contains a description of the main prudential ratios with which the Issuer must comply.

Moreover, Article L. 1611-3-2 of the CGCT imposes restrictions as to its business operations.

(e) Rating assigned to the Issuer or its Programme

The Issuer has been assigned an Aa3 rating, stable outlook, by Moody's and a rating AA-, stable outlook by S&P. The Programme has an Aa3 rating assigned by Moody's and a rating AA - by S&P. Notes issued under the Programme may or may not be attributed a rating. The rating attributed to the Notes, if any, shall be specified in the relevant Final Terms. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency. On the date of this Base Prospectus, Moody's and S&P are rating agencies established in the European Union and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council of 16 September 2009 relating to credit rating agencies as amended (the **CRA Regulation**) and are included on the list of credit rating agencies published on the European Financial Markets Authority website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

S&P indicates that a debtor with a long-term credit rating of "AA" has a strong capacity to meet its financial obligations. There is very little difference between these debtors and those with the highest credit rating.

Moody's indicates that obligations with an "AA" rating are considered of high quality and assigned a very low credit risk. The coefficient 3 indicates that the obligations are categorised as the lowest "AA" rating level.

1.2 Investments

(a) Fixed asset investments

This Issuer does not intend to carry out significant capital expenditures given its operational organisation and structure.

(b) Financial investments

The Issuer reinvests the revenue from its lending as well as that from its regular increases in capital, which it carries out pending granting loans to its members. As a result, a liquidity reserve has built up, investments of which are guided by the investment and credit risk management policy related to the market activity, which sets out the main principles of cash investment and the credit risk management policy related to the Issuer's activities. A compartment of the liquidity reserve is invested in fixed rate and floating rate bonds, mainly public sector issuers in the European Economic Area, North America and various OECD countries (a list of which is maintained by AFL's Credit Committee) of high credit quality, assessed in particular by reference to the credit rating of such issuers. These securities are swapped against a variable benchmark in accordance with the Issuer's interest rate risk hedging policy with the aim of neutralizing the effects of an adverse trend in interest rates on the value of these securities. In accordance with the Issuer's management guidelines, at least 70% of the securities in the liquidity reserve are classified as HQLA or highly liquid. In addition, most of these securities have access to European Central Bank refinancing.

The liquidity reserve thus created represents an amount equal to that of its anticipated net cash requirements over the next 12 months.

This system for managing the Issuer's liquidity reserve is inspired by that employed by the main government local authority funding agencies as well as by the multilateral development banks. It has demonstrated its effectiveness in ensuring that these institutions

have liquidity in a wide range of market conditions whilst minimizing any impact on their profitability. The Issuer's aim is to manage all risks generated by its financial activities (exchange rate risk, interest rate risk, liquidity risk), with the exception of the risk that results from the very nature of its activity of lending to Members.

Agence France Locale aims to hedge its balance sheet against interest and exchange rate risk by indexing of the instruments recorded thereon mainly on 3-month Euribor, by assuming interest rate risk exposure associated with employing own funds to grant unhedged, fixed rate loans to Members.

The other financial assets comprise principally deposit accounts held with French banks, the *Trésor* and the *Banque de France*.

At 31 December 2019, total financial assets making up the liquidity reserve amounted to 947.5 million euros.

2. BUSINESS OVERVIEW

2.1 ACPR approval

Pursuant to its authorisation as a specialised credit institution granted by the ACPR on December 22, 2014 and which became effective on 12 January 2015, the Issuer may carry out lending activities and collect repayable funds from the public. In accordance with Article L. 1611-3-2 of the CGCT, the Issuer may only conduct lending activities for the Local Authorities that are Members.

2.2 Issuer's business

The main missions of Agence France Locale, a credit institution of which more than 99.99% of the share capital is owned by ST, are as follows:

- providing loans exclusively to Members;
- fund-raising on the capital markets; and
- the daily operational management of financial activities.

(a) Lending activity

The Issuer's corporate objects are specified in article 2 of its articles of association. In accordance with the provisions of Article L. 1611-3-2 of the CGCT, the Issuer's main activity is extending loans to Members to help them financing a portion of their investment budgets.

For the most part, the Issuer offers:

- medium- and long-term funding (Medium-Long Term Loans) since the onset of operations; and
- short-term funding (Liquidity Facilities), since the fourth quarter of 2016.

In addition, since December 2017, the Issuer has been purchasing receivables arising under loans granted to Members by other banking institutions.

Liquidity Facilities are subject to specific budgetary and accounting regimes. Circular NOR/INT/B/89/007/C of 22 February 1989 on short-term financial support offered to local authorities and their public institutions stipulated the rules for distinguishing the form of money lending according to its on- or off-budget treatment by the local authority's decision-making body.

Thus, such financial support is treated as a liquidity facility recorded off-budget in class 5 financial statements and is intended to be used to manage the local authority's liquidity.

As a result of this fundamental distinction the amounts lent through a Liquidity Facility are not intended to fund investment and do not amount to budgetary resources. They only fund the temporary period between when expenses are paid and income is received.

The Issuer does not intend to:

- act as a counterparty on behalf of the Members in connection with financial futures transactions;
- distribute structured products inseparably combining straight-forward financing with rates calculation options;
- carry out other transactions related to its authorisation.

(b) Collecting repayable funds from the public by offering debt securities to the public

The Issuer also expects to collect repayable funds from the public through debt security issues made to the public in accordance with the provisions of Article R. 312-18 of the French Financial and Monetary Code (*Code monétaire et financier*) on the issuance of debt securities equivalent to collecting repayable funds from the public.

2.3 Market

(a) Background

In accordance with the provisions of Article L. 1611-3-2 of the CGCT, the local authorities represent the AFL's sole target market. This potential market amounts to a total of 36,343 local and regional authorities and EPCIs with autonomous taxation powers. The Engagement and Proximity Law extended, beyond local authorities, EPCI and EPT, to all local authority groupings and local public establishments, the option to subscribe for share capital in ST. This development opens up an additional space for expansion of the AFL Group, which is preparing, as a first step, to welcome its first Syndicat Members (*Membres Syndicats*) by the end of 2020, a potential total of 9,970 Syndicats, a significant number of which however do not use credit.

As at 1 January 2019, there were 34,970 municipalities, 96 departments (*départements*) and 18 *régions* (including Corsica and the 5 overseas *régions*).

More than 97.1% of the municipalities have fewer than 10,000 inhabitants.

Coverage of the entire nation by tax-raising EPCI has been completed. As of 1st January 2019, four isolated *communes* remained, which are four mono-communal islands enjoying special legislative dispensation (the Ile d'Yeu, Ile de Bréhat, Ile de Sein and Ile de Ouessant).

As of 1 January 2019 there were 1,258 Tax-Raising EPCIs together with two special status authorities, the *Ville de Paris* and the *Métropole de Lyon*, within the meaning of article 72 paragraph 1 of the Constitution: 1,001 municipality communities, 223 agglomeration communities, 13 urban communities and 21 ordinary *métropoles*. Two authorities have a special status, the *Ville de Paris* following the absorption of the *département de Paris* and the *Métropole de Lyon*, created on 1st January 2015 and henceforth bestowed with the powers of an urban authority (*communauté urbaine*) and a *département*. Among the *métropoles* created on 1st January 2016, two have special status: *Grand Paris* and the *métropole d'Aix Marseille Provence*. The *Métropole du Grand Paris*, established by article 12 of the MAPTAM law and divided into 12 territories (EPT1 to EPT12). The *métropole d'Aix Marseille Provence* may merge with the *Département des Bouches du Rhône* in the next 2 or 3 years.

As a reminder, as of today's date 5 *communautés urbaines* out of a total of 14 and 11 *métropoles* out of a total of 21 together with the *Métropole de Lyon* are members of the AFL.

Furthermore, the Finance Law 2018 dated 30 December 2017 renewed the financial incentive scheme promoting the continued establishment of new *communes*. As of 1 January 2019, 2508 *communes* had merged to form 774 new *communes*.

As of 1 January 2019, there are in France, around 9,970 combined *syndicats (syndicats mixtes)* and intercommunal cooperation public establishments (EPCI) without tax-raising powers, known as *syndicats (Syndicats¹)*. These comprise the following:

- inter-communal *syndicats (syndicats intercommunaux)* of which there are 7,064 divided into single purpose inter-communal *syndicats (syndicats intercommunaux à vocation unique)* (5882) and multi-purpose inter-communal *syndicats (syndicats intercommunaux à vocation multiple)* (1,182)² ;
- Combined *syndicats (syndicats mixtes)* of which there are 2,748 ;
- Finally, there are 25 metropolitan hubs (*pôles métropolitains*) and 119 local and rural equilibrium hubs (*pôles d'équilibre territorial et rural*).

At the date of this Base Prospectus, the 360 members of AFL comprise the following :

- 268 *communes* ;
- 81 EPCI with autonomous taxation powers (including the EPT) ;
- 8 *départements* (including Saint-Pierre-et-Miquelon) ; and
- 3 *régions* (including French Polynesia);

The AFL Group is preparing to welcome *Syndicats*.

A detailed presentation of the Member Local Authorities by type and size is provided in section 5 of "Description of the Guarantors and the Guarantee Mechanism" in this Base Prospectus.

(b) Local Authorities' financial position

¹Source : DGCL, "At 1 January 2019, "Continued fall in the number of *syndicats* and stable number of Tax Raising EPCI", BIS n°134, April 2019, p. 1 ;

² Source : DGCL, *Local authorities in figures 2019*, June 2019.

The Local Authorities' key budget guidelines are described in section 5.2 of section "Description of the Guarantors and the Guarantee Mechanism" in this Base Prospectus.

The local authorities' credit risk profile is generally considered to be limited as they are required to establish balanced budgets under the supervision of the relevant representative of the State (*Préfet*) within the *département* and financial courts (regional/local accounting offices). In its report on local public financing published in October 2013³, the French Court of Auditors (*Cour des comptes*) emphasised that the Local Authorities "[...] represent in practice a sub-sovereign risk due to the golden rule: they must ensure that they are able to make capital repayments on their loans from their own resources and may only borrow to finance their investment needs. Compliance with this rule is guaranteed by the statutory budgetary audit mechanism involving regional and local Courts of Auditors acting at the behest of the State representative. It notably includes a procedure for rectifying excessive deficits in the accounts." This rule ensuring balanced budgets is codified in Article L.1612-4 of the CGCT.

The report of the Court of Auditors on local public finances of 17 September 2019 highlights the improvement in the financial situation of French local authorities. This improvement has notably resulted in an increase in capital expenditure, without reducing the need for financing. In this regard, it should be recalled that this requirement had decreased significantly over the period 2015-2017 due to the 10 Bn euro decrease in State financial support for local authorities over the period and that the increase of more than 8.1% recorded in 2018 (excluding Société du Grand Paris - SGP) and that expected in 2019 are mainly a catch-up effect. The Finance Law 2020, on the other hand, anticipates a contraction of 1.8% in 2020.

The Court of Auditors anticipates further improvement in the financial situation of local authorities until 2022. Controlling the growth in expenditure, combined with faster revenue growth, should result in an increase of 8.1 Bn euros in gross savings, reaching 43.9 Bn euros by 31 December 2022 compared to 35.8 Bn euros at 31 December 2018. This would strengthen internal financing, the Court of Auditors concludes.

In its annual report "Local Authorities - France Perspective 2020" of 10 December 2019, Moody's Public Sector Europe anticipates a "positive outlook" for the credit quality of French local authorities in 2020⁴. This 2020 outlook is based primarily on "the *sustained efforts of local authorities in controlling operating expenditure [which] will continue and resilient economic growth [which] will result in increased tax revenues.* »

This analysis and forecasts were written prior to the outbreak of the Covid-19 health crisis. While it is assumed that this crisis will have a significant impact on local budgets, it does appear premature at this stage to offer an assessment since revenue and expenditure consequences will vary across local authority segments and based on their initial individual financial situation.

(c) Local Authorities' financing requirement and borrowing

Two types of resources are available to Local Authorities to meet their financing needs:

- "definitive" resources (mostly tax revenues and government grants); and

³ Source : Cour des Comptes, "*Local public financing*", thematic public report, October 2013

⁴ Source : Moody's Public Sector Europe, Regional & Local Governments –France 2020 Outlook, 10 December 2019, p. 3.

- "temporary" resources that are to be paid back (loans).

The "definitive" resources have remained stable, over the past ten years, the cutback in

	<i>Communes</i>		<i>GFP</i>		<i>Départements</i>		<i>Régions</i>		Total	
	Amount in Bn€	Change 2018/2017	Amount in Bn€	Change 2018/2017	Amount in Bn€	Change 2018/2017	Amount in Bn€	Change 2018/2017	Amount in Bn€	Change 2018/2017
Interest on debt	1.97	-7.50%	1.08	-4.90%	0.74	-7.90%	0.6	-0.40%	4.39	-6.20%
Debt repayment	6.9	-0.40%	4.07	10.50%	3.26	-1.90%	2.11	15.00%	16.34	2.90%
New Borrowing	6.47	-9.80%	4.37	11.30%	2.54	1.50%	2.7	6.90%	16.08	-1.35%
Debt at 31/12	72.17	-1.26%	44.17	3.73%	32.55	-2.54%	27.765	3.48%	176.655	0.50%

government grants of €1 billion euros between 2014 and 2017 has nevertheless hindered their development and structure.

Local authorities' borrowing requirement in 2018 amounted to 16 billion euros, of which 13.3 billion euros for the main budgets⁵.

The table below shows local authority indebtedness (main and ancillary budgets) as at 31 December 2018.

Source : OFGPL, DGFIP – Finance Ministry ; Management accounts, main budgets and ancillary budgets.

Unlike the rating agencies (Moody's and Standard & Poor's), AFL consolidates local authorities' indebtedness and borrowing requirement by aggregating the main and ancillary budgets.

In its annual public report of February 2020, the Court of Auditors expects a "*sharp deceleration in local government spending*" as a result of the "*decrease in investment linked to the communal election cycle*". In 2020, gross fixed capital formation would decline by 1.8%, excluding Société du Grand Paris, after an increase of 8.1% in 2019. Nevertheless, the Court states that its 2020 forecast is "*tainted with uncertainties*". Against a background of "*significant financial room for manoeuvre*" (with savings "*close to historic highs*"), communes - which have in the past two years made investments "*at a lower level*" than in previous mandates (up +8.9% in 2019) - may be tempted to "*decrease their investment less rapidly than expected*".

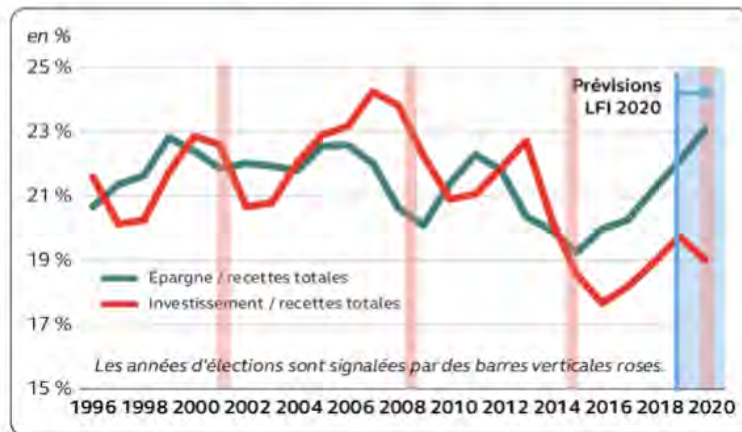
⁵ Source : *Observatoire des finances et de la gestion publique locales*, Local authority financing in 2019, September 2019, p. 73 et s.

The table below shows the indebtedness position (main and ancillary budgets) of the *Syndicats Intercommunaux* and *Syndicats Mixtes* as of 31 December 2018:

	Amount in Bn €
Interest on debt	0.61
Debt repayment	1.68
New Borrowing	1.93
Debt at 31/12	18.03

**Table no. 7: APUL savings and investment
(corrected for decentralisation and Société du Grand Paris)
compared to total revenue**

**Graphique n° 7 : épargne et investissements APUL
(corrigés de la décentralisation et de la Société du Grand Paris)
rapportés aux recettes totales**



Source : Cour des comptes, à partir des données Insee et du jaune « transfert financiers aux collectivités territoriales »

Initial Finance Law (LFI) 2020 forecasts

Savings/Total revenue

Investment/Total revenue

Election years are indicated by vertical pink lines

Source: Cour des Comptes

In its annual survey, S&P presented the financial trends of all French local authorities for the period 2020-2021.⁶ The rating agency indicates:

⁶ Source: S&P Global Ratings, French local authorities: the use of borrowing resumes due to a peak in investment, but will remain moderate

- *"an increase in the use of local authority borrowing, to about 15 Bn euros per year in 2020-2021. The election cycle will boost local investment, which is expected to reach 58 Bn euros in 2021;*
- *up from its all-time low, this use of borrowing will, however, remain moderate, with management efforts allowing for significant internal financing;*
- *local tax reforms will put pressure on the departmental bloc, by removing the bulk of its tax leverage;*
- *the supply of external financing is expected to remain plentiful, diversified and on attractive terms."*

This analysis and forecasts were written prior to the outbreak of the Covid-19 health crisis. While it is assumed that this crisis will have a significant impact on local budgets, it does appear premature at this stage to offer an assessment since revenue and expenditure consequences will vary across local authority segments and based on their initial individual financial situation.

2.4 The Issuer's competitive position

The main players on the market of financing to Local Authorities are as follows:

- the Banque Postale and its refinancing arm CAFFIL, a structure created in connection with Dexia's resolution plan (Dexia being 100% owned by SFIL which itself is a 100% subsidiary of CDC);
- traditional commercial banks including the Caisses d'Epargne, Crédit Agricole and Crédit Mutuel; and
- the CDC and the EIB.

In addition, some Local Authorities use disintermediated financing through debt issuances on the capital markets. By way of example, disintermediated financing amounted in 2015, to 2.4 billion euros (75 issues), in 2016, 2.1 billion euros (59 issues), in 2017, 1.9 billion euros (53 issues) and 1.7 billion euros in 2018 (44 issues).

The Issuer is aiming to position itself on the market in a sustainable manner over the long term using a four-pronged strategy to fund Local Authorities, based on a similar model in Scandinavian countries⁷.

- offering an alternative financing option using "plain vanilla" fixed-rate and floating rate instruments;
- optimising the raising of the funds on the markets that are necessary to operate its business by obtaining the best possible credit rating, underpinned by the dual guarantee offered by ST and the Members in accordance with the description set out in the section entitled "Description of the Guarantors and the Guarantee Mechanism" in this Base Prospectus;
- providing access to financing for its Members to every possible extent and even during a financial crisis; and

⁷

Similar agencies in Scandinavian countries: Kommuninvest (Sweden) and Munifin (Finland).

- offering investors investment instruments that offer direct exposure to the local government sector unlike securitisation structures (including mortgage bonds issued by mortgage lending companies) which expose them first and foremost to a banking risk.

Using these guidelines, the Issuer should be able to bring a much needed diversification to the market, which it is lacking despite there being several lenders.

The Issuer's estimated market share relies on the amount of additional liquidity that the Issuer will bring to the Local Authority loan market, the cost and attractiveness of its offer based on simple products with a short turnaround in confirming and granting the loan, primarily using a virtual or "paperless" process and the Issuer's streamlined and geographically-concentrated team.

Considering the still significant and diversified finance offering in 2018, S&P emphasises, first, the continued strong presence of public financing (47%) split mainly between La Banque Postale (20%), BEI and CDC (15% cumulatively) and AFL (5%), second, the stability of commercial bank finance (40%), and finally a slowdown in the volume of bond issues (12% of which around 50% green and sustainable issues)⁸.

2.5 Rating policy

All French local authorities – regions, departments, municipalities – regardless of their size – and tax-raising EPCIs, territorial public establishments and, initially, following the entry into force of the Engagement and Proximity Law, Syndicats can join the Agence France Locale Group and receive loans from it, provided they are in a healthy financial state. Therefore, a thorough assessment of the financial circumstances of Local Authorities is carried out prior to any new membership being granted and reassessments are done before any loan is offered with regard both to the criteria specified in the Decree and those laid down in the Issuer's loan granting policy described below:

Stage 1: financial rating

This rating applies on two occasions, first when the Local Authority applies to join and second when the Local Authority asks for a loan, and it is one of the parts of the final rating given by the Issuer's Credit Committee. The financial rating is based on three cumulative financial criteria and weighted with the following percentages:

- Local Authority's solvency set at 55% (to cover repayment of the debt through gross savings and the gross savings rate);
- The proportion of debt held by the Local Authority capped at 20% (ability to deleverage and debt ratio); and
- Budgetary margins of the Local Authority of at least 25% (the proportion of debt annuities in the operating income and adjustment of ratios in line with the power of the investment rate and net investment expenses).

Ratings are granted on a scale of 1 to 7 (with 1 being the highest and 7 the lowest rating). An applicant Local Authority with a score of 6 or above is not permitted to become a member of Agence France Locale Group.

Stage 2: socio-economic and qualitative rating

⁸

Source : Standard and Poor's, "French local authorities: investment without debt is confirmed", 25 February 2019, p. 15.

This rating applies only when the Local Authority, once it has become a Member, requests a loan. This rating complements the financial rating and is the Member's system score.

Socio-economic analysis: carried out *systematically* on the basis of an evaluation of socio-economic indicators (local rates of unemployment, average per capita income, income from companies' added value contribution (*Contribution sur la Valeur Ajoutée des Entreprises* (CVAE)) per inhabitant and compared to the national average etc.) and has a bonus / malus impact on the initial quantitative score of a maximum of 0.5.

Complementary qualitative analysis carried out where there will be significant exposure or where the risk level will be high. This analysis looks at areas such as governance stability, the quality of financial management, off-balance sheet commitments, liquidity and rates risks, financial outlook, etc. This analysis has a bonus / malus impact on the systematic score of a maximum of 0.5% to give the final score.

The final score granted by the Issuer's Credit Committee sets the (i) size of the loan granted and (ii) its financial conditions.

Since 12 May 2020, the criteria defined in the Decree apply in addition to the internal criteria defined by the Agence France Locale Group. Local Authorities wishing to become a Member must also have a deleveraging capacity, defined as the ratio between outstanding debt at the financial year-end and gross savings for the past year, expressed as a number of years, determined in the penultimate financial year of less than (i) twelve years on average for the last three years for *communes*, the Ville de Paris, groupings and local public institutions, (ii) ten years on average for the last three years for *départements* and *Métropole de Lyon* and (iii) nine years on average for the last three years for *régions*, the Corsica authority, the authorities of Guyana and Martinique. Where deleveraging capacity is above the specified thresholds, Local Authorities may nevertheless join if current self-financing margin, calculated as an average for the last three years, observed in the penultimate financial year, is less than 100.

2.6 Loan policy

a) Medium/Long Term Loans

(i) *A loan grant that is capped and indexed on the Member's creditworthiness*

The maximum cap on annual borrowings with the Issuer will be adjusted in light of the relevant Local Authority's score. A Member is eligible to receive credit if it is rated between 1 and 6 on a scale of 1 (highest score) to 7 (lowest score). The extension of a loan is impossible for any Member with a score higher than 6.

Subject to complying with the major risk ratios, the Issuer has not set any funding cap in terms of absolute value. As its aim is to diversify the sources of financing available to Local Authorities, the grant of loans by Agency France Locale to each of its Members is intended to be capped so that, at any time, such loan does not mean that a Member's outstanding debt with Agence France Locale exceeds 50% of that Member's total outstanding loans.

In exceptional circumstances, where a Member's outstanding debt plus any debt requested is less than 10 million euros, that Member's outstanding debt with Agence France Locale may be greater than 50% of its total outstanding debt and may represent up to all of its outstanding debt.

At 31 December 2019, the total outstanding amount of Medium-Long Term Loans in accordance with IFRS standards, was 3,160,500 thousand euros.

(ii) *Margin on loans granted*

The Issuer applies a first margin to its loans, which principally represents the costs of accessing the resource.

For Medium-Long Term Loans, the risk pricing employed by AFL can be explained as follows:

A principle : the high quality of French local authorities' signature (institutional framework, budgetary and accounting rules,...) enables AFL to limit its risk pricing. This applies uniformly across all loans granted by AFL.

There are, however, exceptions to this principle justifying the application of higher risk margins where:

- the Local Authority presents a deteriorating credit risk profile ;
- Local Authorities launch investment and borrowing programmes that are very large, or even disproportionate, compared to their demographic and/or budgetary scale. This typically concerns small communes wishing to engage in “transformative” borrowing.
- member Local Authorities characterised by particular risks (political, institutional, economic, natural, ...).

b) Liquidity facilities

(i) *Capping the amount of the loan*

Subject to regard for the rate of major risks incurred and taking into account medium/long term loans already granted, the maximum amount of liquidity facilities should be the result of a combination of the creditworthiness and budgetary scope of the Local Authorities. Budgetary scope is captured through actual consolidated operating income of the local authority.

The maximum percentage is set at 20% of the actual consolidated operating income of the highest rated Local Authorities.

In accordance with financial policies currently approved by the Issuer's Supervisory Board, the total available amount of Liquidity Facilities is capped at 10% of the outstanding portfolio of Medium-Long Term Loans.

In addition, Liquidity Facilities have a maximum term of 364 days.

(ii) *Pricing of facilities granted*

Pricing of Liquidity Facilities is set in particular according to the Local Authority's final score. The Price comprises a non-use commission (which does not change in line with a Member's final score), a drawdown commission and a margin to account for risk, approved by the Issuer's Credit Committee on the basis of the final rating of the Local Authority Member.

(iii) *Distribution of clients*

In terms of consistency and risk management, the Issuer endeavours to ensure that its client portfolio is evenly distributed among the various types of Authorities and among the different risk categories (average level of target portfolio less than 4.5).

The Issuer also undertakes to comply with the major risk ratio by verifying that the counterparties in its portfolio are diversified.

Finally, the Issuer, in adjusting the level of the margins with respect to the Members' rating, will ensure the highest-rated Members will find a financial incentive in borrowing from the Issuer (bearing in mind that its business model is built on low operating expenses). In taking out loans, these highest-rated Members help back the solidity of the guarantee mechanism described in the section "Description of the Guarantors and the Guarantee Mechanism" in this Base Prospectus.

c) Distribution channel and client relationship

The Issuer and ST work together on public relation matters and initiatives. With the backing of national associations of elected representatives, ST seeks to expand the membership base by providing information to the Local Authorities on the Issuer's purpose, the business concept and the advantages that it offers compared to other sources of funding.

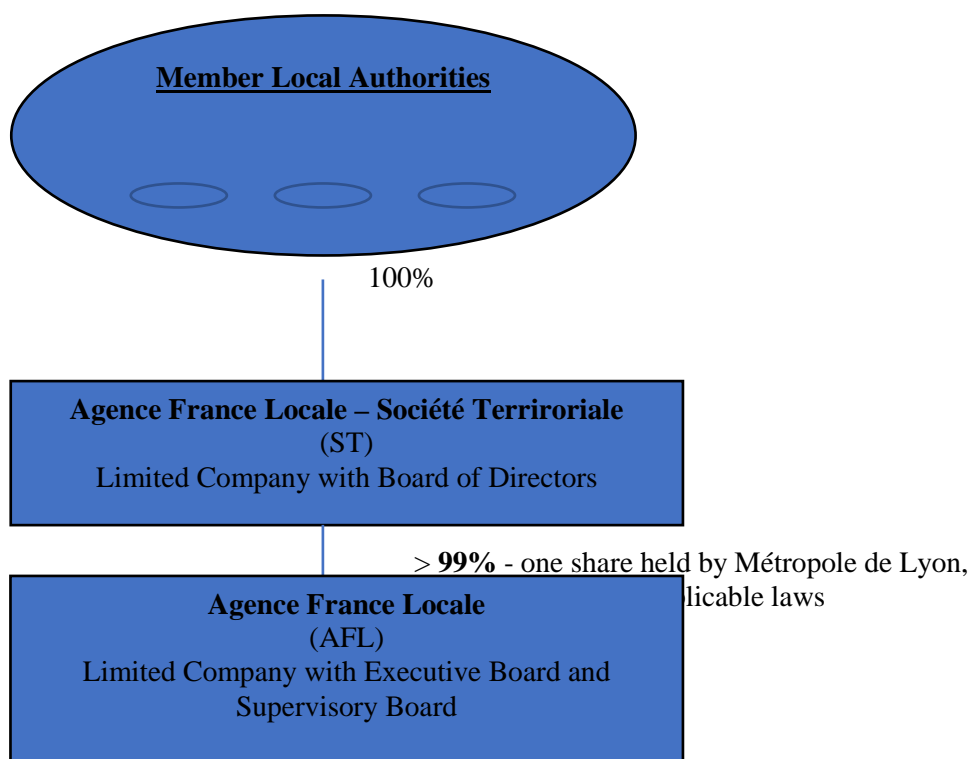
This is why the Issuer has decided not to have a sales agency in each region. It has a streamlined sales team and all of its employees are headquartered in Lyon, France.

Loan requests can be made through a dedicated Agence France Locale Group website. Compared to other market players, the Agence France Locale Group is able to operate with a small staff using this website portal, a full-fledged on-line bank for Members.

3. ORGANISATIONAL CHART AND SHAREHOLDER DEPENDENCY

3.1 Organisational chart

Agence France Locale Group's organisational chart is as follows:



Agence France Locale Group

Presentation of shareholder structure

ST holds almost all of the Issuer's share capital and voting rights (99.99%) and the remainder (namely 1 share) is held by the *Métropole de Lyon*.

ST thus has control of the Issuer to an extent that will enable it to benefit from the provisions of article L.225-87 of the Commercial Code and the agreements entered into between the Issuer and ST accordingly fall outside the scope of the related party transaction regulations.

ST's shareholder base is exclusively comprised of Local Authorities, which have obtained the required internal authorizations from their relevant governance boards and whose financial position makes eligible to become Members of the Agence France Locale Group.

The number of ST shareholders is expected to increase in lock step with the Agence France Locale Group's expansion to the extent where, in accordance with the provisions Article L. 1611-3-2 of the CGCT, the Issuer may only grant loans to Members. This increase in the number of shareholders leads to a correlative drop in each Member's relative weighting in ST's share capital and, therefore, there will be no controlling shareholders.

Presentation of contractual framework

To govern its operations and, in particular, ensure the stability and the continuity of its shareholder base which contributes both the equity and guarantees needed to accomplish its corporate mandate, the Agence France Locale Group has adopted a specific contractual framework comprising the following documents:

- ST's articles of association essentially made up of ST's governance rules, certain terms for acquiring a stake in its share capital and disposing of shares, as well as certain principles related to the implemented guarantee mechanism, set forth in the section "Description of the Guarantors and the Guarantee Mechanism" in this Base Prospectus;
- The Issuer's articles of association primarily composed of the Issuer's governance rules as well as certain principles related to the aforementioned guarantee mechanism;
- The agreement between ST, the Issuer, each Founding Member and to which every new member of the Agence France Locale Group is expected to become a party primarily

addresses (i) entry rules to the Agence France Locale Group, (ii) principles related to the evolution of share capital and the entities comprised in the Agence France Locale Group and (iii) certain terms and conditions in implementing the aforementioned guarantee mechanism.

Presentation of the mechanisms guaranteeing shareholder stability in the Agence France Locale Group

Under the Shareholders' Agreement, ST also has pre-emptive right on any planned disposal of shares by any of the Founding Members.

The Shareholders' Agreement makes further provision for:

- an ST shareholder commitment not to sell their shares until the tenth (10th) anniversary of the full payment of their capital contribution;
- rules making it possible to oversee the effects of any transfer of competency between Local Authorities, whether it relates to a merger or removal of Local Authorities or the creation of an EPCI; and
- procedures ensuring a balanced distribution among the Members of any guarantee calls that are not legally binding on the beneficiaries of such guarantees.

3.2 Interdependence with ST

(a) Structural Dependence

The Issuer has a structurally dependent relationship with ST. ST holds almost all of the Issuer's share capital and therefore has authority in approving on its own any decision to be made by the Issuer's shareholders at their general meetings that does not need to be voted in unanimously. This gives it the advantage of having the authority to appoint representatives to the Agence France Locale Group's governance boards, either directly or indirectly, depending on the relevant board.

Such is the case for the Issuer's Supervisory Board which is in charge of the permanent control of the Issuer's management and assesses the effectiveness of its management on behalf of ST and the Members. Although the membership of this board was designed to guarantee its independence *vis-à-vis* the Members, a dependence in relation to ST does indeed exist, particularly with respect to the fact that the final appointment of the members of the Issuer's Supervisory Board falls within the remit of the Issuer's shareholders voting on a simple majority, otherwise stated ST's Chief Executive Officer.

ST may also indirectly influence the appointment of the members and the Chairman of its Executive Board, who is vested with the broadest powers to act on behalf of the Issuer, to the extent that such appointment falls within the scope of the Supervisory Board's powers, exercised however under the supervision of the Issuer's appointments, remuneration and corporate governance Committee, whose members are independent third parties.

(b) Intellectual property dependence

ST is the owner of Agence France Locale's word and figurative trademarks filed with the National Institute of Intellectual Property (*Institut National de la Propriété Intellectuelle*).

ST has authorised the unlimited use of these logos to the Issuer under a one-year automatically renewable license agreement.

4. TREND INFORMATION

The Issuer has identified certain changes that could impact its business and are set forth below.

Since 2015, it is noted that loan conditions for Local Authorities have become more flexible, with lower rates of borrowing, abundant liquidity and the return of certain lending institutions, etc. This favourable environment should continue in 2020 (excluding the impact, which is hard to assess at the date of this Base Prospectus, of the Covid-19 pandemic).

In spite of the improvement in the loan market, small Local Authorities and those in a difficult financial situation continue to face difficulties in accessing loans. To better take these situations into account, the Issuer's rating and loan policies include, in particular, some analysis of the structure of Local Authorities' debt and solvency.

Alternative solutions to recourse to bank debt are not suited to small-sized Local Authorities:

- the bond market is ill-suited as it is difficult for them to integrate into their debt management bullet loan payments and requisite minimum issuance ceilings to ensure visibility, obtain more attractive and competitive rates and absorb the associated costs; and
- securitised mutual funds or the direct intervention of funding insurers, which have emerged since 2011, offer another alternative reserved for large-sized municipalities, one of the eligibility requirements being the amount of debt. This alternative solution remains small in scale for now.

The Issuer was not created specifically for a certain type of Local Authority and while the majority of the first Members are, large-sized Local Authorities (such as *Grand Lyon* or *région Pays de Loire*), it welcomes Local Authorities of all sizes.

4.1 Local Authorities' involvement in the decrease in government spending

To counterbalance overall stability in funding, the State undertook in the 2018 Finance Law and the law n°2018-32 dated 22 January 2018 on Public Finance Programming 2018-2022 (**LPFP 2018-2022**) to strengthen the local authority budgetary framework with the aim of stabilising expenditure and reducing debt.

- (a) Strengthening since 2018 of the Local Authority budgetary framework with the aim of stabilising expenditure and reducing debt

The contribution of Local Authorities to restoring the public finances initially involved a reduction of the global operating endowment (**DGF**) by an amount of around 11 billion euros over the period 2014-2017⁹. Since 2018, the DGF has remained stable (26.9 billion euros in 2018 and 2019).

In a second stage, an expenditure control mechanism introduced under the LPFP 2018-2022, centered around commitments by the largest local authorities as part of an agreement with the State, will limit any increase in their operating expenditure to 1.2% in value per year.

The principal measures introduced by the current Government relating to Local Authority financing and taxation are described below.

⁹ Source : the finance law 2014 date 29 December 2013 and the public finances programming law of 29 December 2014 for the years 2014 to 2019 enshrine the decrease in State funding as part of local authorities' contribution to the effort to restore the public finances of 11 billion euros between 2015 and 2017 (amount reduced to 10 billion euros).¹⁰ Source : Report appended to the public finances programming law 2018-2022 dated 21 December 2017, p. 41.

- A mechanism for controlling local authority expenditure (art. 10 LPFP 2018-2022)
 - The LPFP 2018-2022 introduced a contractual mechanism for controlling the expenditure of local authorities whose operating expenditure exceeds 60 million euros, with the aim of saving 13 billion euros by 2022 (art. 10 LPFP 2018-2022). 322 local authorities have been identified and, by 2018, 70% of them have entered into such an agreement with the State under which they undertake to cap any increase in their operating expenditure to 1.2% in value per year. The emergency law of 23 March 2020 in response to the Covid-19 pandemic suspended for the year 2020 the 1.2% limitation on the increase in local authority operating expenditure.
- A “reinforced golden rule” for local authorities (art. 24 LPFP 2018-2022)
 - The golden rule which requires that borrowing be limited to the financing of investment expenditure (excluding the repayment of debt principal) was reinforced by the LPFP 2018-2022 (art. 24). Indeed, a national benchmark cap is now used to measure a local authority’s or tax-raising EPCI’s deleveraging capacity (ratio of outstanding debt to gross savings – main budget and ancillary budgets – defined by number of years). This cap, which varies depending on the type of local authority or tax-raising EPCI (for *communes* and their groupings: between 11 and 13 years, for *départements* : between 9 and 11 years, for *régions* : between 8 and 11 years), is however not binding but enables local authorities whose financial situation has deteriorated to be identified.
- Finally, the LPFP 2008-2022 sets a target for a 5 point reduction of the public authority debt ratio over the five-year term.
 - The contribution by local government – mainly Local Authorities – will decrease from 8.7% in 2017 to 5.8% in 2022¹⁰.

Moody’s considered in a note published in January 2018 that contractualisation between local authorities and the State is “*positive for their creditworthiness*” and that “*even local authorities that have not signed contracts will be encouraged to limit their spending due to the public pressure that will be brought to bear*”¹¹. Moody’s Public Sector Europe now anticipates a “*positive outlook*” for the creditworthiness of French local authorities in 2019¹². The rating agency’s reasons for this improvement are the stability of State endowments (35 billion euros), the continued contractualisation between the State and the biggest local authorities, control over costs (in particular personnel expenses) and favourable macroeconomic indicators. This analysis is supported by the fact that, before the parliamentary Finance Committee of the *Assemblée Nationale*, the Minister for Public Action and Accounts indicated in February 2019 that local authority operating expenditure had increased on average by 0.7% in 2018, which is lower than the rate of inflation. Mr Darmanin pointed out that in 2018, “*the average rise in operating expenditure of local authorities is 0.7% and, for those under contract, 0.3%*”¹³.

- (b) The reform of council tax (*taxe d’habitation*) in 2018 (art.3 of the 2018 Finance Law)
- The alleviation of the council tax (*taxe d’habitation*) initially took the form of a relief (increasing over 3 years), under which the State takes the place of the taxpayer, within the

¹⁰ Source : Report appended to the public finances programming law 2018-2022 dated 21 December 2017, p. 41.

¹¹ Source : Moody’s, “Contractualisation between the French State and the Local Authorities is positive for their credit quality”, 25 January 2018, p. 2.

¹² Source : Moody’s Public Sector Europe, *Regional & Local Governments –France 2019 Outlook*, 5 November 2018, p. 3.

¹³ Source : the *Gazette des Communes*, “Local authorities have reduced their operating expenditure in 2018”, 21 February 2019, www.lagazettedescommunes.com/607845/les-collectivites-ont-baisse-leurs-depenses-de-fonctionnement-en-2018/

limit of the rates in force prior to the reform. Local authority funding should not be affected by the reform in the short term under the principle of local authority budget neutrality.

- As of 2018, 80% of the most modest households have been able to benefit from tax relief with a 30% reduction in the housing tax. This rate has been increased to 65% in 2019 and there will be 100% relief in 2020 for these households. Article 5 of the Finance Act 2020 confirms the abolition of the housing tax by 2023 for all main residences. The Finance Act 2020 sets forth the details of the reform for future years that will impact on both *communes*, EPCIs and *départements*:
 - For *communes*, in order to compensate for the loss of housing tax revenue, the proceeds of the *département* tax on built property will be transferred to them,
 - For EPCIs like for *départements*, the State will, by way of compensation, allocate a portion of the VAT revenue to them. With the loss of the built property tax, the tax raising flexibility of *départements* will be considerably reduced.

4.2 Territorial reform

(a) Local authority reform nearing completion

Following the major reforms under the MAPTAM and NOTRe laws, the road map for local authorities is now set for limited future change. The Government in place since June 2017 has indicated that it does not wish to engage in major institutional projects.

During the previous five-year term, the main legislative texts affecting local authorities were:

- The law on the modernisation of local government and the affirmation of *métropoles* (MAPTAM) dated 27 January 2014,
- The law on on the delineation of regions dated 25 November 2014,
- The law dated 16 March 2015 on improving the new commune regime, supplementing the law dated 16 December 2010 on the reform of local authorities. The 2018 Finance Law (art. 60) renewed the financial incentives for the continued creation of “new communes”¹⁴
- The law on the new territorial organisation of the Republic (NOTRe law) of 7 August 2015. The law of 3 August 2018 on the implementation of the transfer of water and sanitation powers to the municipality communities has, however, relaxed the provisions of the NOTRe Law on the transfer of such powers in certain circumstances. Finally, following the grand national debate that is taking place until 15 March 2019, it cannot be ruled out that certain legislative changes may be made, in particular to relax the NOTRe law of 7 August 2015.

¹⁴

In 2019, use of this scheme is not possible in so far as it is prohibited under electoral laws in the year preceding municipal elections. The law of 11 December 1990 : “*No redefining of electoral boundaries is permitted in the year preceding the normal calendar for the re-election of the relevant assemblies*”. A memorandum of the Interior Minister dated March 2018 “strongly” recommends to Prefects “not to make any decisions for the creation of any new communes after 1 January 2019”, although the theoretical cut-off date would fall at the end of March 2019.

This stabilisation of the institutional landscape is nevertheless accompanied by a number of local initiatives and experiments relying on the principle of “differentiation”¹⁵ :

- The proposed merger of the largest *métropoles* with the *départements* with which they are geographically linked, like the Métropole de Lyon. The original plan included the *métropoles* of Bordeaux, Marseille, Nantes, Nice and Toulouse. As at today’s date, only the *Métropole d’Aix-Marseille-Provence* is pursuing a proposed merger with the *Département des Bouches-du-Rhône*¹⁶.
- The merger of the *départements* Haut-Rhin and Bas-Rhin is now enacted¹⁷. The future “*Collectivité Européenne d’Alsace*” with extended powers will come into being on 1st January 2021. Adopting the status of “*superdépartement*”, Alsace shall continue to form part of the Grand-Est *région*.
- A proposed merger of the *départements* Hauts-de-Seine and Les Yvelines has also been launched but is at a less advanced stage.

Furthermore, the institutional and financial reform of the MGP has been anticipated since mid 2017. This reform should but is not certain to take place in 2019.

(b) Analysis of the potential impacts on the Issuer

The clarification of competences and the abolition of the general competence clause do not materially impact the Issuer (NOTRe Law).

The bills on remapping the territorial organization should also have a limited impact on the Issuer:

- strengthened cooperation between municipalities (“inter-communality”) has consolidated already existing tax-raising EPCIs and thereby reduce their number. The relative weighting of the outstanding debt carried by some Local Authorities has increased. The Issuer has always looked favourably towards this consolidation of inter-municipalities.
- the scale-back in the number of regions has also led to a regrouping among Local Authorities. However, the regions’ overall limited budget level and specifically their debt level has not had any impact on the Issuer in terms of the concentration of outstanding debt.
- the redefining of the powers at department level has a limited impact on the Issuer as the major investment powers (in roads and secondary schools) have remained under the remit of the departments. At the date of this Base Prospectus, the Members include seven *départements* (Aisne, Ariège, Essonne, Meuse, Savoie, Seine-Saint-Denis and Saône-et-Loire).

¹⁵ Source : Under the draft constitutional law, para 1° of article 15 proposes supplementing the second sub-paragraph of article 72 of the Constitution by the addition of a new provision: “*under the conditions specified in the organic law and except where the essential requirements for the exercise of a civil liberty or of a constitutionally guaranteed right are at stake, the law may provide that certain local authorities may exercise powers, in a limited number, that are not enjoyed by all local authorities of the same category.*”

¹⁶ Source : www.lemonde.fr/politique/article/2019/02/20/bouches-du-rhone-vers-la-fusion-totale-avec-la-metropole-aix-marseille-provence_5425814_823448.html?xtmc=aix_marseille_provence&xtcr=1

¹⁷ Source : Decree dated 27 February 2019 on the merger of the *départements* Bas-Rhin and Haut-Rhin

From a technical standpoint and with respect to the mechanisms described in section 8.2 herein, the Agence France Locale Group has been designed to adapt to this type of change.

5. REVENUE AND EARNINGS FORECASTS

In view of the uncertainties affecting economic and financial conditions, and their severity and duration, the Issuer considers it difficult at this stage to accurately estimate the impact of the crisis on its future financial statements.

This is why, since not all the effects of the crisis are necessarily known and until there is more visibility on these, the Issuer has suspended its 2020 forecasts.

However, as of today, there are expected to be no major consequences on the results for the first half of 2020 as these are mainly linked to the existing credit portfolio.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Agence France Locale Group's governance is based on a dual structure, as required by legislator, so as to separate the responsibilities with respect to management, control and shareholder representation in accordance with the recommendations of the Basel Committee.

ST's governance is described in paragraph 4.1 of the section entitled "Description of the Guarantors and the guarantee mechanism" of this Base Prospectus.

The Issuer's effective management is carried out by its executive board (the *Executive Board*) under the permanent control of a supervisory board (the *Supervisory Board*). This organisation makes it possible to have a checks and balance procedure in place and holds key stakeholders within the company more accountable.

6.1 Membership of the administrative, management and supervisory bodies

(a) The Issuer's Executive Board directors

The membership of the Executive Board as of the date of this Base Prospectus is set forth below:

<i>First and Last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
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<p><i>Yves Millardet</i></p> <p>Born on 24 August 1964 in Vannes, France</p>	<p>Chairman of the Executive Board</p> <p>Corporate officer pursuant to Article L. 511-13 of the French Financial and Monetary Code</p> <p>Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France</p>	<p>Appointed by the Supervisory Board on 17 December 2013 and renewed by the Supervisory Board on 26 March 2020.</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2025</p>	Deputy CEO of ST	None
<p>Thiébaud Julin</p> <p>Born on 16 September 1961 in Mulhouse, France</p>	<p>Member of the Executive Board</p> <p>Chief Financial Officer</p> <p>Corporate officer pursuant to Article L. 511-13 of the French Financial and Monetary Code</p> <p>Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France</p>	<p>Appointed by the Supervisory Board on 25 March 2014 and renewed by the Supervisory Board on 26 March 2020</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2025</p>	None	None
<p>Ariane Chazel</p> <p>Born on 16 March 1970 in Paris France</p>	<p>Member of the Executive Board</p> <p>Risk, Compliance and Control Director</p> <p>Corporate officer pursuant to Article L. 511-13 of the French Financial and Monetary Code</p> <p>Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France</p>	<p>Appointed by the Supervisory Board on 5 June 2014 and renewed by the Supervisory Board on 26 March 2020</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2025</p>	None	None

(b) Supervisory Board directors

The membership of the Supervisory Board as of the date of this Base Prospectus is set forth below:

<i>First and Last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>

First and Last names Date and place of birth	Duties and any special powers Professional address	Date of first appointment and end of term	Terms of office and duties performed within the Group since the Issuer's incorporation	Terms of office and duties performed outside the Group since the Issuer's incorporation
Mr Richard Brumm Born on 20 October 1946 in Lyon (69006)	Chairman of the Supervisory Board Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France	Coopted by the Supervisory Board on 20 June 2016 Renewal of mandate by General Meeting on 5 May 2017 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020	Vice-Chairman of ST's Board of Directors	Representative of the Ville de Lyon at: – The Opéra National de Lyon (declared Association) (Siren no: 339 391 021) – The Crédit Municipal de Lyon (Siren no: 266 900 299) (Member of the Supervisory and Guidance Board) Representative of the Métropole de Lyon at: – the SEM Patrimoniale du Grand Lyon (518 422 704 RCS Lyon) (Director) – the Société anonyme immobilière d'économie mixte de Vaulx-en-Velin (404 997 868 RCS Lyon) (Chairman-CEO) – the Société Publique Locale Gestion des Espaces Publics du Rhône-Amont (316 312 594 RCS Lyon) (Director) – the Société Publique Locale Lyon-Confluence (423 793 702 RCS Lyon) (Director) – the Syndicat Mixte pour l'Aménagement et la Gestion du Grand Parc de Miribel Jonage, (Siren no :256 900 655) (Director)
Mr Jacques Pélissard born 20 March 1946 in Lyon (69)	Vice-chairman of the Supervisory Board Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed by the General Meeting of 22 June 2017 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020	Chairman of the Board of Directors of ST	None
Mr Rollon Mouchel-Blaisot Born on 19 June 1959 in Carteret, (50270)	Vice-Chairman of the Supervisory Board Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed under the articles of incorporation dated 17 December 2013 Renewal of mandate by General Meeting of 5 May 2017 Term to expire at the ordinary general shareholders' meeting	None	Minister for Territorial Cohesion– Director of Action Coeur de Ville programme.

<i>First and Last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
		called to approve the accounts for the financial year ending 31 December 2020		
Mr Olivier Landel Born on 9 January 1963 in Paramé (Saint-Malo), France	Member of the Supervisory Board Member of the Audit and Risks Committee Member of the Strategic Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France	Appointed under the articles of incorporation dated 17 December 2013; Renewal of mandate by General Meeting of 5 May 2017; Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020	ST's Chief Executive Officer	Executive Director of France Urbaine
Mr Lars Andersson Born on 27 March 1952 in Sweden Independent member	Member of the Supervisory Board Member of the Strategic Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France	Appointed under the articles of incorporation dated 17 December 2013; Renewal of mandate by General Meeting of 5 May 2017; Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020	None	<ul style="list-style-type: none"> - City Finance Lab : Committee member - Fond mondial pour le développement des villes (FMDV) : Director - AB Marten Andersson Productions (AB MA Productions): Founder and chairman
Mrs Victoire Aubry-Berrurier Born on 5 June 1966 in La Roche-sur-Yon, France Independent member	Member of the Supervisory Board Member of the Audit and Risks Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France	Appointed under the articles of incorporation dated 17 December 2013; Renewal of mandate by General Meeting of 5 May 2017; Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020	None	<ul style="list-style-type: none"> - Member of the Executive Committee of Icade, head of Finance, SI and Legal division - Director of ICADÉ MANAGEMENT (GIE) (318 607 207 RCS Paris) - Director of BPI Participations and BPI Investissements and Member of the Audit Committee (representing Caisse des dépôts et consignations) - Member of the Board of Directors of OPPCI ICADÉ HEALTHCARE EUROPE
Mr François Drouin Born on 7 August 1951 in Quierschied, Germany Independent member	Member of the Supervisory Board Member of the Audit and Risks Committee Tour Oxygène, 10-12 boulevard Vivier Merle,	Appointed under the articles of incorporation dated 17 December 2013; Renewal of mandate by General Meeting of 5 May 2017;	None	<ul style="list-style-type: none"> - Chairman of ETI Finance (S.A.S.) (797 802 568 RCS Paris) - Chairman of the Supervisory Board of Gagéo SAS (831 604

<i>First and Last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
member	69003 Lyon, France	Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020		<p>491 RCS Paris) ;</p> <ul style="list-style-type: none"> – Chairman of ICF Sas (RCS Paris) ; – Chairman of IFIMM SAS (830 662 102 RCS Paris) ; – Director of WeLikeStartup Partners SAS (832 404 206 RCS Paris) ; – Treasurer of the Institut Français des Relations Internationales (IFRI); – Director of the IFRI endowment fund.
<p>Mr Nicolas Fourt Born on 22 September 1958 in Nancy, France</p> <p>Independent member</p>	<p>Member of the Supervisory Board</p> <p>Member of the Audit and Risks Committee</p> <p>Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France</p>	<p>Appointed under the articles of incorporation dated 17 December 2013; Renewal of mandate by General Meeting of 5 May 2017;</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020</p>	None	<ul style="list-style-type: none"> – Deputy Chief Executive Officer and director of Acofi Gestion (SA) (RCS Paris no. 415 084 433) – Deputy CEO and member of the Executive Board of 2A SAS – Director of Compagnie Acofi (S.A.S.) (RCS Paris no. 510 571 995) – Director of Denis Friedman Productions (SA) (RCS Paris no. 409 756 350) – Manager of NF Conseil (SARL) (RCS Nanterre no.519 411 441) – Member of the Supervisory Board of Spread Research. – Director of CDC Croissance SA RCS Paris 438 136 244
<p>Mr Daniel Lebègue Born on 4 May 1943 in Lyon, France</p> <p>Independent member</p>	<p>Member of the Supervisory Board</p> <p>Member of the Appointment, Compensation and Corporate Governance Committee</p> <p>Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon, France</p>	<p>Appointed under the articles of incorporation dated 17 December 2013; Renewal of mandate by General Meeting of 5 May 2017;</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020</p>	None	<p>Chairman of the <i>Observatoire sur la responsabilité sociétale des entreprises (ORSE)</i> (Corporate Social Responsibility Observatory)</p>

<i>First and Last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
Mrs Mélanie Lamant Born 23 August 1975 in Croix (59170)	Member of the Supervisory Board Member of the Strategy Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Coopted by the Supervisory Board on 23 March 2017; Renewal of mandate by General Meeting of 5 May 2017; Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2020	None	- Director General of Services -EPT Plaine Commune (93) (Since April 2014) - Deputy Director General - EPT Plaine Commune (93) (June 2011- April 2014)
Mrs Carol Sirou Born 27 March 1968 in Algiers 3rd arrondissement (Algeria) French nationality <i>Independent member</i>	Member of the Supervisory Board Member of the Audit and Risks Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Coopted by the Supervisory Board on 27 September 2018 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2021	<u>None</u>	- President of Safineia Advisors LLC (US law company) - President of Safineia Advisors LLC (American law company) - Member of the Board and of the Audit and Risks Committee at Exane (SA) (342 040 268 RCS Paris)

6.2 Conflicts of interest

To the Issuer's knowledge, there is no actual or potential conflict of interest between the duties of the directors mentioned in paragraph 6.1 of this “Description of the Issuer” section with regard to the Issuer and their private interests and/or other duties.

However, it should be noted that certain members of the Supervisory Board not considered independent under its internal rules of procedure may be viewed as having ties with Local Authorities, and these local authorities may be both ST shareholders and the Issuer’s clients. To ensure complete independence in its management, the Issuer's articles of association stipulate that more than half of the Supervisory Board's members must be independent. In addition, pursuant to the Market Abuse Regulation (EU) No. 596/2014 of 16 April 2014, the Issuer has arranged for the Supervisory Board to adopt a Code of Conduct requiring prior declaration to prevent any potential conflict of interest risk.

7. OPERATION OF THE ADMINISTRATIVE BODIES

7.1 Executive Board

- (a) Membership of the Executive Board (article 14 of the articles of association)
 - (i) Membership and appointment procedures

The Executive Board has at least two (2) members and a maximum of five (5).

The members of the Executive Board and its Chairman are appointed by the Supervisory Board, acting by a simple majority.

A maximum of one-third of the Executive Board's members may be over 70 years old. If the number of its members over 70 years old exceeds more than one-third of the Executive Board, the oldest member will be deemed as having resigned automatically from office.

(ii) Length of the terms of office of the Executive Board members

The members of the Executive Board are appointed for a six-year term, renewable according to the aforementioned majority requirements. The term of office ends at the ordinary shareholders' meeting called to vote on the accounts for the recent financial year held during the year in which their term of office expires.

(b) Powers of the Executive Board (article 14 of the articles of association)

The Executive Board members collectively manage the Issuer.

The Executive Board is vested with the broadest powers to act on behalf of the Issuer. It exercises these powers within the limit of the corporate purpose and subject to those powers expressly conferred by French law or the articles of association to the Supervisory Board and the shareholders' meetings.

The Issuer is bound by the actions of the Executive Board even if such actions are beyond the scope of the corporate purpose, unless it can prove that the third party knew that the relevant action was beyond the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances. The publication of the Company's articles of association alone shall not constitute such proof.

The Executive Board submits, at least quarterly, a report to the Supervisory Board describing the major operations and/or events that have occurred in the Issuer's management.

Within three months of the financial year end, the Executive Board prepares and submits to the Supervisory Board the annual financial statements and, where relevant, the consolidated financial statements, for verification and control. It makes a proposal on how to allocate the profit or loss for the recently completed financial year.

The Executive Board convenes the general shareholders' meetings, sets the agenda and carries out the decisions made by the shareholders.

(c) Deliberations of the Executive Board (article 14 of the articles of association)

The Executive Board shall meet at least once a month or as frequently as the Issuer's interest requires. It shall be convened to meetings by its Chairman, its Chief Executive Officer (if such position exists) or by half of its members at its registered office or at any other location indicated in the meeting notice.

For a deliberation to be valid, at least half of the members have to effectively attend the meeting. Members attending Executive Board meetings via video-conferencing, which meets the technical specifications to confirm their actual attendance and transmit the deliberations live, shall be considered present when calculating quorum and majority

requirements, except when adopting decisions provided for in Article L.225-37 of the French Commercial Code.

Deliberations are made by a simple majority. In the event of a tie, the Chairman has the casting vote.

(d) Corporate officers (*dirigeants responsables*)

The duties of the corporate officers, pursuant to Article L. 511-13 of the French Monetary and Financial Code, are collectively carried out by all of the Executive Board members, in accordance with the ACPR's position related to the appointment of "executive directors (*dirigeants effectifs*)" as this term is defined in Article L. 511-13 and Article L. 532-2, paragraph 4 of the French Financial and Monetary Code.

(e) Compensation of the Executive Board members

In accordance with article 16.4 of the Issuer's articles of association, the Supervisory Board determines the nature and amount of compensation paid to each member of the Executive Board and reviews it on an annual basis.

It is noted that the Issuer did not provide any share purchase or subscription options to the members of the Executive Board in 2019. Likewise, no performance shares were allocated to members of the Executive Board in the 2019 financial year.

7.2 Supervisory Board

(a) Supervisory Board directors

(i) Number of members and number of independent members (article 15 of the articles of association, Article 2 of the internal rules of procedure)

The membership of the Supervisory Board was selected in order to achieve the key objectives described below:

- ensure that the Supervisory Board has the proficiency and expertise with respect to the technical issues of overseeing the management of a specialised credit institution;
- ensure that the profiles of its members are diversified in order to have a deep understanding of as many issues as possible;
- ensure its independence with respect to the Executive Board, the Board of Directors and the Members of the Agence France Locale Group.

The Supervisory Board has a minimum of eight (8) and a maximum of eighteen (18) members, including:

- (a) the Chairman of ST's Board of Directors;
- (b) the Vice-Chairman of ST's Board of Directors;
- (c) ST's Chief Executive Officer;

- (d) an expert with extensive knowledge on issues related to the Members' funding; and
- (e) a minimum of four members recognised for their professional expertise in finance and management and who hold or have held positions in independent public authorities or private institutions.

The members specified in paragraph (e) above are deemed independent. ST's Board of Directors proposes their appointment upon the recommendation and opinion of ST's and the Issuer's respective Nomination, Compensation and Corporate Governance Committees.

As stipulated in the Issuer's articles of association, the number of independent Supervisory Board members with professional expertise in finance and management must be at all times greater than the number of Supervisory Board members appointed to represent the Members.

The Supervisory Board's internal rules of procedure define the term "independence" of a member.

The independence of a member, which is deliberated on by the Issuer's Nomination, Remuneration and Corporate Governance Committee on a case-by-case basis and in light of each member's specific situation, implies (i) the absence of any relationship whatsoever with the Issuer, its group or its management and (ii) the absence of a specific interest with respect to the Issuer or its group. An assessment of the independence is made taking into careful consideration the following criteria:

- an independent member must not be or have been in the five (5) years prior to his or her appointment:
 - (i) an employee of the Issuer or ST;
 - (ii) a member of the Issuer's Executive Board; or
 - (iii) a member of ST's Board of Directors or its Chief Executive Officer, Deputy Chief Executive Officer or General Secretary;
- an independent member must not be a close relative with a person holding one of the positions specified in paragraphs (i) to (iii) above or with any other member of the Supervisory Board;
- an independent member must not be an officer in a company in which the Issuer holds, directly or indirectly, a corporate office;
- an independent member must not be a significant client, supplier, investment or commercial banker of the Issuer or ST;
- an independent member must not be an elected representative or employee of a Local Authority that is a shareholder of the Issuer;
- an independent member must not be or have been an auditor of the Issuer or ST in the three (3) years prior to his or her appointment;

- an independent member cannot remain on the Supervisory Board for more than twelve years; it being herein stated that such member shall lose his/her independent status only at the end of the term of office during which the twelve-year term was exceeded.

No individual over 70 years of age shall be appointed to the Supervisory Board if his/her appointment increases to more than one-third the number of Board members over 70.

If the number of its members over 70 years old exceeds more than one-third of the Supervisory Board, the oldest member will be deemed as having resigned automatically from office.

- (ii) Length of the terms of office of the Supervisory Board (article 15 of the articles of association)

Except for the initial members of the Supervisory Board appointed for a three-year term, the Supervisory Board members are appointed for a four (4) year term, renewable by a simple majority. The Issuer's shareholders determine the terms of their appointment under the same majority rules.

The Supervisory Board members' term of office ends at the ordinary shareholders' meeting called to vote on the accounts for the recent financial year held during the year in which their term expires.

Members of the Supervisory Board may be reappointed.

- (iii) The number of Issuer shares held by members of the Supervisory Board

There is no requirement in the Issuer's articles of association for the members of the Supervisory Board to hold shares of the Issuer.

- (b) The duties of the Supervisory Board

The Supervisory Board's internal rules of procedure supplement the legal and statutory provisions on the rights and duties of the Supervisory Board members and reflect the recommendations set forth in the AFEP-MEDEF Code. They must comply with the obligations whose terms are summarised below:

- (i) General obligations (Article 3 of the internal rules of procedure)

Prior to accepting office, each Supervisory Board member should ensure that he or she is familiar with the general or specific obligations entrusted to him/her. In particular, he or she should familiarise himself/herself with relevant laws and regulations, the Issuer's articles of association and the Supervisory Board's internal rules of procedure that are binding upon him or her in all of their provisions.

- (ii) Duty of loyalty and management of conflicts of interest (Article 4 of the internal rules of procedure)

The members of the Supervisory Board shall under no circumstance put their own interests before those of the Issuer.

Each member of the Supervisory Board has the duty to report to the Supervisory Board any actual or potential conflict of interest between him/her (or any individual who is a close family member or relative), the Issuer or a company in which the Issuer is a shareholder or a company with which the Issuer intends to enter into any type of agreement.

The Supervisory Board member in question must refrain from attending and taking part in the vote on the resolution with which he or she has a conflict of interest as well as any discussions leading up to such vote, unless it pertains to a current agreement entered into on an arm's length basis.

(iii) General disclosure obligation (Article 5 of the internal rules of procedure)

In accordance with applicable laws and regulations in both France and Europe, each Supervisory Board member shall submit to the Supervisory Board all of the information related to (i) the compensation and benefits-in-kind he or she received from the Issuer, (ii) offices held or duties performed for any other company or legal entity and (iii) any convictions.

(iv) Duty of discretion (Article 6 of the internal rules of procedure)

As a general matter, all of the documents and material from the Supervisory Board meetings and disclosures obtained during or outside of these meetings pertaining to the Agence France Locale Group, its business and its outlook are confidential without exception, whether or not the disclosure was presented as confidential. Each Supervisory Board member should consider that he or she is bound by a strict duty of professional secrecy, extending beyond the mere duty of discretion provided for by the laws and regulations.

(v) Duty of care (Article 7 of the internal rules of procedure)

Each Supervisory Board member must dedicate the necessary time and attention to their duties. Each Supervisory Board member shall be diligent to attend in person, or where necessary by video-conference or other telecommunications methods, all Supervisory Board meetings and any meeting of a committee set up by the Supervisory Board of which he or she is a member, except in the event of an unavoidable impediment.

(vi) Documentation obligation (Article 8 of the internal rules of procedure)

The Supervisory Board is entitled to useful, complete, relevant, timely and honest information.

The Supervisory Board as a whole, together with each of its members in an individual capacity, can request any documents they believe to be useful or necessary to their work.

Members of the Supervisory Board have an obligation to obtain relevant documents and in turn they are entitled to obtain the information they request.

Members of the Supervisory Board address their requests for information to the Chairman of the Supervisory Board, who is tasked with ensuring that such requests are met.

The Supervisory Board must inform the Executive Board where is it not able to carry out its work with full knowledge of the relevant information.

Throughout the activities of the Issuer, each member of the Supervisory Board must alert the Supervisory Board and the Executive Board of any specific and urgent situations.

(vii) Training obligation (Article 9 of the internal rules of procedure)

Under the aegis of the Nomination, Compensation and Corporate Governance Committee, each new member of the Supervisory Board is required to receive training on the structure and operation of the Issuer in order that he or she thoroughly understands the division of the competences and role of ST's and the Issuer's respective governance boards to avoid any misunderstanding or non-transparency related to the structure.

The non-independent members agree to receive technical training, as selected by the Nomination, Compensation and Corporate Governance Committee, on the management and oversight of a credit institution in order to fully understand the specificities related to the Issuer, its businesses and its industry.

(c) Powers of the Supervisory Board (article 15 of the articles of association, Title III of the internal rules of procedure)

The Supervisory Board defines the overall strategic plan and is in charge of the permanent control of the Issuer's management and assesses its effectiveness on behalf of ST and the Members. It conducts the checks and controls it deems appropriate at any time throughout the year and may request any documents it considers necessary in performing its duties.

Within such context, the following decisions fall within the remit of the Supervisory Board acting by a simple majority:

- appointment of the Executive Board members and the setting of their compensation;
- candidate selection for the Chairman of the Executive Board;
- dismissal of the chairman of the Executive Board from his position;
- dismissal of members of the Executive Board;
- conferral of power of representation to one or more members of the Executive Board;
- co-opting members of Supervisory Board;
- authorisation, pursuant to the provisions of Articles L. 225-86 *et seq.* of the French Commercial Code, of agreements entered into either directly or through a third party with the Issuer and a member of the Executive Board or a member of the Supervisory Board or ST;
- authority to convene a general meeting;
- annual compulsory review of the Issuer's policy on equal work opportunities and equal pay;

- appointment of members on the Supervisory Board's sub-committees;
- approval of the Chairman's internal control report; and
- distribution of corporate officers' remuneration (formerly known as directors' attendance fees).

Furthermore, the Executive Board cannot make the following decisions without the prior authorisation of the Supervisory Board acting as a simple majority:

- sale of real estate assets, total or partial sales of shareholdings and grant of securities;
- key strategic, financial or technological decisions on behalf of the Issuer and the drafting of its annual funding policy;
- strategy and decisions pertaining to the launch of new businesses, takeover of companies, entry into any alliances or partnerships, any asset transfers, including universal asset transfers equal to or in excess of one million Euros (€1,000,000), and more broadly, any investment or divestment equal to or in excess of one million Euros (€1,000,000);
- decisions pertaining to the award of stock options or equivalent securities as well as free share grants to directors and officers;
- decisions pertaining to financial transactions that may substantially alter the Issuer's financial structure which were not taken into consideration in preparing the annual funding policy;
- draft resolutions to be submitted for the approval by the shareholders, pursuant to article L. 228-92 of the French Commercial Code, related to the issuance of securities that may or may not grant the right to a percentage of the share capital or voting rights and the setting of the terms and conditions of the issuances of such securities; and
- proposals to distribute dividends and related transactions.

(d) Deliberations of the Supervisory Board (Article 15 of the Articles of association, Title IV of the internal rules of procedure)

The Supervisory Board meets at least quarterly and as frequently as the Issuer's interests require.

The Supervisory Board meetings are presided over by its Chairman or its Vice-Chairman in his absence. In the event there is no Vice-Chairman, the Supervisory Board elects from its members a meeting chairperson.

The Supervisory Board can only hold valid deliberations if at least one-third of its members are present. The decisions of the Supervisory Board are made acting on a simple majority of the votes of members in attendance or represented; each member in attendance can only represent one other member.

In the event of a tie, the acting chairman of the Supervisory Board shall have the casting vote.

Members attending Supervisory Board meetings via video-conferencing or other forms of telecommunication, which meet the technical specifications set forth by applicable laws and regulations, shall be considered present when calculating quorum and majority requirements according to the terms stipulated in the Supervisory Board's internal rules of procedure.

(e) Compensation of the Supervisory Board members

In recognition of the performance of their duties, the Supervisory Board members receive remuneration (formerly referred to as attendance fees), the amount of which is decided on by the general shareholders' meeting. The Supervisory Board is in charge of allocating the attendance fees among the members, as so advised by the Appointment, Remuneration and Corporate Governance Committee.

The Issuer's mixed general meeting on 7 May 2020 set the maximum overall amount of this remuneration (formerly referred to as attendance fees) to be distributed among the members of the Supervisory Board at €220,000 (two hundred and twenty thousand euros) for the financial year of 1 January 2020 to 31 December 2020. The Supervisory Board members who are responsible for verifying the prudential management receive a substantially larger portion of attendance fees.

Notwithstanding the foregoing, with respect to the legal framework as defined in the French Electoral Code (*Code électoral*) governing incompatibilities that apply to elected officials of national public office, no remuneration (attendance fees) shall be allocated under any circumstances to Supervisory Board members, if any, who are also elected officials of national public office.

The total amount of remuneration is paid, first, to the following members:

- (i) The Chairman of the Supervisory Board, who receives
 - a fixed amount of €10,000 except in the case of excessive absence; and
 - a variable amount capped at €20,000 per year (allocated on the basis of how regularly he has attended),
- (ii) The Chairman of the Audit and Risk Committee, the Chairman of the Remuneration, Appointments and Corporate Governance Committee and the Chairman of the Strategic Committee, who each receive
 - a fixed amount of €5,000 except in the case of excessive absence; and
 - a variable amount capped at €20,000 per year (allocated on the basis of how regularly each has attended).

The distribution of the annual overall amount of attendance fees includes, for each member:

- A fixed amount of €5 000 except in the case of excessive absence;
- A variable amount capped at €10 000 per annum (allocated on the basis of how regularly a member has attended); and
- An additional maximum amount of €5 000 for committee members, depending on their effective participation.

It is possible for members of the Supervisory Board to be given exceptional remuneration as a function of the different activities they may be tasked with in addition to their usual role on the Supervisory Board.

Notwithstanding the above, in accordance with the legal regime of incompatibilities governing holders of a national elected mandate as defined in the French Electoral Code, no attendance fees may be paid, in any circumstances, to members of the Supervisory Board who also hold national elected office.

Members of the Supervisory Board can be reimbursed reasonable expenses incurred in the exercise of their functions provided they provide relevant receipts (for travel, accommodation and meals) as well as other expenses incurred exclusively in the exercise of their mandate and in the interest of Agence France Locale. Expenses claims are addressed to the Secretary of the Supervisory Board who checks the receipts and reimburses any amounts owed and who keeps available for members of the Supervisory Board an annual statement of expenses and fees reimbursed.

7.3 Supervisory Board Committees

In certain areas, the Supervisory Board's work and discussions are prepared by specialised committees, comprised of Supervisory Board members appointed by the Supervisory Board for the duration of their term of office. They handle matters that come under their authority or, where applicable, matters entrusted to them by the Executive Board. They report regularly on their work to the Supervisory Board and submit to it their observations, opinions, proposals and recommendations.

The Supervisory Board places reliance on the work and diligences performed by the following three specialised committees:

- the Audit and Risks Committee;
- the Appointment, Compensation and Corporate Governance Committee; and
- the Strategic Committee.

(a) The Audit and Risks Committee

(i) Membership of the Audit and Risks Committee

The Audit Committee has at least three members, including its chairperson, who are chosen by the Supervisory Board from amongst its members, except for the Supervisory Board chairman, and who do not hold a management position at the Issuer.

The Audit Committee's chairperson shall be elected among the independent members.

As at the date of this Base Prospectus, the members of the Audit Committee are as follows:

- Mr François Drouin, independent member of the Supervisory Board, chairman of the Audit Committee, appointed by the Supervisory Board on 22 June 2017;

- Mrs Victoire Aubry, independent member of the Supervisory Board, appointed by the Supervisory Board on 22 June 2017;
- Mr Olivier Landel, independent member of the Supervisory Board, appointed by the Supervisory Board on 22 June 2017; and
- Mrs Carol Sirou, member of the Supervisory Board, coopted by the Supervisory Board on 27 September 2018.

(ii) Responsibilities of the Audit and Risks Committee

(A) Financial information and risk management

The Audit Committee oversees the process by which financial and accounting information is prepared and disseminated, assesses the relevance and consistency of the accounting principles and methods used to prepare the annual and quarterly financial statements and verifies the efficacy of the internal control and risk management systems. It takes all possible care to ensure the accuracy of the financial, accounting or risk management information submitted to the Supervisory Board in order to provide the Board with its assessment on the work and diligences carried out by the statutory auditors and its opinion as to whether to reappoint them.

(B) Internal control and risk management

The audit committee is also tasked with verifying the efficacy of the Issuer's internal control and risk management systems.

It examines the key focuses of the Issuer's risk management policy, based on measurements of risks and profitability provided to it in accordance with applicable regulations, as well as on its analyses of specific issues related to these matters and methods.

It also handles all compliance related issues, particularly in respect of reputation risk or professional ethics.

The Audit Committee reviews the report on risk measurement and monitoring. Twice a year it examines the internal control operations and findings, based on the information provided by the Issuer's general management, as well as the compliance and periodic control reports submitted by the permanent control managers. It reviews the exchanges of correspondence with the ACPR's Department of Legal and General Corporate Affairs.

(C) External control

The Audit Committee is also tasked with verifying the efficacy of the Issuer's external control, especially the external diligences performed by the statutory auditors.

(iii) Operation of the Audit and Risks Committee

The Audit Committee meets at least twice a year.

The Supervisory Board sets the dates for the meeting, without prejudice to the provisions of its internal rules of procedure regarding convening committee meetings.

The Audit and Risks Committee shall be informed by the Issuer's Executive Board and the statutory auditors of any event that could expose the Issuer to a material risk. Under their sole responsibility, the Executive Board members or the statutory auditors assess the materiality of the risk.

(b) Appointment, Compensation and Corporate Governance Committee

(i) Membership of the Appointment, Compensation and Corporate Governance Committee

The Appointment, Compensation and Corporate Governance Committee has at least three members.

The chairman of the Appointment, Compensation and Corporate Governance Committee shall be elected from the independent members.

(ii) Powers of the Appointment, Compensation and Corporate Governance Committee

With respect to the appointment process, the Appointment, Compensation and Corporate Governance Committee is tasked with the following:

- assisting the Supervisory Boarding in putting forward candidates for the Supervisory Board and its sub-committees and the Executive Board;
- selecting potential candidates for the Supervisory Board meeting the independence criteria and submit such list of candidates to the Supervisory Board;
- preparing the succession of the aforementioned candidates.

More generally, the Appointment, Compensation and Corporate Governance Committee is also in charge of submitting recommendations on the compensation plans for the members of the Supervisory Board, the executive compensation plan and any type of profit-sharing plan for the Issuer's employees and the members of the governance boards of entities controlled by the Issuer.

(iii) Operation of the Appointment, Compensation and Corporate Governance Committee

The Appointment, Compensation and Corporate Governance Committee is governed by the applicable laws and regulations as well as by the provisions of the Issuer's articles of association and the Supervisory Board's internal rules of procedure.

(c) Strategic Committee

(i) Membership of the Strategic Committee

The Strategic Committee has at least three members, including its chairperson.

(ii) Powers of the Strategic Committee

The Strategic Committee reviews and oversees the roll out of the Issuer's strategy plan as well as any of its strategic projects or transactions. It therefore formulates its opinion on:

- the Issuer's key strategic focuses (including the medium-term business plan);
- the Issuer's development policy;
- the large-scale financing or refinancing projects or programmes that the Issuer expects to carry out.

The Strategic Committee also studies and examines:

- drafts of strategic agreements and partnerships, and more generally
- any type of significant project or undertaking. The Strategic Committee's chairperson assesses the materiality of a project submitted by the Issuer's management and makes his/her decision particularly in light of the amount of the commitments related to such project.

As a general rule, the Strategic Committee issues an opinion on any other strategic issue put forth by the Supervisory Board.

(iii) Operation of the Strategic Committee

The Strategic Committee is governed by the applicable laws and regulations as well as by the provisions of the Issuer's articles of association and the Supervisory Board's internal rules of procedure.

7.4 Corporate governance

In the interests of transparency and information to the public, the Issuer has decided to comply with corporate governance principles, as defined by the recommendations issued by AFEP and the MEDEF in the AFEP-MEDEF Code.

In this context, the Issuer's Supervisory Board adopted a set of internal rules of procedures reflecting the key provisions of this code. In order to reflect its own specific circumstances, the Issuer has nevertheless decided to depart from or adjust certain of these provisions as set forth below.

(i) Balanced representation of men and women on boards (Article 6.2 of the AFEP-MEDEF Code and Article L.225-69-1, para 1 of the *Code de Commerce*)

The AFEP-MEDEF Code recommends a balanced representation of men and women on the Supervisory Board. Article L.225-69-1, para 1 of the *Code de Commerce* resulting from law n°2011-103 of 27 January 2011 and as amended by the law no. 2019-486 of 22 May 2019 sets a target of 40% representation of women on the Supervisory Board.

The Issuer falls outside the scope of this law because (i) the shares comprising its share capital are not admitted to trading on a regulated market and (ii) the corporate and financial thresholds covered by this law are not met. However, the Issuer has voluntarily adopted the

provisions of the AFEP-MEDEF Code and as a result enjoys greater flexibility in achieving this target.

As of the end of the 2019 financial year, the Supervisory Board includes three women and eight men, representing a percentage of 27%/73%, which is unchanged from the end of the 2018 financial year.

This composition is a by-product of the Agence France Locale Group's early days of being incorporated and the Issuer is endeavouring to improve the gender ratio within its Supervisory Board over the medium term.

The Issuer upholds gender equality and diversity in general as one of its core values. The Issuer's Executive Board comprises one woman and two men, with a gender ratio for employees of 36.11% women to 63.88% men as of the end of March 2020.

- (ii) Independence of the Supervisory Board members and duration of terms of office (article 8 of the AFEP-MEDEF Code)

It is of crucial importance that the Issuer's Supervisory Board members are independent to guarantee that the Executive Board's is autonomous in its management *vis-à-vis* ST. As such, the Issuer's articles of association stipulate that the number of independent members on the Supervisory Board must at all times be greater than the number of representatives from ST and the Local Authorities. The Supervisory Board defined the criteria to be used to assess and guarantee the independence of its members in accordance with the disclosure provided in section 7.2(a)(i).

As recommended by the AFEP-MEDEF Code, the term of office of members of the Supervisory Board was reduced from six to four years at the Issuer's general assembly meeting held on 3 May 2016.

This term of appointment ensures the continuity of the independent directors' work even though they may still be legally and immediately removed from office by the shareholders. Notwithstanding the information above, the initial members of the Supervisory Board were appointed for a three-year term.

- (iii) Waiver of shares to be held by the Supervisory Board members (Article 22 of the AFEP-MEDEF Code)

Finally, contrary to the recommendations of the AFEP-MEDEF Code, the Supervisory Board members do not hold any shares in the Issuer or ST, in keeping with the principle regarding the Agence France Locale Group's structure whose shareholders are comprised exclusively of Member shareholders in ST.

8. PRINCIPAL SHAREHOLDERS

The description of ST, the Issuer's direct majority shareholder, is set out in paragraph 4 of the section "Description of the Guarantors and the guarantee mechanism" of this Base Prospectus.

9. LEGAL AND ARBITRATION PROCEEDINGS

Please see paragraph 8 of the General Information section of this Base Prospectus.

10. ADDITIONAL INFORMATION

As of the date of this Base Prospectus, the Issuer is a French limited liability company with an Executive Board and Supervisory Board governed by applicable laws and regulations as well as its articles of association.

This section sets forth information pertaining to the articles of association and the financial authorisations as they exist as of the date hereof.

10.1 Share capital

On 13 March 2020, the Issuer completed a twenty third share capital increase in an aggregate nominal amount of 3,200,000 (three million two hundred thousand) euros. Following this share capital increase, the Issuer's share capital totalled 150,000,000 (one hundred and fifty million) euros.

As of the date of this Base Prospectus, the Issuer's share capital amounted to €150,000,000 (one hundred and fifty million) euros, divided into 1,500,000 (one million five hundred thousand) shares of a par value of €100.00 each, all of the same class and fully subscribed and paid up.

10.2 Indebtness represented by securities

As of 31 March 2020, in accordance with IFRS as adopted by the European Union, the Issuer's indebtedness represented by securities amounted to 4,339,954,239 euros. Between 1 April 2020 and the date of this Base Prospectus, the Issuer has made one bond issue in a principal amount of 60,000,000 euros.

10.3 Memorandum and articles of association

As of the date of this Base Prospectus, the Issuer is a French limited liability company (*société anonyme*) with an Executive Board and Supervisory Board governed by French law and registered with the Lyon Companies and Trade Register under number 799 379 649.

- In accordance with the provisions of article 2 of the articles of association, the Issuer's corporate purpose consists of carrying out all or part of the transactions described in accordance with the license's terms, including:
 - granting loans and, where applicable, receiving deposits and other repayable funds from the public as well as performing any related transaction in order to provide loans to local authorities, and French tax-raising EPCIs, territorial public establishments referred to in Article L. 5219-2 of the CGCT, *syndicats de communes*, *syndicats mixtes*, as well as any entity that is legally authorized to benefit from the mechanism established by the Agence France Locale Group, provided that they are members as set forth in ST's articles of association;
 - borrowing funds, particularly through debt issuances with institutional and retail investors, or by any other means;
 - providing loans to Members;
 - providing support to Members in connection with their funding by the Issuer;
 - providing Members financial advice or any other financial or administrative service specifically related to any of the Issuer's financial, credit or loan transaction;

- performing, if necessary, arbitration, brokerage and commission transactions;
- providing ST, where necessary, certain administrative, legal, financial, accounting, business, management or consultancy resources and services; and
- generally carrying out transactions of any kind, whether they be economic, legal, financial, civil or commercial in nature, that may be related, directly or indirectly, to any of the above purposes or to any similar or related purpose.

11. MATERIAL AGREEMENTS

Other than the agreements described below, there are no material agreements (other than contracts entered into in the ordinary course of business) that confer rights, or place obligations, on the Issuer that may have a material impact on the Issuer's ability to perform its obligations to the Noteholders under the Notes.

11.1 Agreements related to the set-up of the IT system

In setting up its IT system, the Issuer has entered into contracts for supply, managed services and "software-as-a-service" (SaaS) hosting agreements with SAB, a recognised operator and publisher of banking software and EquensWorldline, a leader in the set-up and hosting of online portals and electronic payment solutions. The Issuer has also entered into a cloud hosting and operating services contract with Microsoft Azure in the form of an Infrastructure as a Service (IaaS) agreement.

With regard to SAB, the Issuer benefits from:

- the provision of integrated banking software based on SAB-AT modules supplied as standard by the company SAB, and adapted to the needs of the Issuer, as set out in its technical specification;
- SaaS hosting and operating of the banking solution, on the basis of the Issuer's requirements particularly in terms of performance, service level, security and confidentiality of data and infrastructure, continuity and contingency plans in the event of system failures and system reversibility to allow, if necessary, for the Issuer to change supplier.

EquensWorldline provides the Issuer with:

- a web portal to receive and process members' requests and interconnected with the SAB banking solution, designed on the basis of the Issuer's technical specification;
- portal hosting, operating and maintenance on the basis of the Issuer's requirements particularly in terms of performance and service level, data and infrastructure security and confidentiality, continuity and contingency plans in the event of system failures and system reversibility to allow, if necessary, for the Issuer to change supplier.

For these purposes, the Issuer has entered into an agreement with SAB and an agreement with EquensWorldline which are due to expire on 31 March 2024.

As regards Microsoft Azure, the Issuer benefits from:

- essential cloud hosting IT resources: virtualized servers, processing capacity, data storage capacity and network components;
- decisional software solution operating capacity, taking into account the Issuer's requirements in terms of performance and service levels, data and infrastructure security and

confidentiality, business continuity and rescue and reversibility plans in order to remedy any failures of the IT resources employed.

Given the SaaS, IaaS and managed services models that have been selected, some of Agency France Locale's hardware (including all of the equipment and operating software infrastructure necessary for the business IT system) is outsourced to these service providers.

Sub-contractors of the service providers also provide certain functionalities and features.

The IT system is being developed in accordance with the guidelines validated by the Issuer. The main goal of these guidelines is to guarantee the performance, risk management, uniformity and scalability of the IT system.

11.2 Contracts relating to keeping of the Issuer's current accounts

The Issuer opened current accounts with Natixis and Société Générale and outsourced invoice settlement and account-keeping services to these providers.

11.3 Agreement related to the outsourcing of the Issuer's middle/back office activities

The Issuer has decided to outsource some functions to Société Générale Securities Services, an external provider.

This outsourcing relates to collateral management, the management of the Issuer's EMIR obligations, management of the administration of market transactions and the holding of notes.

For these purposes the Issuer has signed a contract package with Société Générale group entities. Société Générale acts as clearing broker with regard to the management of collateral through clearing.

With regard to the other activities listed above, Société Générale Securities Services fulfils a monitoring and administrative management function under the direction and control of the Issuer's middle office and back office.

11.4 Agreement related to the Issuer's internal control

The Issuer has outsourced the performance of the periodic controls to PricewaterhouseCoopers under the supervision of its Risk, Compliance and Control Director. In accordance with the French order of 3 November 2014 on internal control, the reporting entities must have a facility allowing for periodic checks. As set forth in the Issuer's Internal Control Charter, the purpose of the periodic checks is to verify the implementation and efficiency of the procedures for risk management, compliance and permanent control. This arrangement is governed by a 3-year contract which was renewed at the end of 2017. The facility is implemented in accordance with a three-year plan which aims to cover all of the Issuer's tasks and functions, focussing on the main areas of risk. It provides quarterly reviews and monitoring of recommendations, and it generates an annual summary for review by governance bodies.

12. OPERATIONAL MANAGEMENT

12.1 Asset and liability management

The Issuer has put in place an asset and liability management (ALM) system, the purpose of such system, with respect to its balance sheet mix and the risks to which it is exposed, is to minimise the exposure of its results and equity to market risks. This system is based on a framework of financial policies that aim to cover or manage all the risks arising from the Issuer's financial activities.

12.2 Investment policies for liquid assets

In accordance with good management practice, liquidity policy-based management guidelines and regulation, the Issuer has a liquidity reserve comprising high quality assets, which represents the proportion of resources not paid out as loans and retained to ensure liquidity. Further, the Issuer relies on the following guidelines to ensure that its liquid assets are freely negotiable and transferable at all times:

- transferability of assets in the liquidity portfolio;
- credit quality of the investment vehicles; and
- interest rate hedging.

Investment policy for liquid assets

This portfolio invests in high quality assets and has two compartments:

- a compartment to ensure that there is sufficient cash and cash equivalents on a day-to-day basis, the operational portfolio, which is invested in a range of products including bank deposits and liquid and creditworthy securities with maturities of less than one year; and
- a compartment to ensure that there is sufficient cash and cash equivalents over the medium term, the placement portfolio, which will be invested in fixed-rate and floating-rate debt issued mainly from the public sector in the European Economic Area, North America and several countries (a list of which is held by AFL's Credit Committee) and benefiting from a high credit quality assessed with the level of rating of these issuers. These securities are swapped at variable reference rates in accordance with the Issuer's hedging policy for interest rate risk in order to neutralise the effects of an unfavourable change in interest rates on the value of these notes.

At least 70% of liquidity fund securities, according to the Issuer's management guidelines, bear the HQLA or highly liquid hallmark. Moreover, the vast majority of the securities have access to European Central Bank refinancing when this is activated.

The Issuer's liquidity management system is inspired by that used in the leading government agencies for local authority funding as well as in multilateral development banks. It has proved to be effective in ensuring these institutions' liquidity faced with numerous market factors, whilst minimising the impact on their profitability.

12.3 The Issuer's capital and liquidity requirements

- (a) Guidelines
 - (i) Solvency ratio

For the purpose of the calculation, the ratio's denominator is comprised of the following three items:

- credit risk is calculated according to standardised approach;
- market risk does not apply to the Issuer as it does not have a trading portfolio; and
- operating risk is calculated using the basic indicator approach.

As at the date of this Base Prospectus, the total own funds prudential requirement notified by the *Autor High Council for Financial Stability (ité de Contrôle Prudentiel et de Résolution)* applicable to the Agence France Locale Group is 11.25%, including:

- the minimum requirement of 8%;
- the additional "Pillar 2" capital requirement of 1.25%; and
- a capital conservation buffer requirement of 2.5%.

Furthermore, the Agence France Locale Group is obliged to hold:

- a 2.5% capital conservation buffer as from 1st January 2019; and
- 0.25% of common equity as from 1st July 2019, by way of countercyclical capital conservation buffer, in respect of French risk exposure, following the decision of the High Council for Financial Stability (**HSCF**).

The countercyclical capital conservation buffer applicable in France should have been increased to 0.50% as from April 2020; however, against the background of the economic crisis surrounding Covid-19, the HSCF has decided to suspend "until further notice" the application of the countercyclical capital conservation buffer in France. This therefore was reduced to 0% on 18 March 2020.

Not including the countercyclical buffer, the overall solvency requirement as of 1st July 2019 is set at 11.75%.

With a solvency ratio of 15.78%¹⁸ at 31 December 2019, the Agence France Locale Group exceeds the applicable prudential requirements. Since its formation, the Agence France Locale Group imposes a solvency ratio limit of 12.5%, higher than the regulatory requirements. The Issuer's prudential requirements are monitored both at Issuer level and at consolidated level.

(ii) Leverage ratio

Article 429 (bis) paragraph 1. (d) of Regulation (EU) 575/2013 as amended, in particular by Regulation (EU) 2019/876 (the "**CRR** Regulation") of the European Parliament and the Council of 27 November 2019 establishes a separate leverage ratio definition for public development credit institutions, allowing them to exclude certain assets, such as claims on central, regional or local governments or on public sector entities in connection with public investments, from the ratio denominator,

¹⁸ Consolidated level refers to the scope of consolidation of AFL-ST, the parent company of AFL, under IFRS accounting standards.

with a minimum regulatory requirement set at 3%. The Issuer applied to the ACPR on 10 March 2020 to be categorised as a public development credit institution.

The Agence France Locale Group has decided, in addition to the public development credit institutions leverage ratio, to self-impose an adjusted leverage ratio to take account of its specific model which is characterised by:

- phased payment of capital contributions by Members; and
- a very high level of liquidity, of which a significant portion is placed with central banks.

Accordingly, the Agence France Locale Group will henceforth respect, in addition to the regulatory ratio, a leverage ratio, calculated by reference to the approved capital in the numerator, after deduction from the denominator of the amounts placed with central banks in respect of future commitments already taken into account in the leverage calculation for off-balance sheet items. The Agence France Locale Group undertakes to maintain this leverage ratio (so-called “AFL leverage ratio”) above 3%.

If AFL is recognised as eligible to be treated as a public development credit institution, authorising it to deduct claims on central, regional or local governments or on public sector entities in connection with public investments, from the ratio denominator, the leverage ratio of the Agence France Locale Group would equal 11.98% as at 31 December 2019. Based on the current methodology applicable to credit institutions, the Group’s leverage ratio on such date is 2.78%.

(b) Liquidity requirements

The 30-day Liquidity Coverage Ratio (LCR) is to ensure that each institution maintains a sufficient level of high-quality assets, easily transformable into liquidity, to meet its actual or potential commitments over 30 days.

The one-year liquidity ratio (the Net Stable Funding Ratio or NSFR) ensures that the Issuer has stable funding to finance its stable assets.

The Issuer has set the objective of maintaining its liquidity ratios above 100%.

At 31 December 2019, the LCR ratio was 428% and the NSFR ratio was 186%.

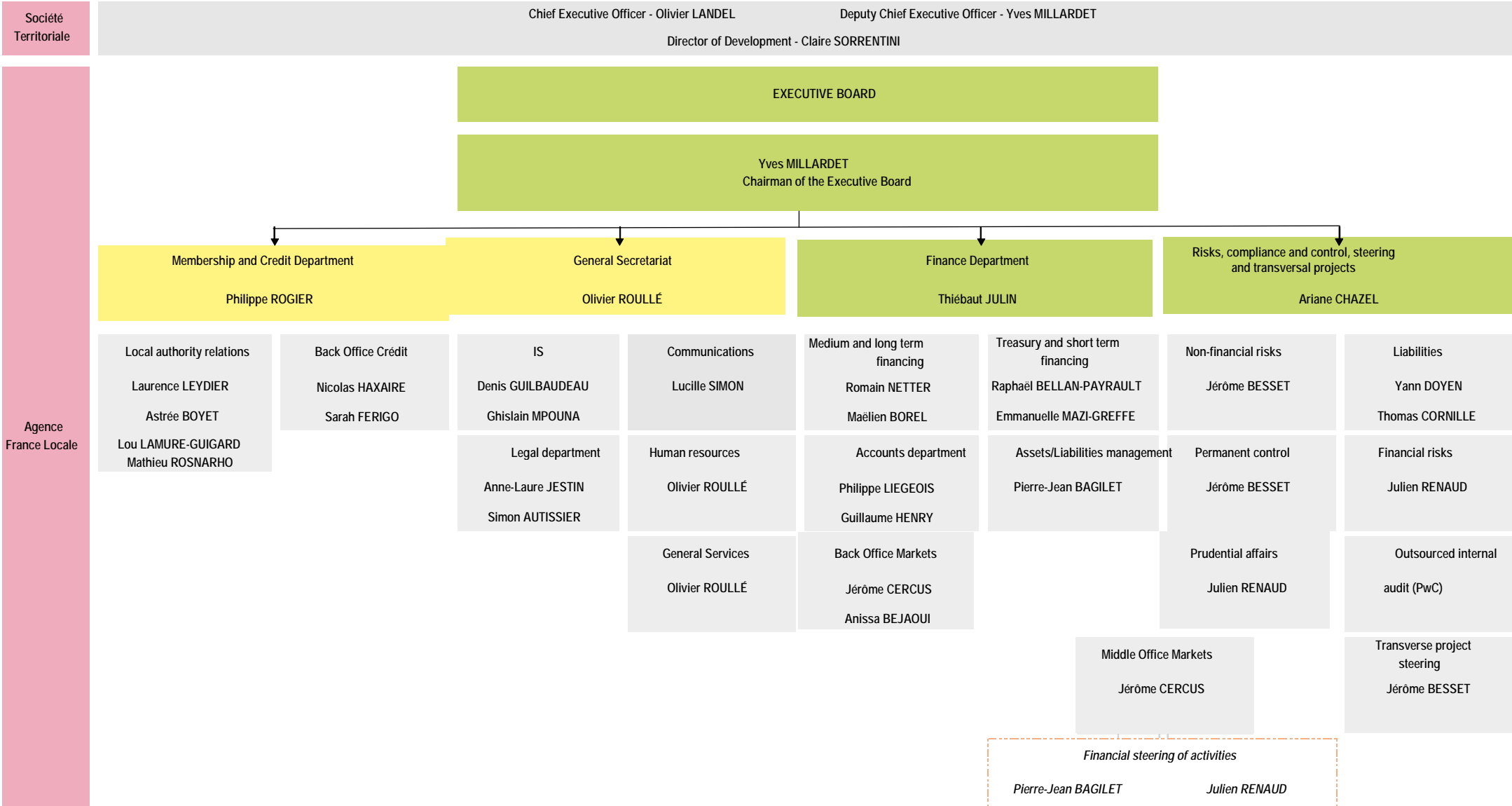
12.4 Organisational structure

The Issuer is the employer of the entire staff at the Agence France Locale Group.

As of the date of this Base Prospectus, the Issuer had 36 employees. According to the Issuers' current estimates this number will gradually increase over time, in line with its activity.

AGENCE FRANCE LOCALE

Organisational structure chart



DESCRIPTION OF THE GUARANTORS AND THE GUARANTEE MECHANISM

1. DESCRIPTION OF THE GUARANTEE MECHANISM

The Notes issued by the Issuer benefit from a dual guarantee mechanism granted by (i) each of the Members, the Member Guarantees, and (ii) ST, the ST Guarantee:

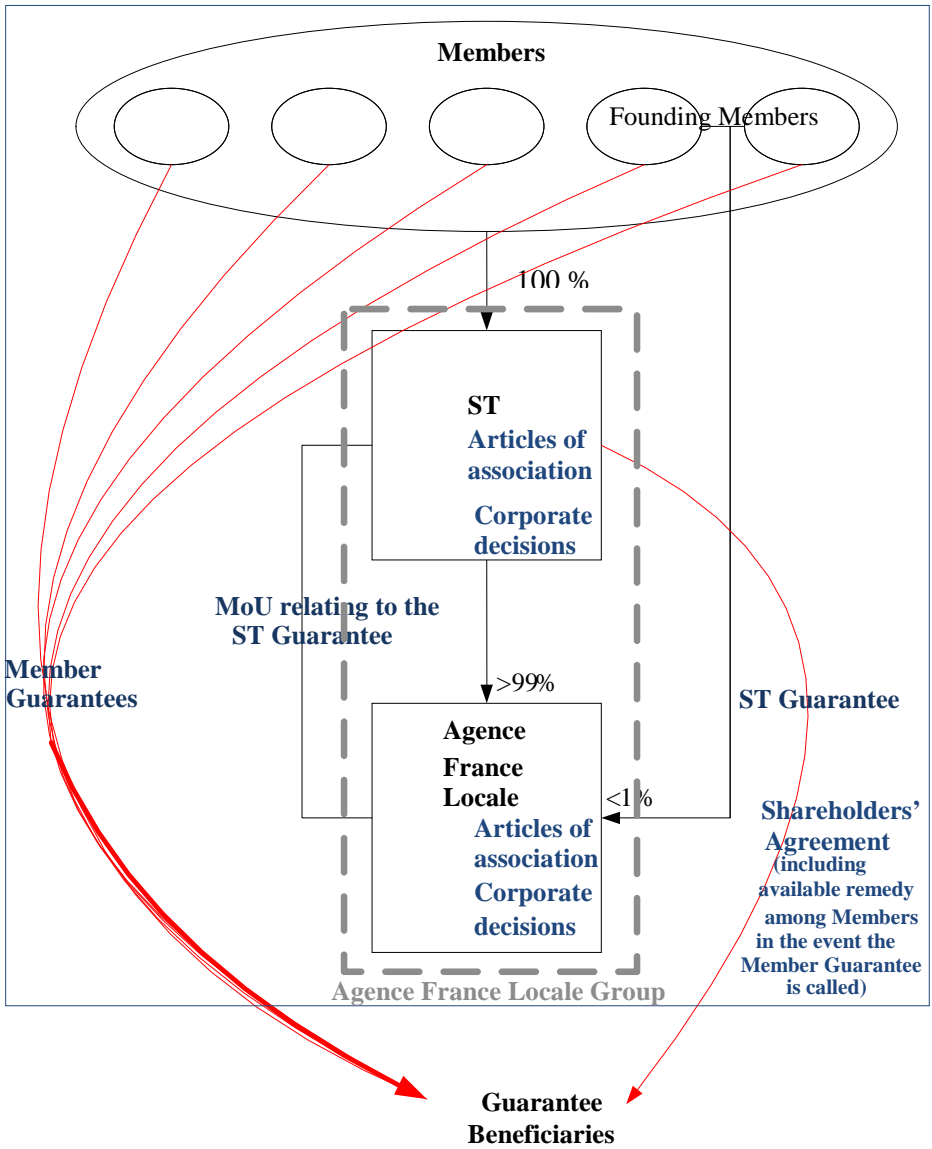
- at the time of subscribing to a Medium-Long Term Loan with the Issuer, each Member grants a guarantee commitment capped at a level equal at all times to the total amount of its outstanding Medium-Long Term Loans *vis-à-vis* the Issuer;
- ST grants a guarantee the amount of which changes periodically. For each Tranche of Notes issued under the Programme the Individual Ceiling (as defined below) of the ST Guarantee is disclosed in the Final Terms relating to the relevant issue and may not be less than the total amount of the issue.

The business plan actually indicates, without constituting a commitment from the Issuer, that approximately 70% of the total amount of borrowings issued by the Issuer on the market (including Notes issued under the Programme) will be used to extend Medium-Long Term Loans to Members. The remaining 30% will be held back both to ensure that the Issuer has available cash resources, in accordance with its regulatory obligations and good management practices and to enable Liquidity Facilities to be offered to Members on the terms and subject to the limits set by the Issuer's financial policies, as set out in paragraph 2.5 of the "Description of the Issuer" section of the Base Prospectus.

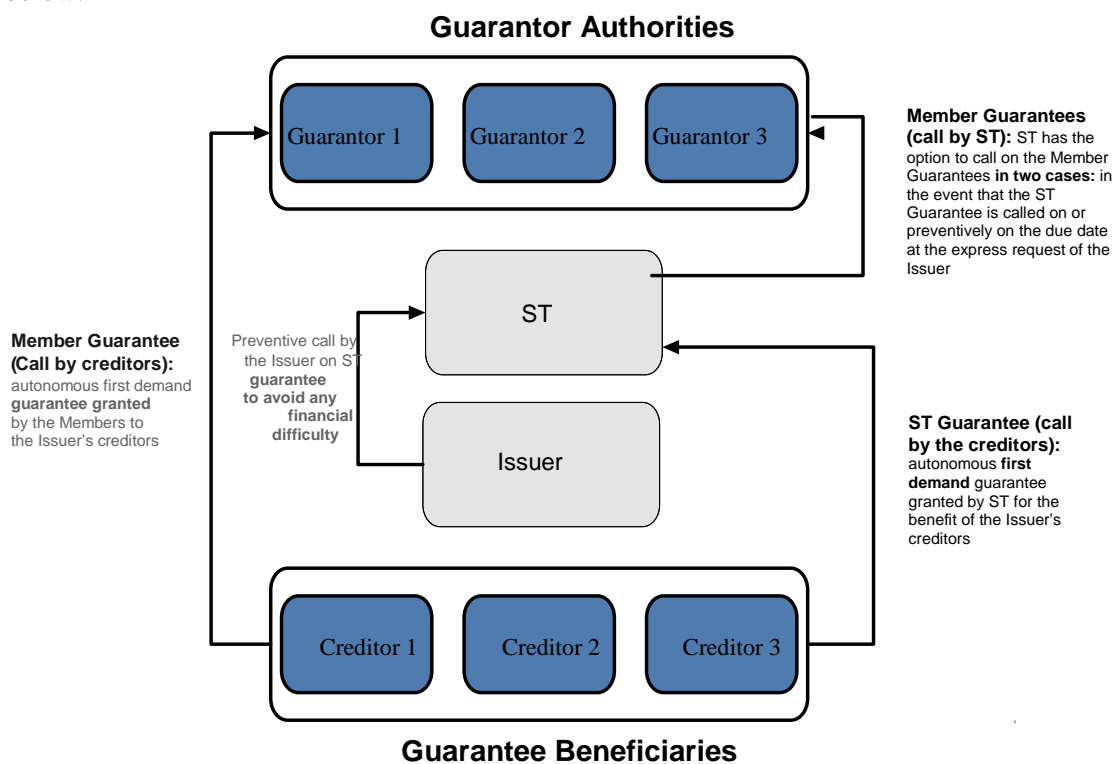
In terms of the ST Guarantee, the total guaranteed amount under the ST Guarantee is expected to be at least equal to the amount of funds raised by the Issuer on the capital markets principally through the issuance of bonds under the Programme and notes issued under the Issuer's euro commercial paper programme as well as other financial commitments (such as banking facilities and hedging operations) that the Issuer has entered into and which both benefit from the ST Guarantee.

The total amount guaranteed under the ST Guarantee cannot in any circumstances be greater than a maximum amount set by ST's Board of Directors (the **ST Guarantee Maximum Ceiling**). The ST Guarantee Maximum Ceiling has been increased by a decision of ST's Board of Directors on 28 September 2018 and thereby raised from 5,000,000,000 euros to 10,000,000,000.

An overview of the contractual framework of the guarantees is presented below:



An overview of how the guarantees operate is set forth below:



1.1 Member Guarantees

The description of the Member Guarantee set out below represents version 2016.01 of the Member Guarantee set out in this Base Prospectus which entered into force on 30 April 2016 (the **Date of Entry into Force**). It replaces version 2014.01 of the Member Guarantee set out in the Base Prospectus dated 6 March 2015 (see paragraph (c) “Changes to the model of Member Guarantee” below for more details) on the Date of Entry into Force. Notes issued after the Date of Entry into Force benefit from version 2016.01 of the Member Guarantee or any other replacement Member Guarantee in accordance with clause 2.3 of version 2016.01 of the Member Guarantee.

(a) Principle

Each Medium-Long Term Loan granted by the Issuer to one of its Members is contingent upon a guarantee commitment by such Member for a maximum amount corresponding to such funding.

The entry into a Liquidity Facility does not lead to the granting by the beneficiary Member of a guarantee. Indeed, the Member Guarantee is only intended to guarantee Beneficiaries up to the amount of the Medium-Long Term Loans drawn down by the relevant Member from the Issuer.

From this principle, it therefore ensues that the maximum amount guaranteed per Member pursuant to the Member Guarantees is designed to be equal to the value of the Medium-Long Term Loans granted by the Issuer to such Member.

As of 31 December 2019, the total outstanding amount of Medium-Long Term Loans, in accordance with IFRS standards, stood at 3,160,500 thousand euros.

Each form of Member Guarantee must have the prior approval of each Member's deliberative body.

The guarantee commitments deriving from the same form of Member Guarantee are:

- all identical and refer to a form of first demand guarantee defined by ST's Board of Directors upon a proposal from the Issuer's Executive Board with a recommendation from its Supervisory Board, and which Members must comply with;
- undertaken each time a Medium Long Term Loan is granted.

(b) Main provisions

In accordance with the form of guarantee, the Member Guarantees are based on the following principles:

- Each Member Guarantee is an autonomous first demand guarantee;
- Its beneficiaries are the Beneficiaries. Beneficiaries are the holders of any issued instruments or the co-parties to any of the deeds entered into by the Issuer stipulating that such instruments and/or deeds are covered by the Member Guarantees. Hence, all of the holders of the instruments issued under the Programme are covered by the Member Guarantees;
- The activation of the Member Guarantee by a Beneficiary, by the representative of Beneficiaries or by ST is contingent upon complying with the proper form and time period prescribed in such guarantee, failing which it is invalid; and
- A specific early call system for the Member Guarantee which may be activated by ST in order to prevent potential financial difficulties.

The option to call the Member Guarantee is extended to ST in the following cases:

- call of the ST Guarantee; and
- request to this effect from the Issuer.

The guarantee calls made by ST on the Member Guarantees are neither for its benefit nor that of the Issuer: they are made on behalf of the Beneficiaries. The sums received from these calls will be deposited in an escrow account opened in the name of ST with the CDC. In accordance with the instructions that ST is to give to the CDC (article 9.4.3 of the Member Guarantee), the amounts deposited in the account will be directly paid to the Beneficiaries on the due date of their receivable. The main terms and conditions of the escrow agreement will be made available on the Issuer's Website.

In cases where the Issuer makes a claim on the ST Guarantee, activating the Member Guarantee, the Shareholders' Agreement provides a system to distribute the claim evenly among the Members.

In the case where a Beneficiary of the Member Guarantees directly makes the guarantee claim, the Beneficiary has the option of either claiming against a single Member for the full

amount of its request¹⁹ (subject to such Member's applicable guarantee ceiling) or to distribute the amount of the request among several Members. The total of the amounts activated by a Beneficiary under the Member Guarantees may not exceed the total amount due to such Beneficiary.

In the interest of full disclosure to the Beneficiaries, each Member's outstanding Medium-Long Term Loans *vis-à-vis* the Issuer and therefore the maximum amount of their guarantee is published each Business Day (as defined in the model Member Guarantee set out below) on the Issuer's Website ²⁰ . (http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2020-06/AFL_Montant_Garantie_Membres_1.pdf).

At 3 June 2020, the total outstanding amount guaranteed by each Member totalled 3,145,851,235.47 euros

List of maximum amounts guaranteed by each Member at 3 June 2020

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
NANTES METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	244400404	2014-1	31 250 000.01 €	0.99%	31 250 000.01 €	0 €
NANTES METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	244400404	2016-1	98 208 333.37 €	3.13%	98 208 333.37 €	0 €
SAINT-NAZAIRE	COMMUNE	214401846	2014-1	2 500 000.00 €	0.08%	2 500 000.00 €	0 €
SAINT-NAZAIRE	COMMUNE	214401846	2016-1	16 164 035.40 €	0.53%	16 164 035.40 €	0 €
REGION PAYS DE LA LOIRE	REGION	234400034	2014-1	38 849 304.86 €	1.24%	38 849 304.86 €	0 €
REGION PAYS DE LA LOIRE	REGION	234400034	2016-1	60 921 052.67 €	1.93%	60 921 052.67 €	0 €
NANTES	COMMUNE	214401093	2014-1	6 999 999.94 €	0.22%	6 999 999.94 €	0 €
NANTES	COMMUNE	214401093	2016-1	47 291 037.22 €	1.51%	47 291 037.22 €	0 €
TOULOUSE METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	243100518	2014-1	30 666 666.61 €	0.97%	30 666 666.61 €	0 €
TOULOUSE METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	243100518	2016-1	98 087 744.58 €	3.12%	98 087 744.58 €	0 €
STRASBOURG EUROMETROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE	246700488	2014-1	36 333 333.22 €	1.16%	36 333 333.22 €	0 €

¹⁹ Such request to correspond to the Beneficiaries' debt to the Issuer.

²⁰ Where there are several versions of a Member Guarantee in existence for the same Member, such Member's outstanding Medium-Long Term Loans published on the Issuer's Website will show, for each version of the Member Guarantee, the relevant amount of outstanding Medium-Long Term Loan guarantee under that version.

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
	(EPCI) A FISCALITE PROPRE						
STRASBOURG EUROMETROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	246700488	2016-1	46 666 666.71 €	1.49%	46 666 666.71 €	0 €
PUJO	COMMUNE	216503722	2014-1	120 000.00 €	0.00%	120 000.00 €	0 €
FLOURENS	COMMUNE	213101843	2014-1	699 999.94 €	0.02%	699 999.94 €	0 €
NOYON	COMMUNE	216004655	2016-1	7 888 900.20 €	0.25%	7 888 900.20 €	0 €
MARSEILLE	COMMUNE	211300553	2016-1	111 095 013.81 €	3.53%	111 095 013.81 €	0 €
LE BOUSCAT	COMMUNE	213300692	2014-1	341 666.73 €	0.01%	341 666.73 €	0 €
LE BOUSCAT	COMMUNE	213300692	2016-1	3 291 666.71 €	0.10%	3 291 666.71 €	0 €
CHAMBERY METROPOLE CŒUR DES BAUGES	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200069110	2014-1	9 085 416.73 €	0.29%	9 085 416.73 €	0 €
CHAMBERY METROPOLE CŒUR DES BAUGES	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200069110	2016-1	35 021 000.00 €	1.13%	35 021 000.00 €	0 €
DUNKERQUE GRAND LITTORAL COMMUNAUTE URBAINE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	245900428	2014-1	7 875 000.00 €	0.25%	7 875 000.00 €	0 €
DUNKERQUE GRAND LITTORAL COMMUNAUTE URBAINE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	245900428	2016-1	65 626 913.24 €	2.10%	65 626 913.24 €	0 €
CRETEIL	COMMUNE	219400280	2016-1	13 858 750.05 €	0.45%	13 858 750.05 €	0 €
GONESSE	COMMUNE	219502770	2014-1	1 433 333.39 €	0.05%	1 433 333.39 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
GONESSE	COMMUNE	219502770	2016-1	14 206 125.00 €	0.45%	14 206 125.00 €	0 €
COMMUNAUTE D'AGGLOMERATION DU VAL DE FENSCH	COMMUNAUTE D'AGGLOMERATION	245701222	2016-1	12 009 498.64 €	0.38%	12 009 498.64 €	0 €
COMMUNAUTE DE COMMUNES DE LA VALLEE DU GARON	COMMUNAUTE DE COMMUNES	246900757	2014-1	2 291 445.95 €	0.08%	2 291 445.95 €	0 €
COMMUNAUTE DE COMMUNES DE LA VALLEE DU GARON	COMMUNAUTE DE COMMUNES	246900757	2016-1	1 500 000.00 €	0.05%	1 500 000.00 €	0 €
COMMUNAUTE DE COMMUNES DU PAYS NOYONNAIS	COMMUNAUTE DE COMMUNES	246000756	2016-1	4 028 386.92 €	0.12%	4 028 386.92 €	0 €
BALARUC-LES-BAINS	COMMUNE	213400237	2014-1	0.00 €	0.00%	0.00 €	0 €
BALARUC-LES-BAINS	COMMUNE	213400237	2016-1	5 224 249.81	0.17%	5 224 249.81 €	0 €
BOURG-ARGENTAL	COMMUNE	214200230	2014-1	216 198.30 €	0.00%	216 198.30 €	0 €
BOURG-ARGENTAL	COMMUNE	214200230	2016-1	340 000.00 €	0.01%	340 000.00 €	0 €
DEPARTEMENT DE L'ESSONNE	DEPARTEMENT	229102280	2016-1	69 745 454.55 €	2.22%	69 745 454.55 €	0 €
METROPOLE AIX- MARSEILLE PROVENCE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200054807	2014-1	18 741 666.61 €	0.59%	18 741 666.61 €	0 €
METROPOLE AIX- MARSEILLE PROVENCE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200054807	2016-1	109 426 777.16 €	3.48%	109 426 777.16 €	0 €
PLOUZANE	COMMUNE	212902126	2014-1	440 000.00 €	0.01%	440 000.00 €	0 €
DOMERAT	COMMUNE	210301016	2016-1	1 575 426.80 €	0.06%	1 575 426.80 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
USSON-EN-FOREZ	COMMUNE	214203184	2014-1	678 940.00 €	0.02%	678 940.00 €	0 €
GRENOBLE	COMMUNE	213801855	2014-1	3 562 418.00 €	0.11%	3 562 418.00 €	0 €
GRENOBLE	COMMUNE	213801855	2016-1	27 535 210.21 €	0.87%	27 535 210.21 €	0 €
METROPOLE EUROPENNE DE LILLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	245900410	2014-1	8 600 000.00 €	0.27%	8 600 000.00 €	0 €
METROPOLE EUROPENNE DE LILLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	245900410	2016-1	91 020 414.26 €	2.90%	91 020 414.26 €	0 €
SAINT-MARTIN-DE- SEIGNANX	COMMUNE	214002735	2016-1	2 167 500.00 €	0.07%	2 167 500.00 €	0 €
COMMUNAUTE D'AGGLOMERATION DU GRAND PERIGUEUX	COMMUNAUTE D'AGGLOMERATION	200040392	2014-1	1 199 297.34 €	0.04%	1 199 297.34 €	0 €
COMMUNAUTE D'AGGLOMERATION DU GRAND PERIGUEUX	COMMUNAUTE D'AGGLOMERATION	200040392	2016-1	21 043 097.60 €	0.67%	21 043 097.60 €	0 €
METROPOLE DU GRAND NANCY	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	245400676	2014-1	34 232 828.35 €	1.09%	34 232 828.35 €	0 €
METROPOLE DU GRAND NANCY	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	245400676	2016-1	57 107 686.98 €	1.80%	57 107 686.98 €	0 €
SAINT-DENIS	COMMUNE	219300662	2016-1	38 316 498.36 €	1.22%	38 316 498.36 €	0 €
AMIENS METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	248000531	2014-1	3 937 500.00 €	0.13%	3 937 500.00 €	0 €
AMIENS METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	248000531	2016-1	49 177 376.84 €	1.57%	49 177 376.84 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
COMMUNAUTE DE COMMUNES ARDENNE RIVES DE MEUSE	COMMUNAUTE DE COMMUNES	240800821	2014-1	474 400.00 €	0.02%	474 400.00 €	0 €
COMMUNAUTE DE COMMUNES ARDENNE RIVES DE MEUSE	COMMUNAUTE DE COMMUNES	240800821	2016-1	800 000.00 €	0.03%	800 000.00 €	0 €
BREST	COMMUNE	212900195	2014-1	1 500 000.05 €	0.05%	1 500 000.05 €	0 €
BREST METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	242900314	2014-1	5 249 999.95 €	0.17%	5 249 999.95 €	0 €
BREST METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	242900314	2016-1	11 236 440.68 €	0.35%	11 236 440.68 €	0 €
ROQUESERIERE	COMMUNE	213104599	2014-1	286 666.61 €	0.01%	286 666.61 €	0 €
VINCENNES	COMMUNE	219400801	2016-1	5 524 999.98 €	0.17%	5 524 999.98 €	0 €
COMMUNAUTE DE COMMUNES DU RHONE AUX GORGES DE L'ARDECHE	COMMUNAUTE DE COMMUNES	240700864	2014-1	393 750.00 €	0.01%	393 750.00 €	0 €
COMMUNAUTE DE COMMUNES DU RHONE AUX GORGES DE L'ARDECHE	COMMUNAUTE DE COMMUNES	240700864	2016-1	1 635 456.14 €	0.05%	1 635 456.14 €	0 €
THIL	COMMUNE	210104188	2014-1	161 173.02 €	0.01%	161 173.02 €	0 €
BEYNAC ET CAZENAC	COMMUNE	212400402	2014-1	787 500.00 €	0.03%	787 500.00 €	0 €
BEYNAC ET CAZENAC	COMMUNE	212400402	2016-1	616 666.66 €	0.02%	616 666.66 €	0 €
MACON	COMMUNE	217102706	2014-1	3 596 666.72 €	0.11%	3 596 666.72 €	0 €
MACON	COMMUNE	217102706	2016-1	18 560 753.86 €	0.59%	18 560 753.86 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
PONT D'AIN	COMMUNE	210103040	2014-1	837 816.61 €	0.02%	837 816.61 €	0 €
VENDOME	COMMUNE	214102691	2014-1	1 791 666.61 €	0.06%	1 791 666.61 €	0 €
VENDOME	COMMUNE	214102691	2016-1	5 336 666.68 €	0.16%	5 336 666.68 €	0 €
WITTENHEIM	COMMUNE	216803767	2016-1	2 682 768.30 €	0.08%	2 682 768.30 €	0 €
LANNION	COMMUNE	212201131	2016-1	4 030 700.01 €	0.15%	4 030 700.01 €	0 €
COMMUNAUTE D'AGGLOMERATION DE BLOIS AGGLOPOLYS	COMMUNAUTE D'AGGLOMERATION	200030385	2014-1	3 150 000.00 €	0.10%	3 150 000.00 €	0 €
COMMUNAUTE D'AGGLOMERATION DE BLOIS AGGLOPOLYS	COMMUNAUTE D'AGGLOMERATION	200030385	2016-1	5 038 863.58	0.16%	5 038 863.58 €	0 €
VILLEURBANNE	COMMUNE	216902668	2016-1	22 132 111.17 €	0.70%	22 132 111.17 €	0 €
BORDEAUX METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	243300316	2014-1	4 000 000.00 €	0.13%	4 000 000.00 €	0 €
BORDEAUX METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	243300316	2016-1	120 250 000.00 €	3.82%	120 250 000.00 €	0 €
METROPOLE DU GRAND LYON	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200046977	2014-1	45 874 437.20 €	1.46%	45 874 437.20 €	0 €
METROPOLE DU GRAND LYON	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200046977	2016-1	78 715 256.84 €	2.50%	78 715 256.84 €	0 €
ANCENIS	COMMUNE	214400038	2014-1	1 937 500.00 €	0.06%	1 937 500.00 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
PLAINE COMMUNE	ETABLISSEMENT PUBLIC TERRITORIAL (EPT)	200057867	2014-1	16 841 666.78 €	0.54%	16 841 666.78 €	0 €
PLAINE COMMUNE	ETABLISSEMENT PUBLIC TERRITORIAL (EPT)	200057867	2016-1	79 101 498.21 €	2.52%	79 101 498.21 €	0 €
COMMUNAUTE DE COMMUNES DE RIVES DE L'AIN - PAYS DU CERDON	COMMUNAUTE DE COMMUNES	200029999	2014-1	627 033.12 €	0.02%	627 033.12 €	0 €
COMMUNAUTE DE COMMUNES DE RIVES DE L'AIN - PAYS DU CERDON	COMMUNAUTE DE COMMUNES	200029999	2016-1	282 100.00 €	0.01%	282 100.00 €	0 €
PERTUIS	COMMUNE	218400893	2014-1	1 815 000.00 €	0.06%	1 815 000.00 €	0 €
PERTUIS	COMMUNE	218400893	2016-1	4 650 000.01 €	0.15%	4 650 000.01 €	0 €
CLERMONT-FERRAND	COMMUNE	216301135	2014-1	2 398 500.00 €	0.08%	2 398 500.00 €	0 €
CLERMONT-FERRAND	COMMUNE	216301135	2016-1	32 333 895.70 €	1.02%	32 333 895.70 €	0 €
CLERMONT- AUVERGNE METROPOLE	COMMUNE	216301135	2016-1	40 622 500.00 €	1.30%	40 622 500.00 €	0 €
SAINT-HILAIRE-DE- RIEZ	COMMUNE	218502268	2016-1	6 611 215.13 €	0.21%	6 611 215.13 €	0 €
COMMUNAUTE URBAINE DU CREUSOT MONTCEAU	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	247100290	2014-1	2 425 000.00 €	0.08%	2 425 000.00 €	0 €
COMMUNAUTE URBAINE DU CREUSOT MONTCEAU	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	247100290	2016-1	20 055 363.18 €	0.64%	20 055 363.18 €	0 €
LONGVIC	COMMUNE	212103550	2014-1	733 333.28 €	0.02%	733 333.28 €	0 €
COMMUNAUTE DE COMMUNES DU QUERCY CAUSSADAIS	COMMUNAUTE DE COMMUNES	248200057	2014-1	1 968 750.00 €	0.06%	1 968 750.00 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
MORHANGE	COMMUNE	215704834	2014-1	193 750.00 €	0.01%	193 750.00 €	0 €
MORHANGE	COMMUNE	215704834	2016-1	1 983 194.44 €	0.07%	1 983 194.44 €	0 €
SAINT SAUVEUR EN RUE	COMMUNE	214202871	2014-1	94 500.00 €	0.00%	94 500.00 €	0 €
SAINT SAUVEUR EN RUE	COMMUNE	214202871	2016-1	1 514 060.81 €	0.05%	1 514 060.81 €	0€
GUETHARY	COMMUNE	216402495	2014-1	256 666.72 €	0.01%	256 666.72 €	0 €
GUETHARY	COMMUNE	216402495	2016-1	1 203 949.65 €	0.04%	1 203 949.65 €	0 €
METZ	COMMUNE	21574636	2014-1	4 070 730.33 €	0.13%	4 070 730.33 €	0 €
METZ	COMMUNE	21574636	2016-1	21 281 247.55 €	0.68%	21 281 247.55 €	0 €
PONT DE BEAUVOISIN	COMMUNE	217302041	2014-1	517 252.68 €	0.02%	517 252.68 €	0 €
GONFARON	COMMUNE	218300671	2014-1	411 200.00 €	0.01%	411 200.00 €	0 €
GONFARON	COMMUNE	218300671	2016-1	358 666.68 €	0.02%	358 666.68 €	0 €
METROPOLE ROUEN NORMANDIE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200023414	2014-1	9 011 657.97 €	0.29%	9 011 657.97 €	0 €
METROPOLE ROUEN NORMANDIE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200023414	2016-1	112 874 999.99 €	3.59%	112 874 999.99 €	0 €
ROQUEBRUNE-SUR-ARGENS	COMMUNE	218301075	2014-1	1 600 000.00 €	0.05%	1 600 000.00 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
ROQUEBRUNE-SUR-ARGENS	COMMUNE	218301075	2016-1	5 822 825.32 €	0.19%	5 811 577.84 €	0 €
ROQUEMAURE	COMMUNE	213002215	2016-1	3 963 823.41 €	0.13%	3 963 823.41 €	0 €
CRESSY-SUR-SOMME	COMMUNE	217101526	2014-1	179 955.02 €	0.01%	179 955.02 €	0 €
COMMUNAUTE DE COMMUNES DU WARNDT	COMMUNAUTE DE COMMUNES	245701164	2014-1	2 313 724.92 €	0.07%	2 313 724.92 €	0 €
ANZIN	COMMUNE	215900143	2014-1	555 333.28 €	0.02%	555 333.28 €	0 €
ANZIN	COMMUNE	215900143	2016-1	2 674 603.68 €	0.09%	2 674 603.68 €	0 €
IZIER	COMMUNE	212103204	2014-1	260 000.00 €	0.01%	260 000.00 €	0 €
AUSSONNE	COMMUNE	213100324	2014-1	524 999.95 €	0.02%	524 999.95 €	0 €
COMMUNAUTE D'AGGLOMERATION DE MORLAIX COMMUNAUTE	COMMUNAUTE D'AGGLOMERATION	242900835	2016-1	4 666 666.80 €	0.15%	4 666 666.80 €	0 €
PEYRIGNAC	COMMUNE	212403240	2016-1	98 283.51 €	0.00%	98 283.51 €	0 €
GROSBOIS-EN-MONTAGNE	COMMUNE	212103105	2016-1	91 060.40 €	0.00%	91 060.40 €	0 €
AUBRIVES	COMMUNE	210800264	2016-1	924 999.95 €	0.03%	924 999.95 €	0 €
ROQUEFORT-SUR-SOULZON	COMMUNE	211202031	2016-1	1 873 005.38 €	0.07%	1 873 005.38 €	0 €
CYSOING	COMMUNE	215901687	2016-1	1 417 499.94 €	0.05%	1 417 499.94 €	0 €
COLLONGES-LES-PREMIERES	COMMUNE	212101836	2016-1	311 667.03 €	0.01%	311 667.03 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
SAINT-PIERRE ET MIQUELON	COLLECTIVITE TERRITORIALE	229750013	2016-1	18 760 837.00 €	0.59%	18 760 837.00 €	0 €
RICHARDMENIL	COMMUNE	215404591	2016-1	2 930 000.00 €	0.10%	2 930 000.00 €	0 €
SAINTE-EUPHEMIE	COMMUNE	210103537	2016-1	660 000.00 €	0.02%	660 000.00 €	0 €
CHIROLS	COMMUNE	210700654	2016-1	145 875.00 €	0.00%	145 875.00 €	0 €
ALENCON	COMMUNE	216100016	2016-1	9 340 154.87 €	0.29%	9 340 154.87 €	0 €
VITRAC	COMMUNE	212405872	2016-1	191 666.62 €	0.01%	191 666.62 €	0 €
BOURGOIN-JALLIEU	COMMUNE	213800535	2016-1	3 567 500.00 €	0.11%	3 567 500.00 €	0 €
PLAILLY	COMMUNE	216004887	2016-1	2 633 333.26 €	0.09%	2 633 333.26 €	0 €
DEPARTEMENT DE LA MEUSE	DEPARTEMENT	225500016	2016-1	41 751 335.25 €	1.32%	41 751 335.25 €	0 €
COMMUNAUTE D'AGGLOMERATION DE VAL PARISIS	COMMUNAUTE D'AGGLOMERATION	200058485	2016-1	3 000 000.00 €	0.10%	3 000 000.00 €	0 €
PUY-SAINT-GULMIER	COMMUNE	216302927	2016-1	247 500.00 €	0.01%	247 500.00 €	0 €
COMMUNAUTE URBAINE D'ARRAS	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	200033579	2016-1	20 826 691.67 €	0.67%	20 492 683.88 €	0 €
TART L'ABBAYE	COMMUNE	212106215	2016-1	88 156.22 €	0.00%	88 156.22 €	0 €
AMIENS	COMMUNE	218000198	2016-1	13 879 489.11 €	0.45%	13 879 489.11 €	0 €
LESNEVEN	COMMUNE	212901243	2016-1	1 460 000.00 €	0.04%	1 460 000.00 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
LES VOIVRES	COMMUNE	218805208	2016-1	156 666.71 €	0.00%	156 666.71 €	0 €
LES SORINIERES	COMMUNE	214401986	2016-1	391 666.71 €	0.01%	391 666.71 €	0 €
VERNON	COMMUNE	212706816	2016-1	10 147 870.61 €	0.33%	10 147 870.61 €	0 €
GRANDVILLIERS	COMMUNE	216002832	2016-1	649 955.28 €	0.02%	649 955.28 €	0 €
DEPARTEMENT DE L' AISNE	DEPARTEMENT	220200026	2016-1	64 608 333.31 €	2.34%	64 608 333.31 €	0 €
PONTAUMUR	COMMUNE	216302836	2016-1	128 874.12 €	0.00%	128 874.12 €	0 €
SAILLY-LEZ-LANNOY	COMMUNE	215905225	2016-1	470 000.00 €	0.01%	470 000.00 €	0 €
BORDEAUX	COMMUNE	213300635	2016-1	29 320 508.91 €	1.00%	29 320 508.91 €	0 €
LE FERRE	COMMUNE	213501117	2016-1	156 666.71 €	0.00%	156 666.71 €	0 €
GENNEVILLIERS	COMMUNE	219200367	2016-1	5 847 335.30 €	0.19%	5 847 335.30 €	0 €
COMMUNAUTE D'AGGLOMERATION PAU BEARN PYRENEES	COMMUNAUTE D'AGGLOMERATION	200067254	2016-1	38 109 094.81 €	1.04%	38 109 094.81 €	0 €
SAINT-MAURIN	COMMUNE	214702607	2016-1	26 666.68 €	0.00%	26 666.68 €	0 €
BERNAY-VILBERT	COMMUNE	217700319	2016-1	129 286.40 €	0.00%	129 286.40 €	0 €
BAGNERES DE LUCHON	COMMUNE	213100423	2016-1	1 310 601.62 €	0.04%	1 310 601.62 €	0 €
PEUJARD	COMMUNE	213303217	2016-1	144 000.00 €	0.00%	144 000.00 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
MISON	COMMUNE	210401238	2016-1	250 000.00 €	0.01%	250 000.00 €	0 €
MONTIGNY-SUR- CHIERS	COMMUNE	215403783	2016-1	536 666.63 €	0.01%	536 666.63 €	0 €
COMMUNAUTE DE COMMUNES DE L'HUISNE SARTHOISE	COMMUNAUTE DE COMMUNES	247200686	2016-1	2 942 116.50 €	0.10%	2 942 116.50 €	0 €
ATTICHES	COMMUNE	215900226	2016-1	440 000.00 €	0.01%	440 000.00 €	0 €
COMBLOUX	COMMUNE	217400837	2016-1	1 598 441.53 €	0.04%	1 596 657.13 €	0 €
VENEJAN	COMMUNE	213003429	2016-1	143 750.00 €	0.00%	143 750.00 €	0 €
COMMUNAUTE DE COMMUNES DE MOSELLE ET MADON	COMMUNAUTE DE COMMUNES	245400171	2016-1	3 950 025.00 €	0.08%	3 950 025.00 €	0 €
BISCARROSSE	COMMUNE	214000465	2016-1	5 100 027.01 €	0.16%	5 100 027.01 €	0 €
COMPS	COMMUNE	213000896	2016-1	45 000.00 €	0.00%	45 000.00 €	0 €
POMEROLS	COMMUNE	213402076	2016-1	1 408 333.37 €	0.04%	1 408 333.37 €	0 €
COMMUNAUTE DE COMMUNES DU VAL DE DROME	COMMUNAUTE DE COMMUNES	242600252	2016-1	1 451 000.00 €	0.04%	1 451 000.00 €	0 €
PARROY	COMMUNE	215404187	2016-1	0.00 €	0.00%	0.00 €	0 €
BRY-SUR-MARNE	COMMUNE	219400157	2016-1	4 485 750.00 €	0.15%	4 485 750.00 €	0 €
MAIXE	COMMUNE	215403353	2016-1	798 274.16 €	0.02%	798 274.16 €	0 €
CRION	COMMUNE	215401472	2016-1	26 597.39 €	0.00%	26 597.39 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
MONTREUIL	COMMUNE	219300480	2016-1	36 758 910.96 €	1.17%	36 758 910.96 €	0 €
TEILHEDE	COMMUNE	216304279	2016-1	0.00 €	0.00%	0.00 €	0 €
COMMUNAUTE DE COMMUNES DES COTEAUX DU GIROU	COMMUNAUTE DE COMMUNES	243100732	2016-1	2 876 666.66 €	0.09%	2 876 666.66 €	0 €
SAINT JULIEN EN GENEVOIS	COMMUNE	217402437	2016-1	2 000 000.00 €	0.06%	2 000 000.00 €	0 €
BESSANCOURT	COMMUNE	219500600	2016-1	408 333.37 €	0.01%	408 333.37 €	0 €
COMMUNAUTE DE COMMUNES DU PONT DU GARD	COMMUNAUTE DE COMMUNES	243000684	2016-1	1 125 000.00 €	0.04%	1 125 000.00 €	0 €
MOUACOURT	COMMUNE	215408006	2016-1	10 120.00 €	0.00%	10 120.00 €	0 €
VAL-DE-LIVENNE	COMMUNE	213302672	2016-1	273 749.33 €	0.01%	273 749.33 €	0 €
SAINT ETIENNE DE BAIGORRY	COMMUNE	216404772	2016-1	1 333 333.30 €	0.05%	1 333 333.30 €	0 €
POLYNESIE FRANCAISE	COLLECTIVITE TERRITORIALE	229870019	2016-1	17 431 975.00 €	0.56%	17 431 975.00 €	0 €
YOUX	COMMUNE	216304717	2016-1	58 333.30 €	0.00%	58 333.30 €	0 €
BARTHELEMONT	COMMUNE	215400508	2016-1	30 000.00 €	0.00%	30 000.00 €	0 €
MONS-EN-PEVELE	COMMUNE	215904111	2016-1	897 200.50 €	0.02%	897 200.50 €	0 €
BURES	COMMUNE	215401068	2016-1	0.00 €	0.00%	0.00 €	0 €
HUANNE MONTMARTIN	COMMUNE	212503106	2016-1	92 500.00 €	0.00%	92 500.00 €	0 €

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
COMMUNAUTE DE COMMUNES DU PAYS MORNANTAIS	COMMUNAUTE DE COMMUNES	246900740	2016-1	450 000.00 €	0.01%	450 000.00 €	0 €
LA MULATIERE	COMMUNE	216901421	2016-1	292 500.00 €	0.01%	292 500.00 €	0€
BAUZEMONT	COMMUNE	215400532	2016-1	23 000.00 €	0.00%	23 000.00 €	0€
RANG DU FLIERS	COMMUNE	216206888	2016-1	495 582.13 €	0.01%	495 582.13 €	0€
COMMUNAUTE DE COMMUNES DU CŒUR DE L'AVESNOIS	COMMUNAUTE DE COMMUNES	200030609	2016-1	2 045 604.51 €	0.07%	2 038 694.54 €	0€
CHALLES-LES-EAUX	COMMUNE	217300649	2016-1	3 697 478.95 €	0.12%	3 697 478.95 €	0€
DEPARTEMENT DE SAONE ET LOIRE	DEPARTEMENT	227100013	2016-1	75 758 333.38 €	2.41%	75 758 333.38 €	0€
AUBENAS	COMMUNE	210700191	2016-1	7 172 977.03 €	0.24%	7 172 977.03 €	0€
THUN L'EVEQUE	COMMUNE	215905936	2016-1	165 000.00 €	0.01%	165 000.00 €	0€
GRIGNY	COMMUNE	219102860	2016-1	1 833 333.30 €	0.06%	1 833 333.30 €	0€
MERLIMONT	COMMUNE	216205716	2016-1	1 700 000.03 €	0.05%	1 700 000.03 €	0€
CHALON-SUR-SAONE	COMMUNE	217100767	2016-1	7 153 869.12 €	0.22%	7 153 869.12 €	0€
VALENCIENNES METROPOLE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE (EPCI) A FISCALITE PROPRE	245901160	2016-1	16 875 000.00 €	0.54%	16 875 000.00 €	0€
SAINT BERON	COMMUNE	217302264	2016-1	530 000.00 €	0.02%	530 000.00 €	0€
TOULOUSE	COMMUNE	217302264	2016-1	18 500 000.00 €	0.59%	18 500 000.00 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
BEZANGE-LA-GRANDE	COMMUNE	215400714	2016-1	23 000.00 €	0.00%	23 000.00 €	0€
JUVRECOURT	COMMUNE	215402850	2016-1	10 400.00 €	0.00%	10 400.00 €	0€
SAINT-ANDRE D'OLERARGUES	COMMUNE	213002322	2016-1	224 483.63 €	0.01%	224 483.63 €	0€
BOURG SAINT ANDEOL	COMMUNE	210700423	2016-1	1 805 943.18 €	0.06%	1 805 943.18 €	0€
RIGNEY	COMMUNE	212504906	2016-1	272 500.00 €	0.01%	272 500.00 €	0€
SAUMUR	COMMUNE	214903288	2016-1	8 205 000.01 €	0.26%	8 205 000.01 €	0€
LANDAS	COMMUNE	215903303	2016-1	900 000.00 €	0.03%	900 000.00 €	0€
HUNINGUE	COMMUNE	216801498	2016-1	1 200 320.49 €	0.04%	1 200 320.49 €	0€
HENAMENIL	COMMUNE	215402587	2016-1	10 240.00 €	0.00%	10 240.00 €	0€
COMMUNAUTE DE COMMUNES ADOUR MADIRAN	COMMUNAUTE DE COMMUNES	200072106	2016-1	1 275 000.00 €	0.04%	1 275 000.00 €	0€
SEILLANS	COMMUNE	218301240	2016-1	155 144.69 €	0.00%	155 144.69 €	0€
MONTRECOURT	COMMUNE	215904152	2016-1	389 015.79 €	0.01%	389 015.79 €	0€
CORBEL	COMMUNE	217300920	2016-1	255 000.00 €	0.01%	255 000.00 €	0€
BOEN SUR LIGNON	COMMUNE	214200198	2016-1	2 046 875.00 €	0.07%	2 046 875.00 €	0€
CHELLES	COMMUNE	217701085	2016-1	4 677 877.05 €	0.15%	4 677 877.05 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
SAINT-MARCEL-EN-MARCILLAT	COMMUNE	210302444	2016-1	241 759.15 €	0.00%	241 759.15 €	0€
FOURNES	COMMUNE	213001167	2016-1	279 479.68 €	0.01%	279 479.68 €	0€
MOTZ	COMMUNE	217301803	2016-1	2 754 941.79 €	0.09%	2 754 941.79 €	0€
AULNOY-LEZ-VALENCIENNES	COMMUNE	215900325	2016-1	1 393 939.36 €	0.04%	1 393 939.36 €	0€
PEYPIN	COMMUNE	211300736	2016-1	1 459 614.65 €	0.05%	1 459 614.65 €	0€
CHADRON	COMMUNE	214300477	2016-1	166 875.00 €	0.00%	166 875.00 €	0€
BERGERAC	COMMUNE	212400378	2016-1	7 756 474.74 €	0.26%	7 756 474.74 €	0€
CAPVERN	COMMUNE	216501270	2016-1	618 333.31 €	0.02%	618 333.31 €	0€
COMMUNAUTE DE COMMUNES DE LA REGION DE GUEBWILLER	COMMUNAUTE DE COMMUNES	200041960	2016-1	11 090 429.29 €	0.36%	11 090 429.29 €	0€
LOUBEYRAT	COMMUNE	216301986	2016-1	608 989.95 €	0.02%	608 989.95 €	0€
VALLIGUIERES	COMMUNE	213003403	2016-1	75 222.99 €	0.00%	75 222.99 €	0€
CROISMARE	COMMUNE	215401480	2016-1	169 000.00 €	0.00%	169 000.00 €	0€
LA MONNERIE LE MONTEL	COMMUNE	216302315	2016-1	911 400.00 €	0.03%	911 400.00 €	0€
COMMUNAUTE D'AGGLOMERATION ANNEMASSE - LES VOIRONS	COMMUNAUTE D'AGGLOMERATION	200011773	2016-1	8 060 105.79 €	0.26%	8 060 105.79 €	0€
COMMUNAUTE D'AGGLOMERATION DU PAYS DE SAINT OMER	COMMUNAUTE D'AGGLOMERATION	200069037	2016-1	14 171 474.35 €	0.45%	14 171 474.35 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
SAINT-MARTIAL D'ALBAREDE	COMMUNE	212404487	2016-1	886 666.67 €	0.03%	886 666.67 €	0€
COMMUNAUTE DE COMMUNES DE CEZE CEVENNES	COMMUNAUTE DE COMMUNES	200022978	2016-1	800 000.00 €	0.03%	800 000.00 €	0€
SAINT VICTOR DE MALCAP	COMMUNE	213003031	2016-1	586 557.77 €	0.02%	586 557.77 €	0€
SCY CHAZELLES	COMMUNE	215706425	2016-1	1 213 999.99 €	0.03%	1 213 999.99 €	0€
BRUNOY	COMMUNE	219101144	2016-1	4 710 000.00 €	0.15%	4 710 000.00 €	0€
LE VERGER	COMMUNE	213503519	2016-1	22 829.09 €	0.00%	22 829.09 €	0€
BLANC-MESNIL	COMMUNE	219300076	2016-1	9 650 000.00 €	0.31%	9 650 000.00 €	0€
VAUX-SUR-SEINE	COMMUNE	217806389	2016-1	956 847.87 €	0.03%	956 847.87 €	0€
COMMUNAUTE D'AGGLOMERATION DE VICHY AGGLOMERATION	COMMUNAUTE D'AGGLOMERATION	240300426	2016-1	19 452 500.00 €	0.61%	19 452 500.00 €	0€
SAINT-PIERRE D'ENTREMONT	COMMUNE	213804461	2016-1	270 000.00 €	0.01%	270 000.00 €	0€
MONTMELIAN	COMMUNE	217301712	2016-1	2 518 162.37 €	0.07%	2 518 162.37 €	0€
TOURS	COMMUNE	213702616	2016-1	34 827 961.62 €	1.11%	34 827 961.62 €	0€
LA POSSESSION	COMMUNE	219740081	2016-1	15 612 033.82 €	0.49%	15 612 033.82 €	0€
WAZIERS	COMMUNE	215906546	2016-1	557 500.00 €	0.02%	557 500.00 €	0€
COMMUNAUTE D'AGGLOMERATION TERRITOIRE COTE OUEST	COMMUNAUTE D'AGGLOMERATION	249740101	2016-1	22 916 711.61 €	0.72%	22 916 711.61 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
SAINT-AUGUSTIN-DES-BOIS	COMMUNE	214902660	2016-1	435 901.49 €	0.01%	435 901.49 €	0€
WAVILLE	COMMUNE	215405937	2016-1	181 434.72 €	0.01%	181 434.72 €	0€
WAVRIN	COMMUNE	215906538	2016-1	8 199 999.98 €	0.26%	8 199 999.98 €	0€
CONDOM	COMMUNE	213201072	2016-1	1 944 844.70 €	0.06%	1 944 844.70 €	0€
COMMUNAUTE DE COMMUNES DE LA VALLEE DU LOT ET DU VIGNOBLE	COMMUNAUTE DE COMMUNES	244600433	2016-1	2 248 000.00 €	0.06%	2 248 000.00 €	0€
LARROQUE	COMMUNE	213102767	2016-1	393 428.19 €	0.01%	393 428.19 €	0€
COMMUNAUTE URBAINE DU GRAND POITIERS	COMMUNAUTE URBAINE	200069854	2016-1	7 660 670.60 €	0.24%	7 660 670.60 €	0€
ETABLISSEMENT PUBLIC TERRITORIAL EST ENSEMBLE	ETABLISSEMENT PUBLIC TERRITORIAL	200057875	2016-1	23 413 708.15 €	0.75%	23 413 708.15 €	0€
EVREUX	COMMUNE	212702294	2016-1	10 000 000.00 €	0.32%	10 000 000.00 €	0€
CUSSET	COMMUNE	210300950	2016-1	3 875 000.00 €	0.13%	3 875 000.00 €	0€
COMMUNAUTE DE COMMUNES DU PAYS DE ROUFFACH, VIGNOBLES ET CHÂTEAUX	COMMUNAUTE DE COMMUNES	246800494	2016-1	953 333.34 €	0.04%	953 333.34 €	0€
RUMIGNY	COMMUNE	218006492	2016-1	313 344.19 €	0.01%	313 344.19 €	0€
SETE AGGLOPOLE MEDITERRANEE	ETABLISSEMENT PUBLIC DE COOPERATION INTERCOMMUNALE	200066355	2016-1	13 912 500.00 €	0.44%	13 912 500.00 €	0€
ETABLISSEMENT PUBLIC TERRITORIAL GRAND ORLY SEINE BIEVRE	ETABLISSEMENT PUBLIC TERRITORIAL	200058014	2016-1	39 662 166.67 €	1.27%	39 662 166.67 €	0€
LONS-LE-SAUNIER	COMMUNE	213903008	2016-1	2 850 000.00 €	0.09%	2 850 000.00 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
COMMUNAUTE D'AGGLOMERATION CANNES PAYS DE LERINS	COMMUNAUTE D'AGGLOMERATION	200039915	2016-1	29 545 722.31 €	0.93%	29 545 722.31 €	0€
PRETZ-EN-ARGONNE	COMMUNE	215504093	2016-1	0.00 €	0.00%	0.00 €	0€
MIMIZAN	COMMUNE	214001844	2016-1	700 000.00 €	0.02%	700 000.00 €	0€
DEPARTEMENT DE SEINE SAINT DENIS	DEPARTEMENT	229300082	2016-1	42 348 683.88 €	1.34%	42 348 683.88 €	0€
SAINT-ARMEL	COMMUNE	215602053	2016-1	2 500 000.00 €	0.08%	2 500 000.00 €	0€
REZE	COMMUNE	214401432	2016-1	10 241 752.98 €	0.32%	10 241 752.98 €	0€
OLORON SAINTE- MARIE	COMMUNE	216404228	2016-1	3 845 083.35 €	0.12%	3 845 083.35 €	0€
SCHILTIGHEIM	COMMUNE	216704478	2016-1	2 750 000.00 €	0.09%	2 750 000.00 €	0€
GRENOBLE-ALPES METROPOLE	METROPOLE	200040715	2016-1	2 812 500.00 €	0.09%	2 812 500.00 €	0€
ROSNY-SOUS-BOIS	COMMUNE	219300647	2016-1	11 340 000.00 €	0.36%	11 340 000.00 €	0€
CARVIN	COMMUNE	216202150	2016-1	2 910 000.00 €	0.09%	2 910 000.00 €	0€
VICHY	COMMUNE	210303103	2016-1	4 850 000.00 €	0.15%	4 850 000.00 €	0€
MATHA	COMMUNE	211702246	2016-1	1 053 442.13 €	0.03%	1 053 442.13 €	0€
COMMUNAUTE URBAINE D'ALENCON	COMMUNAUTE URBAINE	246100663	2016-1	1 947 866.67 €	0.06%	1 947 866.67 €	0€
MONTFERMEIL	COMMUNE	219300472	2016-1	7 600 000.00 €	0.24%	7 600 000.00 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
RAIMBEAUCOURT	COMMUNE	215904897	2016-1	750 000.00 €	0.02%	750 000.00 €	0€
COMMUNAUTE D'AGGLOMERATION DE LA ROCHE-SUR- YON	COMMUNAUTE D'AGGLOMERATION	248500589	2016-1	7 936 708.86 €	0.26%	7 936 708.86 €	0€
LIVRY-GARGAN	COMMUNE	219300464	2016-1	4 744 091.64 €	0.15%	4 744 091.64 €	0€
BORA BORA	COMMUNE	200013795	2016-1	971 747.43 €	0.02%	971 747.43 €	0€
SAINT-PIERRE D'ENTREMONT	COMMUNE	217302744	2016-1	208 226.91 €	0.00%	208 226.91 €	0€
SOLER	COMMUNE	216601955	2016-1	1 470 000.00 €	0.05%	1 470 000.00 €	0€
CHATEAU-L'EVEQUE	COMMUNE	212401152	2016-1	1 408 880.40 €	0.05%	1 408 880.40 €	0€
BRULEY	COMMUNE	215401027	2016-1	387 500.00 €	0.01%	387 500.00 €	0€
COMMUNAUTE DE COMMUNES DU PAYS DE FAYENCE	COMMUNAUTE DE COMMUNES	200004802	2016-1	1 067 257.65 €	0.03%	1 067 257.65 €	0€
COMMUNAUTE DE COMMUNES DU GUILLESTROIS ET DU QUEYRAS	COMMUNAUTE DE COMMUNES	200067452	2016-1	1 427 455.27 €	0.04%	1 427 455.27 €	0€
COMMUNAUTE DE COMMUNES DE MAD ET MOSELLE	COMMUNAUTE DE COMMUNES	200070738	2016-1	2 054 852.56 €	0.06%	2 054 852.56 €	0€
ESTEZARGUES	COMMUNE	213001076	2016-1	953 681.59 €	0.03%	953 681.59 €	0€
JOUY-AUX-ARCHES	COMMUNE	215703505	2016-1	1 425 000.00 €	0.05%	1 425 000.00 €	0€
XURES	COMMUNE	215408014	2016-1	245 636.97 €	0.00%	245 636.97 €	0€
NOYELLES-SOUS- LENS	COMMUNE	216206284	2016-1	1 170 475.64 €	0.04%	1 170 475.64 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
SAINT-CREPIN	COMMUNE	210501367	2016-1	3 416 030.00 €	0.11%	3 416 030.00 €	0€
LES ORMES	COMMUNE	218601839	2016-1	476 653.96 €	0.02%	476 653.96 €	0€
DURAVEL	COMMUNE	214600892	2016-1	476 448.46 €	0.02%	476 448.46 €	0€
KREMLIN BICETRE	COMMUNE	219400439	2016-1	4 828 050.67 €	0.15%	4 828 050.67 €	0€
POLLESTRES	COMMUNE	216601443	2016-1	1 925 000.00 €	0.06%	1 925 000.00 €	0€
PAGNEY-DERRIERE- BARINE	COMMUNE	215404146	2016-1	540 000.00 €	0.02%	540 000.00 €	0€
ALLONS	COMMUNE	214700072	2016-1	350 000.00 €	0.00%	350 000.00 €	0€
MILLERY	COMMUNE	216901330	2016-1	1 451 724.37 €	0.05%	1 451 724.37 €	0€
VIRY-CHATILLON	COMMUNE	219106879	2016-1	6 289 549.61 €	0.20%	6 289 549.61 €	0€
BANON	COMMUNE	210400180	2016-1	621 000.00 €	0.02%	621 000.00 €	0€
COMMUNAUTE DE COMMUNES PAYS HAUT VAL D'ALZETTE	COMMUNAUTE DE COMMUNES	245701404	2016-1	6 000 000.00 €	0.19%	6 000 000.00 €	0€
AUTUN	COMMUNE	217100148	2016-1	1 742 571.50 €	0.06%	1 742 571.50 €	0€
COMMUNAUTE DE COMMUNES DES BALLONS DES HAUTES VOSGES	COMMUNAUTE DE COMMUNES	200033868	2016-1	5 612 568.41 €	0.18%	5 612 568.41 €	0€
SAINT PIERRE D'AURILLAC	COMMUNE	213304637	2016-1	15 453.13 €	0.00%	15 453.13 €	0€
POUILLON	COMMUNE	214002339	2016-1	675 154.07 €	0.02%	675 154.07 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
FOISCHES	COMMUNE	210801601	2016-1	385 807.89 €	0.01%	385 807.89 €	0€
LEON	COMMUNE	214001505	2016-1	641 722.15 €	0.02%	641 722.15 €	0€
BAYON	COMMUNE	215400540	2016-1	800 000.00 €	0.03%	800 000.00 €	0€
CORNY-SUR- MOSELLE	COMMUNE	215701533	2016-1	1 783 147.26 €	0.06%	1 783 147.26 €	0€
COMMUNAUTE DE COMMUNES DE LA REGION DE LEVROUX	COMMUNAUTE DE COMMUNES	243600293	2016-1	143 222.33 €	0.00%	143 222.33 €	0€
ROHECORBON	COMMUNE	213702038	2016-1	700 000.00 €	0.02%	700 000.00 €	0€
BILLOM	COMMUNE	216300400	2016-1	1 495 000.00 €	0.05%	1 495 000.00 €	0€
CASTILLON LA BATAILLE	COMMUNE	213301088	2016-1	200 000.00 €	0.01%	200 000.00 €	0€
COMMUNAUTE DE COMMUNES DE VEZOUZE EN PIEMONT	COMMUNAUTE DE COMMUNES	200069433	2016-1	700 000.00 €	0.02%	700 000.00 €	0 €
RIOM	COMMUNE	216303008	2016-1	500 000.00 €	0.02%	500 000.00 €	0€
SAINT-LOUIS-DE- MONTFERRAND	COMMUNE	213304348	2016-1	496 787.50 €	0.01%	496 787.50 €	0€
CHERBOURG-EN- COTENTIN	COMMUNE	200056844	2016-1	2 903 400.00 €	0.10%	2 903 400.00 €	0€
MERINDOL	COMMUNE	218400745	2016-1	150 000.00 €	0.00%	150 000.00 €	0€
VILLARIES	COMMUNE	213105794	2016-1	600 000.00 €	0.02%	600 000.00 €	0€
MANDRES AUX QUATRE TOURS	COMMUNE	215403437	2016-1	337 094.66 €	0.01%	337 094.66 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
COMMUNAUTE D'AGGLOMERATION DU GRAND CHALON	COMMUNAUTE D'AGGLOMERATION	247100589	2016-1	1 237 130.44 €	0.04%	1 237 130.44 €	0€
SAINT-BRICE-SOUS-FORET	COMMUNE	219505393	2016-1	3 540 000.00 €	0.11%	3 540 000.00 €	0€
COMMUNAUTE DE COMMUNES DU PAYS DE BEAUME DROBIE	COMMUNAUTE DE COMMUNES	240700302	2016-1	1 200 000.00 €	0.04%	1 200 000.00 €	0€
PAU	COMMUNE	216404459	2016-1	18 297 313.14 €	0.42%	18 297 313.14 €	0€
COMMUNAUTE D'AGGLOMERATION DE LA ROCHELLE	COMMUNAUTE D'AGGLOMERATION	241700434	2016-1	975 000.00 €	0.03%	975 000.00 €	0€
LE LION D'ANGERS	COMMUNE	200053239	2016-1	614 250.00 €	0.02%	614 250.00 €	0€
STRASBOURG	COMMUNE	216800250	2016-1	25 566 666.66 €	0.81%	25 566 666.66 €	0€
ARFEUILLES	COMMUNE	210300067	2016-1	158 400.00 €	0.01%	158 400.00 €	0€
THEZA	COMMUNE	216602086	2016-1	300 000.00 €	0.01%	300 000.00 €	0€
CASTELFRANC	COMMUNE	214600629	2016-1	196 817.87 €	0.01%	196 817.87 €	0€
COMMUNAUTE DE COMMUNES CŒUR DE CHARTREUSE	COMMUNAUTE DE COMMUNES	200069038	2016-1	96 000.00 €	0.00%	96 000.00 €	0€
CONCHES-EN-OUCHES	COMMUNE	212701650	2016-1	1 388 333.33 €	0.04%	1 388 333.33 €	0€
COMMUNAUTE DE COMMUNES DU PAYS DE CONCHES	COMMUNAUTE DE COMMUNES	242700276	2016-1	2 776 666.67 €	0.09%	2 776 666.67 €	0€
SAINT-SAULVE	COMMUNE	215905449	2016-1	820 000.00 €	0.03%	820 000.00 €	0€
EPINAY-SUR-SEINE	COMMUNE	219300316	2016-1	0.00 €	0.00%	0.00 €	0€
COMMUNAUTE D'AGGLOMERATION DU BASSIN DE BOURG-EN-BRESSE	COMMUNE D'AGGLOMERATION	200069038	2016-1	3 000 000.00 €	0.10%	3 000 000.00 €	0€
SAINT-ROMAIN-LA-VIRVEE	COMMUNE	213304702	2016-1	200 000.00 €	0.01%	200 000.00 €	0€
MEULAN-SUR-YVELYNES	COMMUNE	217804012	2016-1	229 166.67 €	0.01%	229 166.67 €	€0
LA FAUTE SUR MER	COMMUNE	218503076	2016-1	990 000.00 €	0.03%	990 000.00 €	€0
COMMUNAUTE DE COMMUNES CŒUR DE SAVOIE	COMMUNAUTE DE COMMUNES	200041010	2016-1	1 041 889.23 €	0.03%	1 041 889.23 €	0€
LE PUY SAINTE REPARADE	COMMUNE	211300801	2016-1	942 083.33 €	0.03%	942 083.33 €	€0
FONTENAY-LE-PESNEL	COMMUNE	211402789	2016-1	592 500.00 €	0.02%	592 500.00 €	0€

Full name of Member (a)	Legal status	SIREN	Form of Guarantee	Amount of Guarantee on D	% of total amount of guarantees on D	Estimated amount of guarantee on D+10*	Amount of guarantee calls
CASSENEUIL	COMMUNE	214700494	2016-1	200 000.00 €	0.01%	200 000.00 €	0€
VALSERHÔNE	COMMUNE	200067452	2016-1	0.00 €	0.00%	0.00 €	0€
FLEURIGNE	COMMUNE	213501125	2016-1	220 000.00 €	0.01%	220 000.00 €	0€
ATHIENVILLE	COMMUNE	215400268	2016-1	0.00 €	0.00%	0.00 €	0€
VISSEICHE	COMMUNE	213503592	2016-1	100 000.00 €	0.00%	100 000.00 €	0€
SAINT MELANY	COMMUNE	210702759	2016-1	108 000.00 €	0.00%	108 000.00 €	0€
SOMMERVILLER	COMMUNE	215405093	2016-1	700 000.00 €	0.02%	700 000.00 €	0€
LIEURON	COMMUNE	213501513	2016-1	240 000.00 €	0.00%	240 000.00 €	0€
NOISY LE GRAND	COMMUNE	219300514	2016-1	0.00 €	0.00%	0.00 €	0€
BERNAY-SAINT-MARTIN	COMMUNE	211700430	2016-1	0.00 €	0.00%	0.00 €	0€

(c) Changes to the model of Member Guarantee

Principles

According to the Shareholders' Agreement, any change to the model of Member Guarantee must be approved by ST's Board of Directors, upon a proposal by the Issuer's Executive Board following a recommendation of its Supervisory Board.

Where the model of Member Guarantee is amended, Local Authorities that were already Members at the date of entry into force of the new model will be bound by the new model of Member Guarantee (the **New Model of Member Guarantee**) with regard to any guarantee signed after the date of entry into force of the New Model of Member Guarantee (the **Date of Entry into Force of a New Model**).

- **Consequences of the introductions of a New Model of Member Guarantee on the Member Guarantee attached to Notes issued before the Date of Entry into Force of a New Model**

Noteholders of a Tranche issued before the Date of Entry into Force of a New Model will benefit until the signing of any new Member guarantee commitment signed under the New Model of Member Guarantee, of Member guarantee commitments governed by the previous Model of Member Guarantee (the **Previous Model of Member Guarantee**).

Beginning on the signing date for any Member guarantee commitment signed under the New Model of Member Guarantee and until the signing date of any Member guarantee commitment signed under any model of Member Guarantee replacing the New Model of Member Guarantee, the abovementioned Noteholders will benefit from guarantee commitments governed by the New Model of Member Guarantee.

However, in accordance with clause 2.3 of the 2016.01 Model Member Guarantee, where a call is made with regard to a Member guarantor having entered into Member Guarantees governed by several models of Member Guarantee, the Noteholders benefitting from guarantee commitments governed by the Previous Model of Member

Guarantee, may for each Member, up to the total outstanding Medium-Long Term Loans of such Member, choose between the Previous Model of Member Guarantee or any subsequent Model of Member Guarantee accepted by such Member guarantor in a subsequent guarantee commitment; it being noted that any guarantee call may only refer to one model of Member Guarantee.

- **Consequences of the introduction of a New Model of Member Guarantee on Notes issued after the Date of Entry into Force of a New Model**

Holders of Notes issued after the Date of Entry into Force of a New Model will benefit, for each Member, up to the total amount of the outstanding Medium-Long Term Loans of such Member, from the guarantee commitments governed by the New Model of Member Guarantee until the signing date of any Member guarantee commitment signed under the any model of Member Guarantee replacing the New Model of Member Guarantee.

Entry into force of Member Guarantee model 2016.01, which supersedes Member Guarantee model 2014.01

The Issuer has expanded its offer by proposing Liquidity Facilities to Members, to allow the Local Authorities to optimise their liquidity management through daily drawdowns and repayments.

As such, the Issuer wanted to distinguish short term products linked to liquidity loans from medium and long term products and to reflect this change in its legal documentation, including the model Member Guarantee, by expressly indicating that the Member Guarantee will only cover Medium-Long Term Loans.

Following the revision of the Shareholders' Agreement and the Issuer's articles of association, two model Member Guarantees co-exist, Member Guarantee 2016.01 and Member Guarantee 2014.01.

Holders of Notes issued after the Date of Entry into Force will benefit from Member Guarantee 2016.01 or any other subsequent Member Guarantee in accordance with clause 2.3 of Member Guarantee 2016.01.

(d) Available remedies among the Members called under the guarantees

In accordance with Clause 17.5.1.1 of the Shareholders' Agreement, in the event that the Member Guarantee is activated, the Members that were called shall have subrogation rights (*recours subrogatoire*) against the Issuer. However, in the interest of safeguarding the Issuer and ensuring its sustainability, each Member waives in advance:

- in accordance with clause 17.5.1.1 (a), any recourse against the Issuer for as long as the Issuer is in a financial position that prevents it from honouring its repayment obligation without undermining its ability to continue operating; and
- in accordance with clause 15.5.1.1 (b), any right to offset the receivable they hold pursuant to their right of subrogation *vis-à-vis* the Issuer with the debt repayment on their outstanding Medium-Long Term Loans taken out with the Issuer.

The Members that were liable, on the other hand, have a right to effective remedy against the other Members as a way to allow the guarantee mechanism to operate as a whole and guarantee claims to be evenly distributed. Each Member is ultimately expected to pay for the

claims made in proportion to its outstanding Medium-Long Term Loans from the Issuer as of the date of such claims.

ST handles and centralises the recovery of any payable sums between the Members in the interest of organise any claims among Members. Under the Shareholders' Agreement, each Member has entrusted ST with a mandate to recover any amounts that it may be due with respect of the collection of payments among Members. Under the Shareholders' Agreement, each Member has undertaken to sign any appropriate document or deed to initiate the collection procedures.

1.2 ST Guarantee

The provisions of the ST Guarantee were defined and authorised by ST's Board of Directors upon a proposal from the Issuer's Executive Board with a recommendation from its Supervisory Board.

Each issue of Notes (including the Notes issued under the Programme and notes issued under the Issuer's euro commercial paper programme) by the Issuer and/or other financial commitments (such as banking facilities and hedging operations) of the Issuer, benefitting from the ST Guarantee, gives rise to the grant of a guarantee, known as a statement of guarantee (the **Statement of Guarantee**) which is based on the terms of the ST Guarantee decided by ST's Board of Directors.

Each Statement of Guarantee specifies the maximum amount guarantee under such issue or financial commitment (the **Individual Ceiling**). The Individual Ceiling is calculated at the Issuer's discretion (and notified to ST) on the basis of the form and terms of the notes and/or financial commitments guarantees and the amounts due in principal, interest and other amounts. For each Tranche of Notes issued under the Programme, the Individual Ceiling of the ST Guarantee defined in the corresponding Statement of Guarantee is specified in the Final Terms for the relevant issue and is equal at least to the total amount of the issue.

The sum of the Individual Ceilings represents an amount which is at least equal to the total of the funds raised by the Issuer on the capital markets through any means (Notes issued under the Programme and notes issued under the Issuer's euro commercial paper programme) and other financial commitments (such as banking facilities and hedging transactions), that the Issuer has entered into and both of which benefit from the ST Guarantee.

The total cap guaranteed under the ST Guarantee, is always equal to the sum of the Individual Ceilings. The total amount guarantee under the ST Guarantee may not in any event be greater than the Maximum Ceiling of the ST Guarantee, which is equal, at the date of this Base Prospectus to 10,000,000,000 euros.

While not enforceable against third parties, in particular against the Noteholders, the Issuer has agreed, in a Memorandum of Understanding with ST in relation to the ST Guarantee, published on the Issuer's Website, to ensure that the total amount guaranteed under the ST Guarantee is set at an amount at least equal to the total amount of funds raised by the Issuer on the capital markets through any means (Notes issued under the Programme and notes issued under the Issuer's euro commercial paper programme) and other financial commitments (such as banking facilities and hedging operations) that the Issuer has entered into and that both benefit from the ST Guarantee.

Except as set out above, the ST Guarantee is founded on principles that are very similar to the terms and conditions of the Member Guarantees.

- The ST Guarantee is an autonomous first demand guarantee;

- Its beneficiaries are the holders of any issued instruments or co-parties to any of the contracts entered into by the Issuer stipulating that such instruments and/or contracts are covered by the ST Guarantee; these beneficiaries are the same entities which are also Beneficiaries of the Member Guarantees; and
- The activation of the ST Guarantee by a Beneficiary, the representative of Beneficiaries or by the Issuer is exclusively contingent upon complying with the proper form and time period prescribed in such guarantee, failing which it is void.

The Issuer also has the option of calling the ST Guarantee in the name of and on behalf of the Members. The sums received from such calls shall be deposited in an escrow account opened in the name of ST with the CDC. In accordance with instructions that the Issuer shall give to the CDC (article 9.4.3 of the model ST Guarantee), the amounts deposited in that account will be paid directly to the Beneficiaries on the due date of their receivable. The main terms and conditions of the escrow agreement are available on the Issuer's Website.

1.3 Investor information related to the actual guarantees and the Members' financial position

The Issuer's Website (www.agence-france-locale.fr) provides the Beneficiaries with information on the guarantee systems and the guarantors, as well as up-to-date information on the maximum amounts guarantees under the Member Guarantees and the ST Guarantee.

In accordance with the provisions of the Member Guarantees and the ST Guarantee, the Issuer is required to publish and update the information so that that on a daily basis the Beneficiaries may access (i) the list of Members guaranteeing the Instruments and which may therefore be called upon and (ii) specific disclosure on the guarantee, particularly the amount, that each one of them as well as ST have granted.

The Issuer makes the following information accessible to the Beneficiaries:

- (a) Beneficiary information on the ST Guarantee and the Member Guarantees
 - (i) ST Guarantee
 - the total amount guaranteed under the ST Guarantee on the second Business Day preceding the day on which the Website is updated or on any later date;
 - the total amount guaranteed under the ST Guarantee as estimated between the tenth and thirtieth Business Day following the day on which the Website is updated if there are no issuances of new Notes covered by the ST Guarantee;
 - the allocation of ST's commitments according to the version of ST Guarantee;
 - the name and address of the individual to whom a guarantee claim must be sent for the ST Guarantee;
 - the amount of the guarantee claims under the ST Guarantee of which ST is aware.

The above information is updated each business day so that the Beneficiaries have access to the most recent information as possible.

(ii) Member Guarantees

- the actual outstanding Medium-Long Term Loans of each Member on the first Business Day preceding the day on which the Website is updated or on any later date;
- the estimated outstanding Medium-Long Term Loans of each Member, if there is no early repayment of all or part of the loan, on the tenth Business Day following the day on which the Website is updated;
- the breakdown of the Members' outstanding Medium-Long Term Loans according to the version of the Member Guarantee ²¹;
- the name and address of the individual to whom a guarantee claim must be sent for each Member;
- the amount of the guarantee claims under the Member Guarantees of which the Issuer is aware.

The above information is updated each Business Day so that the Beneficiaries have access to the most recent information as possible.

(b) Member's financial position

- the Member's legal population as of 1 January of the relevant financial year;
- a summary of the Member's operating revenues and expenses and investment revenues and expenditures of the relevant financial year;
- financial data to assess the Member's cash flow;
- data on the Member's debt as well as the related annual debt payments.

Given the significant and ever structurally changing number of Members, the inclusion in this Base Prospectus of financial information on the Members would be incompatible with the aim of clarity and legibility of the financial information required to be made available to Noteholders under the Prospectus Regulation.

Accordingly, the information required under heading 3 of Schedule 21 to Delegated Regulation (EU) 2019/980 has been omitted from the information to be included in this Base Prospectus within the meaning of article 18 of the Prospectus Regulation.

1.4 Guarantee Call

When the guarantee call is not decided upon by the Issuer and/or ST, the Beneficiaries or their representatives may make the guarantee calls under the Member Guarantee and the ST Guarantee pursuant to the terms such guarantee, by using the form guarantee call appended to each of these guarantees.

²¹

Where there are several models of Member Guarantee in existence at the same time for the same Member, the outstanding Medium-Long Term Loans of the such Member published on the Issuer's Website will show, for each model Member Guarantee in force, the amount of outstanding Medium-Long Term Loans guaranteed under such model Member Guarantee.

As noted above, each guarantee call by a Beneficiary, the representative of the Beneficiaries, the ST in the case of the Member Guarantee or the Issuer in the case of the ST Guarantee, must be made in the form and within the time limit set out in such guarantee, failing which it will be invalid.

The person making the guarantee call(s) is required to take the lead on such call(s) on the guarantors which it has selected. It is hereby stipulated that the caller must state that it did not call upon several guarantors to recover an amount greater to the amount due to such caller under his security. The callers may factor into their decision-making process the following facts:

- The ST Guarantee base covers, for each Tranche of Notes issued, the Individual Ceiling specified in the Final Terms;
- The Issuer's Website provides information on each Member's Guarantee base on a permanent basis;
- It may have to, in the event of a call of the Member Guarantee, divide its claims proportionately among several Members with respect to their base Member Guarantees and that each call that a Member receives thereby proportionately reduces its commitment under its Member Guarantee;
- ST (unlike the Local Authorities) is subject to French legislation on collective insolvency procedures and may enter into receivership or compulsory liquidation proceedings if it cannot honour its outstanding commitments with its available assets;
- ST has the option to call on Member Guarantees itself using objective criteria in the event that the ST Guarantee is activated and where it does not think that it alone can honour its own commitments.

2. ST MODEL GUARANTEE

The text of the model guarantee granted by ST to the Beneficiaries is as follows:

AUTONOMOUS FIRST DEMAND GUARANTEE

BETWEEN

AGENCE FRANCE LOCALE – SOCIÉTÉ TERRITORIALE, a limited company with board of directors (*société anonyme à conseil d'administration*) whose registered office is located at 41 Quai d'Orsay, 75007 Paris, registered at the Paris Trade and companies register (*Registre du commerce et des sociétés*) under the number 799 055 629 (the **Guarantor** or **Société Territoriale**);

AND

AGENCE FRANCE LOCALE, a limited company with executive board and supervisory board (*société anonyme à directoire et conseil de surveillance*) whose registered office is located at "Tour Oxygène", 10-12 Boulevard Vivier Merle, 69003 Lyon, registered at the Lyon Trade and companies register (*Registre du commerce et des sociétés*) under the number 799 379 649 (**Agence France Locale**);

AND

IN FAVOR OF:

any holder of any Guaranteed Instrument as set out in Article 4.1 (the **Beneficiary**) in the form of a third-party beneficiary stipulation, in accordance with the provisions of articles 1205 et seq. of the French Civil Code (*Code civil*).

WHEREAS

- (A) Société Territoriale and Agence France Locale were respectively incorporated on 3 and 17 December 2013 with the objective of contributing to the financing of French local authorities (*collectivités territoriales*) and public inter-communal cooperative institutions that levy their own taxes (*établissements publics de coopération intercommunale à fiscalité propre*), in accordance with the provisions of Article 35 of law no. 2013-672 of 26 July 2013 governing the separation and regulation of banking activities (*loi de séparation et de régulation des activités bancaires*), which was codified in Article L. 1611-3-2 of the French Local Authority Code (*Code général des collectivités territoriales, CGCT*).
- (B) Société Territoriale holds the near totality of the share capital and voting rights in Agence France Locale and has decided to provide this guarantee in order to support the development of Agence France Locale.
- (C) Société Territoriale and Agence France Locale have furthermore entered into a memorandum of understanding relating to certain terms of application of this guarantee (the **Memorandum of Understanding**) which does not constitute an enforceable document against the Beneficiary.
- (D) The Model Guarantee 2017.1 entered into force pursuant to the decision of the Board of Directors, dated 16 February 2017, to increase the Maximum Guarantee Ceiling from 3.5 Bn€ to 5 Bn€.
- (E) The Board of Directors decided, on 28 September 2018, to increase the Maximum Guarantee Ceiling, thereby raising it from 5 billion euros to 10 billion euros.
- (F) Accordingly, this Model Guarantee 2018.1 has entered into force. Model Guarantee version 2018.1 replaces Model Guarantee version 2017.1 in its entirety.

IT HAS THEREFORE BEEN AGREED AS FOLLOWS

SECTION I

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

Terms with a capital letter used in this Guarantee shall have the meaning as assigned to them below:

Actual Guarantee Ceiling shall have the meaning assigned to it in Article 5.1;

Agence France Locale shall have the meaning assigned to it as set out in this Guarantee;

Agence France Locale Group shall collectively mean Société Territoriale and Agence France Locale;

Appendix shall mean an appendix to this Guarantee;

Article shall mean an article of this Guarantee;

Beneficiary shall have the meaning assigned to it as set out in this Guarantee;

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;

Expiry Date shall have the meaning assigned to it in Article 5.2;

Guarantee shall mean the autonomous first demand guarantee provided by the Guarantor pursuant to the provisions hereunder;

Guarantee Call shall mean any call under this Guarantee made in accordance with the provisions of the Guarantee;

Guaranteed Instruments shall have the meaning assigned to it in Article 4.1;

Guarantor shall have the meaning assigned to it as set out in this Guarantee;

Individual Ceiling shall have the meaning assigned to it in Article 5.2;

Local Authority shall mean French local authorities (*collectivités territoriales*) and public inter-communal cooperative institutions that levy their own taxes (*établissement public de coopération intercommunale à fiscalité propre*) as well as any entity that would be authorised under the law to participate in the mechanism implemented by the Agence France Locale Group;

Maximum Guarantee Ceiling shall have the meaning assigned to it in Article 5.1;

Member shall mean any Local Authority belonging to the Agence France Locale Group in accordance with the articles of association and the Shareholders' Agreement;

Member Guarantee shall mean any guarantee provided by a Member in relation to the financial obligations of Agence France Locale;

Memorandum of Understanding shall have the meaning assigned to it in the preamble to this Guarantee;

Party shall mean the Guarantor, Agence France Locale and any Beneficiary which has agreed to become a party to this Guarantee;

Representative shall have the meaning assigned to it in Article 7;

Shareholders' Agreement shall mean the shareholders' agreement entered into by Members of the Agence France Locale Group, Société Territoriale and Agence France Locale;

Site shall have the meaning assigned to it in Article 5.4;

Société Territoriale shall have the meaning assigned to it as set out in this Guarantee;

Statement of Guarantee shall have the meaning assigned to it in Article 5.2.

2. RULES OF INTERPRETATION

2.1. General Principles

- 2.1.1 The meaning of the defined terms applies to both the singular and plural of the said terms and, where applicable, to any masculine and feminine forms.
- 2.1.2 The headings used in this model guarantee have been included for readability purposes only and shall not affect either the meaning or interpretation of this Guarantee.
- 2.1.3 Unless otherwise required by the particular context, all references to legal provisions equally apply to any amendment, substitution or codification, provided that any such amendment, substitution or codification is applicable or may become applicable to the transactions covered by this Guarantee.
- 2.1.4 All references to another document shall equally apply to any amendments or substitutions of the said document.
- 2.1.5 Examples following the terms "include", "including", "notably", "in particular" and other similar terms shall not be exhaustive.

2.2. Authorisation

On 5 June and 18 November 2014, in accordance with the provisions of Article L. 225-35 of the French Commercial Code (*Code de commerce*), the Board of Directors of Société Territoriale authorised the granting of a guarantee to Agence France Locale, the maximum amount of which is equal to that of the Maximum Guarantee Ceiling.

On 28 September 2018, the Board of Directors of Société Territoriale authorised, in accordance with the terms of this Model Guarantee and the Memorandum of Understanding, an increase in the Maximum Guarantee Ceiling, as specified in Article 5.1 of this Model Guarantee.

SECTION II TERMS AND CONDITIONS OF THE GUARANTEE

3. PURPOSE OF THE GUARANTEE

The Guarantor unconditionally and irrevocably undertakes to pay any Beneficiary, on first demand, any amount specified in the Guarantee Call up to a maximum of the Actual Guarantee Ceiling as set out in Article 5. The Guarantee Call must strictly comply with the requirements set out in Section III of this Guarantee.

4. BENEFICIARIES OF THE GUARANTEE

4.1. The Guarantee is provided for the benefit of any person or entity holding an eligible instrument, where the holding of such an eligible instrument is the result of:

- (a) the account registration in the register held by Agence France Locale or by a financial intermediary as a holder of a financial security, the terms of which specify that the said person or entity is eligible to benefit under the Guarantee; or
- (b) holding of a document signed by Agence France Locale specifying that the said document confers eligibility to benefit under the Guarantee;

(hereafter a *Guaranteed Instrument*).

4.2. The Guarantee relates to existing Guaranteed Instruments already issued and to any future Guaranteed Instruments yet to be issued.

5. GUARANTEE CEILING

5.1. The guarantee ceiling (the *Actual Guarantee Ceiling*) provided by the Guarantor shall at any time be equal to the sum of Individual Ceilings (as defined below) notified by Agence France Locale to the Guarantor, of which the Expiry Date (as defined below) is yet to occur, less any Guarantee Call excluding the Guarantee Call for the purposes of which the Actual Guarantee Ceiling is to be calculated.

Under no circumstances may the Actual Guarantee Ceiling exceed the maximum amount of ten billion (€10,000,000,000) euros (the *Maximum Guarantee Ceiling*). Should the sum of Individual Ceilings (as defined below) exceed the Maximum Guarantee Ceiling, the Actual Guarantee Ceiling shall be equal to the Maximum Guarantee Ceiling.

5.2. Whenever a Guaranteed Instrument is issued or created, Agence France Locale will forward to Société Territoriale a declaration (the *Statement of Guarantee*) which shall contain:

- (a) the maximum amount guaranteed by Société Territoriale as a result of the issue or creation of the said Guaranteed Instrument (the *Individual Ceiling*);
- (b) the date upon which the commitment relating to the Individual Ceiling expires (the *Expiry Date*).

- 5.3. The Individual Ceiling is established on a discretionary basis by Agence France Locale according to the nature and terms of the Guaranteed Instrument and to the sums that may become due in principal, interest and accessories under the Guaranteed Instrument. Except in the case of manifest abuse, the setting of an Individual Ceiling shall automatically increase the Actual Guarantee Ceiling.
- 5.4. It is furthermore specified that any Beneficiary may at any time within the context of a Guarantee Call claim the sum of the Guarantee Ceiling as published by Agence France Locale on its website (the *Website*) in accordance with Article 16.1, where such a figure shall be deemed to be authentic unless any Party is able to prove otherwise.

6. LEGAL NATURE OF THE GUARANTOR'S OBLIGATION

- 6.1. This Guarantee constitutes an autonomous guarantee within the meaning of Article 2321 of the French Civil Code (*Code civil*).
- 6.2. Consequently, the Guarantor may not oppose or claim any exception or objection of any nature whatsoever (excluding those set out in Article 2321 of the French Civil Code (*Code civil*)), and notably any exception or objection that Agence France Locale may hold against the Beneficiary, subject, however, to compliance with the provisions of this Guarantee.
- 6.3. Subject to the provisions of Article 14, all the provisions of this Guarantee shall remain fully effective irrespective of any changes to the financial, legal or any other position of Agence France Locale or of the Guarantor. The Guarantee shall in particular retain its full effect vis-à-vis the Beneficiaries should Agence France Locale request the appointment of an ad hoc administrator (*mandataire ad hoc*) or conciliator (*conciliateur*) (or should it be the subject of any such request), or enter into an agreement with its creditors, or be the subject of any of the proceedings set out in Book VI (*Livre VI*) of the French Commercial Code (*Code de commerce*).

SECTION III CALL OF THE GUARANTEE

7. PERSONS AUTHORISED TO CALL THE GUARANTEE

This Guarantee may be called by the following persons or entities:

- (a) any Beneficiary, in their own interests;
- (b) the collective representative or any person or entity authorised to exercise warranties or guarantees on behalf of the Beneficiaries, in accordance with applicable law or with the provisions of the Guaranteed Instruments (the **Representative**) and on behalf of the persons or entities they are authorised to represent; or
- (c) Agence France Locale, on behalf of any Beneficiary.

8. CONDITIONS OF THE GUARANTEE CALL

The Guarantee Call is not subject to any conditions.

9. TERMS AND CONDITIONS OF CALLS

9.1. Principle

- 9.1.1 A payment demand that both in substance and form meets the conditions set out in this document (including Guarantee Call standard form in the Appendix) shall constitute a Guarantee Call for the

purposes of this Guarantee (a *Guarantee Call*). The Guarantee may be called on one or more occasions.

9.1.2 All Guarantee Calls must be denominated in euros (EUR) or in any other currency which is legal tender in France.

9.1.3 All Guarantee Calls must be written in French.

9.1.4 Any payment request that fails to comply with these requirements will not be accepted as valid and will be deemed not to have been issued.

9.2. Call by the Beneficiaries

9.2.1 Any Guarantee Call by a Beneficiary must be issued in writing and strictly comply with the standard form in Appendix B, which must be signed by a person duly authorised by the Beneficiary concerned.

9.2.2 Any Guarantee Call by a Beneficiary will be deemed to be invalid unless accompanied by the following documents:

- (a) a copy of the legal documents relating to the Guaranteed Instruments with an indication of the clause stipulating that the said instruments benefit from the Guarantee;
- (b) for Guaranteed Instruments issued in the form of financial securities, the account registration certificate;
- (c) a sworn statement by the originating party claiming the occurrence of a payment default, where any such declaration shall not undermine the autonomous nature of the Guarantee;
- (d) a sworn statement by the originating party that no Guarantee Call has taken place under one or more Member Guarantees with a view to recovering the same sums (or that any such calls have not been honoured in accordance with the terms of the said guarantees); under no circumstances may any such declaration prejudice the right of the Beneficiary to divide its call;
- (e) the details of the accounts to which the amounts called are to be transferred, subject to the terms of the Guaranteed Instruments concerned not requiring payment via a securities clearing or settlement system.

9.3. Call by a Representative

9.3.1 Any Guarantee Call by a Representative must be issued in writing and strictly comply with the standard form in Appendix C, which must be signed by the Representative or by a person duly authorised by the Representative in accordance with applicable statutory provisions.

9.3.2 Any Guarantee Call by a Representative will be deemed to be invalid unless accompanied by the following documents:

- (a) a copy of the legal documents relating to the Guaranteed Instruments with an indication of the clause stipulating that the said instruments benefit from the Guarantee;
- (b) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders or, where applicable, details of allocation and payment if the Guaranteed Instruments are admitted to a clearing or settlement system;

- (c) a sworn statement by the Representative claiming the occurrence of a payment default, where any such declaration shall not undermine the autonomous nature of the Guarantee;
- (d) a sworn statement by the Representative that no Guarantee Call has taken place under one or more Member Guarantees with a view to recovering the same sums (or that any such calls have not been honoured in accordance with the terms of the said guarantees); under no circumstances may any such declaration prejudice the right of the originating party to divide its call;
- (e) the details of the accounts to which the amounts called are to be transferred, subject to the terms of the Guaranteed Instruments concerned not requiring payment via a securities clearing or settlement system;
- (f) a copy of the document by which the Representative was appointed or is entitled to act on behalf of the Beneficiaries.

9.4. Call by Agence France Locale

- 9.4.1 Any Guarantee Call by Agence France Locale must be made in writing and strictly comply with the standard form in Appendix D, which must be signed by the chairman of the Board of Agence France Locale or by any other person duly authorised to this effect in accordance with the applicable statutory provisions.
- 9.4.2 Any Guarantee Call by Agence France Locale will be deemed to be invalid unless accompanied by the following documents:
- (a) a cash flow forecast for the coming twelve (12) months;
 - (b) an income statement forecast for the coming twelve (12) months;
 - (c) a copy of the legal documents relating to the Guaranteed Instruments, with an indication of the clause stipulating that the said instruments benefit from the Guarantee;
 - (d) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders or, where applicable, details of allocation and payment if the Guaranteed Instruments are admitted to a clearing or settlement system;
 - (e) the details of the account opened with the *Caisse des Dépôts et Consignations* on behalf of the holders of the Guaranteed Instruments as set out in paragraph (d) above, to which the amounts called are to be transferred accompanied by a copy of the payment instruction set out in Article 9.4.3.
- 9.4.3 In the event of a Guarantee Call, at the same time as the Guarantee Call Agence France Locale shall instruct *Caisse des Dépôts et Consignations* to pay the holders of Guaranteed Instruments as set out in Article 9.4.2(d) on the date on which the amounts called are due for payment by Agence France Locale.
- 9.4.4 The call notification must also specify the date by which payment of the amounts called must have been made.

**SECTION IV
PAYMENT UNDER THE GUARANTEE**

10. PAYMENT DATE

10.1. Payment in the event of a call by the Beneficiaries or their Representatives

10.1.1 In the event of a Guarantee Call by the Beneficiaries or their Representatives, the Guarantor must pay the amount called within five (5) Business Days of the date of receipt of the Guarantee Call.

10.1.2 In accordance with the provisions of the Member Guarantees, Société Territoriale may call on the Members with a view to obtaining payment of the amounts covered by this Article 10 Amounts actually paid by the Members within this context shall be deemed to have been paid by Agence France Locale under this Guarantee and shall consequently release Société Territoriale from its obligations under the relevant Guarantee Call.

10.2. Payment in the event of a call by Agence France Locale

10.2.1 In the event of a Guarantee Call by Agence France Locale, the Guarantor must pay the called amount within fifteen (15) Business Days of the date of receipt of the Guarantee Call or by any later date stipulated in the Guarantee Call.

10.2.2 In accordance with the provisions of the Member Guarantees, Société Territoriale may call on the Members with a view to obtaining payment of the amounts covered by this Article 10.2. Amounts actually paid by the Members within this context shall be deemed to have been paid by Agence France Locale under this Guarantee and shall consequently release Société Territoriale from its obligations under the relevant Guarantee Call.

11. PAYMENT TERMS

11.1. Account and payment method

The funds must be paid by bank transfer to the account specified in the Guarantee Call.

11.2. Currency of payment

The funds must be paid in euros (EUR) or in any other currency which is legal tender in France.

**SECTION V
DURATION OF THE GUARANTEE**

12. EFFECTIVE DATE

This Guarantee shall become effective on the date of signature by the Parties.

13. INDEFINITE DURATION

The Guarantee is provided for an indefinite duration.

14. TERMINATION

- 14.1. The Guarantee may be terminated at any time by Société Territoriale or Agence France Locale with a notice period of forty-five (45) Business Days, unless agreed otherwise by Société Territoriale and Agence France Locale.
- 14.2. Termination of the Guarantee does not restrict the ability of the holders of Guaranteed Instruments to make calls in respect of any Guaranteed Instrument which pre-dates the termination date.
- 14.3. Conversely, no person or entity may invoke the Guarantee in respect of any financial security or document which post-dates the termination date.
- 14.4. The Guarantee may not be the subject of any Guarantee Call after the Expiry Date as stated in the last Statement of Guarantee issued prior to the termination of the Guarantee.

SECTION VI RECOURSE

15. SUBROGATION

In the event of any amount being paid under a Guarantee Call, the Guarantor is subrogated to the rights of the Beneficiary up to the amount paid and based on the Guaranteed Instrument on which the Guarantee Call is founded.

SECTION VII COMMUNICATIONS

16. INFORMATION FOR BENEFICIARIES

- 16.1. Agence France Locale undertakes to ensure that the following information is publicly accessible on its Website at all times:
 - (a) the Actual Guarantee Ceiling on the second (2nd) Business Day preceding the day on which the Website is updated or on any later date;
 - (b) the Actual Guarantee Ceiling as estimated on the tenth (10th) and thirtieth (30th) Business Day following the date on which the Website is updated, in the absence of the issue of any new Statement of Guarantee; and
 - (c) in the event of an amendment to this Guarantee or of it being replaced by a new guarantee, the allocation of the commitments of Société Territoriale by guarantee;
 - (d) the address and person to whom a Guarantee Call must be sent;
 - (e) the total amount of Guarantee Calls of which it is aware.
- 16.2. Agence France Locale undertakes to update the Website every Business Day.

17. PUBLICATION

Agence France Locale is authorised to bring to the attention of any Beneficiary, by any appropriate means of its own choice, the existence and the terms of this Guarantee.

18. NOTIFICATION

- 18.1. Any notification or communication under this Guarantee, including any Guarantee Call, must be made in writing and sent as the issuer of the notification may choose:
- (a) by registered letter with request for acknowledgement of receipt;
 - (b) hand-delivered against a receipt, whether by the issuer itself, its agent or courier service; or
 - (c) by a court official.
- 18.2. Any communication made or document sent by one party to another under or in relation to the Guarantee shall become effective from:
- (a) its receipt as evidenced by the acknowledgement of receipt, by any other form of receipt or by the court official;
 - (b) the Business Day following notification as certified by confirmation of submission, a third party or a court official.
- 18.3. Any notification or communication to the Guarantor, Agence France Locale or Société Territoriale must be sent to the address specified on the Website.
- 18.4. By way of exception to the aforementioned provisions, the notification of any new Statement of Guarantee by Agence France Locale to Société Territoriale pursuant to Article 5 shall be deemed to have been validly made simply by a declaration complying with the standard form in Appendix A being made available online on the Website.

SECTION VIII FINAL PROVISIONS

19. TAXES AND DUTIES

- 19.1. Any payments due by the Guarantor shall be made without any withholding tax or tax or duty of any kind raised, levied or collected by or on behalf of the State or by any of its authorities authorised to levy any such tax or duty, unless such withholding or other tax is provided for by law or any applicable international convention.
- 19.2. If, pursuant French legislation, the payments owed by the Guarantor under the Guarantee were to be subject to a withholding or other tax or duty of any kind, the Guarantor shall not make any additional payments in respect thereof.

20. APPLICABLE LAW AND COMPETENT COURTS

- 20.1. This Guarantee shall be governed by French law.
- 20.2. Any dispute related to this Guarantee shall fall under the jurisdiction of the competent *Tribunal de grande instance*.

Executed in Lyon

On 28 September 2018

In three (3) original copies

Agence France Locale – Société Territoriale
Represented by Mr Olivier Landel

Agence France Locale
Represented by Mr Yves Millardet

LIST OF APPENDICES

APPENDIX A – FORM OF STATEMENT OF GUARANTEE

APPENDIX B – FORM OF GUARANTEE CALL BY BENEFICIARY

APPENDIX C – FORM OF GUARANTEE CALL BY REPRESENTATIVE

APPENDIX D – FORM OF GUARANTEE CALL BY AGENCE FRANCE LOCALE

APPENDIX A
FORM OF STATEMENT OF GUARANTEE



STATEMENT OF GUARANTEE

AGENCE FRANCE LOCALE, a limited company with executive board and supervisory board (*société anonyme à directoire et conseil de surveillance*) whose registered office is located at "Tour Oxygène", 10-12 Boulevard Vivier Merle, 69003 Lyon, registered at the Lyon Trade and companies register (*Registre du commerce et des sociétés de Lyon*) under the number 799 379 649 (*Agence France Locale*), pursuant to the autonomous first demand guarantee dated 28 September 2018 provided by Société Territoriale (the *Guarantee*):

- hereby notifies the issue or creation of a new Guaranteed Instrument;
- sets the guarantee commitment resulting from this decision at the amount of _____ (_____) euros ²² (the *Individual Ceiling*);
- decides that the commitment relating to the Individual Ceiling shall expire on _____ (the *Expiry Date*).

This Statement of Guarantee shall be governed and interpreted in accordance with French law. Any dispute regarding notably the validity, interpretation or performance of this Statement of Guarantee shall be brought before the competent court within the jurisdiction of the Court of Appeal of Paris (*Cour d'appel de Paris*).

Executed in [●]

On [●]

For Agence France Locale

NB: The Individual Ceiling, as specified in this Statement of Guarantee is included in the amount of the Actual Guarantee Ceiling published on the Website, corresponding to the sum of all of the Individual Ceilings in respect of outstanding guarantee commitments, for which the relevant Statements of Guarantee are also published on the Website.

²² The amount must be specified in both numbers and words.

APPENDIX B
FORM OF GUARANTEE CALL
CALL BY A BENEFICIARY

To: Agence France Locale – Société Territoriale
 Partie A For the attention of the Chief Executive Officer
 Partie B [Contact details of Société Territoriale as appears on the Website]

Date: [insert date]

Registered letter with request for acknowledgement of receipt or delivered by hand against receipt

Payment demand under the Autonomous First Demand Guarantee version 2018.1

Dear Sir/Madam,

1. We refer to the first demand guarantee granted by you on 28 September 2018 (version 2018.1) (the **Guarantee**) in respect of which we declare that we accept the benefits and all the stipulations contained therein.
2. Unless otherwise defined in this Guarantee Call, the capitalised terms and expressions used below shall have the meaning assigned to them in the Guarantee.
3. We ask you to pay in lieu of Agence France Locale the amount of [state the amount] euros (the **Amount Claimed**). Details regarding the Amount Claimed and the Guaranteed Instruments are as follows:

ISIN *	Common Code*	Date of Guaranteed Instrument	Due date of Guaranteed Instrument	Amount outstanding (principal)	Amount outstanding (interest)	Other outstanding due amounts (late payment interest, charges, etc.)	Total amount outstanding

**where applicable*

4. We certify that, as of the date hereof and without undermining the autonomous nature of the Guarantee,
 - (a) the Amount Claimed is due and payable in accordance with Article(s) [insert article number(s)] of the terms and conditions of the Guaranteed Instruments [where the Guaranteed Instruments were issued under various issue programmes, specify these programmes and their terms and conditions] [and which has not been paid for a period of over [___] Business Days after its due date (after expiry of applicable grace periods and amicable settlement periods as provided for by the terms and conditions of the Guaranteed Instruments)]; and

(b) the Amount Claimed has not been the subject of any payment demand under any Member Guarantee (or such payment demands have not been honoured in accordance with the terms of the said Member Guarantees).

5. In accordance with Article 9.2 of the Guarantee please find enclosed:

(a) a copy of the legal documents relating to the Guaranteed Instruments, with an indication of the clause stipulating that the said instruments benefit from the Guarantee;

(b) for Guaranteed Instruments issued in the form of financial securities, the account registration certificate;

(c) a sworn declaration by the originating party stating the occurrence of a payment default;

(d) details of the bank account to which the called sums are to be transferred.

6. In accordance with the terms of Section III of the Guarantee, we ask you in your capacity as Guarantor under the Guarantee to pay us the Amount Claimed.

7. In accordance with the terms of Article 10 of the Guarantee, the Amount Claimed must be paid within five (5) Business Days of the date of receipt of this Guarantee Call.

8. [The Amount Claimed must be paid to the bank account with the following references: ***[insert account IBAN number]***, opened on the books of ***[insert the name of the bank]***.]²³

Yours faithfully,

For *[Insert name of Beneficiary]*
in the capacity of Beneficiary
By: ***[Insert name of signatory]***
Job title: ***[Insert job title of signatory]***

²³ Where the terms and conditions of the Guaranteed Instruments do not require payment via a settlement or clearing system.

APPENDIX C
FORM OF GUARANTEE CALL
CALL BY A REPRESENTATIVE

To: Agence France Locale – Société Territoriale
For the attention of the Chief Executive Officer
[Contact details of Société Territoriale as appears on
the Website]

Date: [insert the date]

Registered letter with request for acknowledgement of receipt or delivered by hand against receipt

Payment demand under the Autonomous First Demand Guarantee version 2018.1

Dear Sir/Madam,

1. We refer to the first demand guarantee granted by you on 28 September 2018 (version 2018.1) (the ***Guarantee***) in respect of which we announce that we accept the benefits and all of its provisions in the name and on behalf of the Guaranteed Instrument holders whom we represent.
2. Unless otherwise defined in this Guarantee Call, the capitalised terms and expressions used below shall have the meaning assigned to them in the Guarantee.
3. We hereby state that, as of the date of this document, Agence France Locale has not paid the sum of [specify amount] euros (the ***Amount Claimed***) to the **Guaranteed Instrument holders whom we represent. Details regarding the Amount Claimed and the Guaranteed Instruments are as follows:**

ISIN *	Common Code*	Date of Guaranteed Instrument	Due date of Guaranteed Instrument	Amount outstanding (principal)	Amount outstanding (interest)	Other outstand ing due amounts (late payment interest, charges, etc.)	Total amount outstanding
		Partie C					

** where applicable*

4. We certify that, as of the date hereof and without undermining the autonomous nature of the Guarantee,
 - (a) the Amount Claimed is due and payable in accordance with Article(s) [insert article number(s)] of the terms and conditions of the Guaranteed Instruments [where the Guaranteed Instruments were issued under various issue programmes, specify these programmes and their terms and conditions] [and which has not been paid for a period of over [___] Business Days after its due date (after expiry of applicable grace periods and amicable settlement periods as provided for by the terms and conditions of the Guaranteed Instruments)]; and

(b) the Amount Claimed has not been the subject of any payment demand under any Member Guarantee (or such payment demands have not been honoured in accordance with the terms of the said Member Guarantees).

5. In accordance with Article 9.3 of the Guarantee please find enclosed:

(a) a copy of the legal documents relating to the Guaranteed Instruments, with an indication of the clause stipulating that the said instruments benefit from the Guarantee;

(b) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders;

(c) a sworn declaration by the Representative stating the occurrence of a payment default;

(d) details of the bank account to which the called sums are to be transferred;

(e) a copy of the document by which the Representative was appointed or is entitled to act on behalf of the Beneficiaries.

6. In accordance with the terms of Section III of the Guarantee, we ask you in your capacity as Guarantor under the Guarantee to pay us the Amount Claimed

7. In accordance with the terms of Article 10 of the Guarantee, the Amount Claimed must be paid within five (5) Business Days of the date of receipt of this Guarantee Call.

8. [The Amount Claimed must be paid to the bank account with the following references: **[insert account IBAN number]**, opened on the books of **[insert the name of the bank].**]²⁴

Yours faithfully,

For [Insert name of Representative]

in their capacity of [specify the capacity of the Representative providing them with the authority to act]

By: **[Insert name of signatory]**

Job title: **[Insert job title of signatory]**

²⁴ Where the terms and conditions of the Guaranteed Instruments do not require payment via a settlement or clearing system.

APPENDIX D
FORM OF GUARANTEE CALL
CALL BY AGENCE FRANCE LOCALE

To: Agence France Locale – Société Territoriale
For the attention of the Chief Executive Officer
[Contact details of Société Territoriale as appears on
the Website]

Date: [insert date]

Registered letter with request for acknowledgement of receipt or delivered by hand against receipt

Payment demand under the Autonomous First Demand Guarantee version 2018.1

Dear Sir/Madam,

1. We refer to the first demand guarantee granted by you on 28 September 2018 (version 2018.1) (the *Guarantee*).
2. Unless otherwise defined in this guarantee call, the capitalised terms and expressions used below shall have the meaning assigned to them in the guarantee.
3. **We ask you to pay the amount of [state the amount] euros (the amount claimed)** to the holders of guaranteed instruments. Details regarding the amount claimed and the guaranteed instruments are as follows:

ISIN *	Common Code*	Date of Guaranteed Instrument	Due date of Guaranteed Instrument	Amount (principal)	Amount (interest)	Other due amounts (late payment interest, charges, etc.)	Total amount

* where applicable

4. In accordance with Article 9.4 of the Guarantee please find enclosed:
 - (a) a cash flow forecast for the coming twelve (12) months;
 - (b) an income statement forecast for the coming twelve (12) months;
 - (c) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders;
 - (d) the details of the account opened with [Agence France Locale/Caisse des Dépôts et Consignations] in the name of Société Territoriale and on behalf of the holders of the Guaranteed Instruments as set out in paragraph 9.4.2(d) above, to which the amounts called are to be transferred accompanied by a copy of the payment instruction set out in Article 9.4.3.

5. In accordance with the terms of Section III of the Guarantee, we ask you in your capacity as Guarantor under the Guarantee to pay us the Amount Claimed.
6. In accordance with the terms of Article 10.2 of the Guarantee, the Amount Claimed must be paid [within five (5) Business Days of the date of receipt of this Guarantee Call/on _____].
7. [The Amount Claimed must be paid to the bank account with the following references: ***insert account IBAN number***], opened on the books of the *Caisse des dépôts et consignations*.

Yours faithfully,

For Agence France Locale
By: ***[Insert name of signatory]***
Job title: ***[Insert job title of signatory]***

3. MEMBER MODEL GUARANTEE

The text of the model guarantee (2016.01) granted by the Members to the Beneficiaries is as follows.

AUTONOMOUS FIRST DEMAND GUARANTEE

BETWEEN

- (1) The Local Authority having signed a Guarantee Commitment (the *Guarantor*);

AND

- (2) **AGENCE FRANCE LOCALE**, a limited company with executive board and supervisory board (*société anonyme à directoire et conseil de surveillance*), whose registered office is located at "Tour Oxygène", 10-12 Boulevard Vivier Merle, 69003 Lyon, registered at the Lyon Trade and companies register under the number 799 379 649 (*Agence France Locale*);

IN THE PRESENCE OF:

- (3) **AGENCE FRANCE LOCALE**, a limited company with executive board and supervisory board (*société anonyme à directoire et conseil de surveillance*), whose registered office is located at "Tour Oxygène", 10-12 Boulevard Vivier Merle, 69003 Lyon, registered at the Lyon Trade and companies register under the number 799 379 649 (*Agence France Locale*);

IN FAVOR OF:

- (4) Any Holder of any Guaranteed Instrument as set out in Article 4.1 (the *Beneficiary*) in the form of a third-party beneficiary stipulation, in accordance with the provisions of articles 1205 et seq. of the French Civil Code (*Code civil*).

WHEREAS

- (A) Société Territoriale and Agence France Locale were respectively incorporated on 3 and 17 December 2013 with the objective of contributing to the financing of French local authorities (*collectivités territoriales*) and public inter-communal cooperative institutions that levy their own taxes (*établissements publics de coopération intercommunale à fiscalité propre*), in accordance with the provisions of Article 35 of law no. 2013-672 of 26 July 2013 governing the separation and regulation of banking activities, codified in Article L. 1611-3-2 of the French Local Authority Code (*Code général des collectivités territoriales, CGCT*).
- (B) The Guarantor is a Member of the Agence France Locale Group and intends to benefit from financing granted by Agence France Locale.
- (C) In accordance with statutory provisions, the articles of association of Société Territoriale and the shareholders' agreement entered into by the Members of the Agence France Locale Group, Société Territoriale and Agence France Locale (the *Shareholders' Agreement*), the status as a full Member of the Agence France Locale Group and the benefit of financing granted by Agence France Locale are subject to each Member providing a guarantee in accordance with the model established by the Board of Directors of Société Territoriale.

IT HAS THEREFORE BEEN AGREED AS FOLLOWS

SECTION I DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

Terms with a capital letter used in this Guarantee shall have the meaning as assigned to them below:

Actual Reimbursement shall mean any amounts actually paid to the Guarantor by other Members, Agence France Locale, Société Territoriale or any entity that would have benefited from any undue payment under this Guarantee;

Agence France Locale Group shall collectively mean Société Territoriale and Agence France Locale;

Agence France Locale shall have the meaning assigned to it as set out in this Model Guarantee;

Appendix shall mean an appendix to this Guarantee;

Article shall mean an article in this Model Guarantee;

Beneficiary shall have the meaning assigned to it as set out in this Model Guarantee;

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;

Call Request shall have the meaning assigned to it in Article 8.3;

Expiry Date shall have the meaning assigned to it in Article 13.1;

Guarantee shall mean the autonomous first demand guarantee provided by the Guarantor pursuant to the terms of its Guarantee Commitment(s) and this Model Guarantee;

Guarantee Call shall mean any call under this Guarantee made in accordance with the provisions of the Guarantee;

Guarantee Ceiling shall have the meaning assigned to it in Article 5;

Guarantee Commitment shall mean the guarantee commitment conforming to the standard form in Appendix A in this Model Guarantee duly signed by the Guarantor;

Guaranteed Instruments shall have the meaning assigned to it in Article 4.1;

Guarantor shall have the meaning assigned to it as set out in this Model Guarantee;

Initial Ceiling shall have the meaning assigned to it in Article 5;

Local Authority shall mean French local authorities (*collectivités territoriales*) and public inter-communal cooperative institutions that levy their own taxes (*établissements publics de coopération intercommunale à fiscalité propre*) as well as any entity that would be authorised under the law to participate in the mechanism implemented by the Agence France Locale Group;

Member shall mean the Guarantor as well as any Local Authority belonging to the Agence France Locale Group in accordance with the articles of association of Société Territoriale and the Shareholders' Agreement;

Model Guarantee shall mean this document governing the terms and conditions of the Guarantee provided by the Guarantor under one or more Guarantee Commitments;

Outstanding Indebtedness shall mean the total of any amount due at any time by the Guarantor in principal, interest and incidentals to Agence France Locale, excluding amounts due by the Guarantor, in principal interest and incidentals to Agence France Locale under outstanding indebtedness initially granted for a maximum period of 364 days;

Party shall mean the Guarantor, Agence France Locale and any Beneficiary which has agreed to become a party to this Guarantee;

Reimbursement Request shall mean the amount of any reimbursement request made to the Guarantor by or in the name of one or more other Members within the framework of the mechanism described in Article 16;

Representative shall have the meaning assigned to it in Article 7;

Shareholders' Agreement shall have the meaning assigned to it in paragraph (C) of the preamble to this Model Guarantee;

Site shall have the meaning assigned to it in Article 5.2(c);

Société Territoriale shall have the meaning assigned to it as set out in this Model Guarantee.

Société Territoriale Guarantee shall mean any guarantee provided by Société Territoriale in relation to the financial obligations of Agence France Locale;

2. RULES OF INTERPRETATION

2.1. General Principles

2.1.1 The meaning of the defined terms applies to both the singular and plural of the said terms and, where applicable, to any masculine and feminine forms.

2.1.2 The headings used in this Model Guarantee have been included for readability purposes only and shall not affect either the meaning or interpretation of this Model Guarantee.

2.1.3 Unless otherwise required by the particular context, all references to legal provisions equally apply to any amendment, substitution or codification, provided that any such amendment, substitution or codification is applicable or may become applicable to the transactions covered by this Model Guarantee.

2.1.4 All references to another document shall equally apply to any amendments or substitutions of the said document.

2.1.5 Examples following the terms "include", "including", "notably", "in particular" and other similar terms shall not be exhaustive.

2.2. Model Guarantee and Guarantee Commitments

2.2.1 This Guarantee is based on the Model Guarantee, version 2016.01, as established by the Board of Directors of Société Territoriale on 26 November 2015.

2.2.2 On the conclusion of any contract or deed increasing the Outstanding Indebtedness of credit granted to a Member, the latter shall be invited to sign a Guarantee Commitment under which it shall

undertake to provide a Guarantee pursuant to and in accordance with the provisions of this Model Guarantee, up to a maximum of the sum of Initial Ceilings stipulated in the said Guarantee Commitment and in previous and non- expired Guarantee Commitments.

- 2.2.3 Although each Guarantee Commitment shall be signed as of the conclusion of a contract or deed increasing the Guarantor's Outstanding Indebtedness, the commitment of the said Guarantor shall only be determined by the actual Outstanding Indebtedness of credit and not by the validity of the contracts or deeds giving rise to the increase.
- 2.2.4 Each Guarantee Commitment shall be authorized by the competent body of the Guarantor, where required on a collective basis, so as to guarantee the validity of the commitment of the said Guarantor.

2.3. Plurality of Model Guarantees

- 2.3.1 Each Guarantee Commitment and the Model Guarantee together constitute an indivisible whole and no Model Guarantee not expressly accepted by the Guarantor in a Guarantee Commitment may be enforced against it.
- 2.3.2 Should a Guarantee Commitment be entered into by the Guarantor which refers to a Model Guarantee other than version 2014.1, the Outstanding Indebtedness of the said Guarantor will be dealt with on an individual basis.
- 2.3.3 Holders of Guaranteed Instruments issued up to the date of signature of the Guarantee Commitment referring to a specific Model Guarantee may, in respect of the totality of the Outstanding Indebtedness, invoke either the last Model Guarantee accepted by the Guarantor in a Guarantee Commitment at the issue date for such Guaranteed Notes, or later Model Guarantees also accepted by the Guarantor in a subsequent Guarantee Commitment, it being specified, however, that all Guarantee Calls must only refer to a single Model Guarantee.
- 2.3.4 The holders of Guaranteed Instruments issued after the date of signature of the Guarantee Commitment referring to a Model Guarantee later than version 2016.01 may only invoke the later Model Guarantees accepted by the Guarantor.

SECTION II TERMS AND CONDITIONS OF THE GUARANTEE

3. PURPOSE OF THE GUARANTEE

- 3.1. The Guarantor unconditionally and irrevocably undertakes to pay any Beneficiary, on first demand, any amount specified in the Guarantee Call up to a maximum of the Guarantee Ceiling as set out in Article 5. The Guarantee Call must strictly comply with the requirements set out in Section III of this Guarantee.

4. BENEFICIARIES OF THE GUARANTEE

- 4.1. The Guarantee is provided for the benefit of any person or entity holding an eligible instrument, where the holding of such an eligible instrument is the result of:
- (a) the account registration in the register held by Agence France Locale or by a financial intermediary as a holder of a financial instrument, the terms of which specify that the said person or entity is eligible to benefit under the Guarantee;

- (b) holding of a document signed by Agence France Locale specifying that the said document confers eligibility to benefit under the Guarantee;

(hereafter a Guaranteed Instrument).

- 4.2. The Guarantee relates to existing Guaranteed Instruments and to any future Guaranteed Instruments or those yet to be issued.

5. GUARANTEE CEILING

- 5.1. The Guarantee ceiling (the *Guarantee Ceiling*) provided by the Guarantor shall at any time be equal to the total amount of its Outstanding Indebtedness *vis-à-vis* Agence France Locale:

- (a) less any Guarantee Call, excluding the Guarantee Call for the purposes of which the Guarantee Ceiling is to be calculated;
- (b) plus any payment received by the Member in question pursuant to any Actual Reimbursement;
- (c) less any Reimbursement Request.

- 5.2. It is furthermore specified that:

- (a) elements which lead to a reduction in the Guarantee Ceiling are no longer enforceable against Beneficiaries from the date on which they made the Guarantee Call;
- (b) in the event of multiple Guarantee Calls and/or Reimbursement Requests,
 - (i) in order to calculate the Guarantee Ceiling, demands received on the Business Day preceding the calculation date shall be taken into account;
 - (ii) demands received after the Business Day preceding the calculation date shall not be taken into account and, where the Guarantee Ceiling is less than the total of the said demands, the Guarantor's payment obligation shall benefit the Beneficiaries in proportion to their individual demands;
- (c) any Beneficiary may at any given time within the context of a Guarantee Call claim the estimated Outstanding Indebtedness as of the tenth (10th) Business Day following the date of the Guarantee Call, as published by Agence France Locale on its website (the *Website*) for each Member in accordance with Article 17.1, where such figures shall be deemed to be authentic unless any Party is able to prove otherwise

- 5.3. In order to avoid the possibility of any ambiguity, under no circumstances may the Guarantee Ceiling exceed the sum of each Initial Ceiling as set out in each Guarantee Commitment whose Expiry Date is not yet to fall.

6. LEGAL NATURE OF THE GUARANTOR'S OBLIGATION

- 6.1. This Guarantee constitutes an autonomous guarantee within the meaning of Article 2321 of the French Civil Code (*Code Civil*).
- 6.2. Consequently, the Guarantor may not oppose or claim any exception or objection of any nature whatsoever (excluding those set out in Article 2321 of the French Civil Code (*Code Civil*)), and notably any exception or objection that Agence France Locale may hold against the Beneficiary, subject, however, to compliance with the provisions of this Guarantee.

- 6.3. Subject to the provisions of Article 14, all the provisions of this Guarantee shall remain fully effective irrespective of any changes to the financial, legal or any other position of Agence France Locale or of the Guarantor. The Guarantee shall in particular retain its full effect *vis-à-vis* the Beneficiaries should Agence France Locale request the appointment of an ad hoc administrator (*mandataire ad hoc*) or conciliator (*conciliateur*) (or should it be the subject of any such request), or enter into an agreement with its creditors, or be the subject of any of the proceedings set out in Book VI (*Livre VI*) of the French Commercial Code (*Code de commerce*).

SECTION III CALL OF THE GUARANTEE

7. PERSONS AUTHORISED TO CALL THE GUARANTEE

This Guarantee may be called by the following persons or entities:

- (a) any Beneficiary, in their own interests;
- (b) the collective representative or any person or entity authorised to exercise warranties or guarantees on behalf of the Beneficiaries, in accordance with applicable law or with the provisions of the Guaranteed Instruments (the **Representative**) and on behalf of the persons or entities they are authorised to represent; or
- (c) Société Territoriale, on behalf of any Beneficiary.

8. CONDITIONS OF THE GUARANTEE CALL

8.1. Call by the Beneficiaries

The Guarantee Call by the Beneficiaries is not subject to any conditions.

8.2. Call by Representatives

The Guarantee Call by Representatives is not subject to any conditions.

8.3. Call by Société Territoriale

Société Territoriale may decide to call the Guarantee only in the following circumstances:

- (a) in the event of the Société Territoriale Guarantee being called;
- (b) in the event of Agence France Locale requesting a Guarantee Call (a **Call Request**).

9. TERMS AND CONDITIONS OF CALLS

9.1 Principle

9.1.1 A payment demand that both in substance and form meets the conditions set out in this document (including Guarantee Call standard forms in the Appendix) shall constitute a Guarantee Call for the purposes of this Guarantee (a **Guarantee Call**). The Guarantee may be called on one or more occasions.

9.1.2 Any Guarantee Call exceeding the Guarantee Ceiling shall be deemed to have been made for an amount equal to the Guarantee Ceiling without undermining its validity.

- 9.1.3 All Guarantee Calls must be denominated in euros (EUR) or in any other currency which is legal tender in France.
- 9.1.4 All Guarantee Calls must specify the Model Guarantee on which it is based. However, and in accordance with the provisions of Article 2.2, any Guarantee Call may benefit from the total amount of the Guarantee Ceiling, including in circumstances where the Guarantee Ceiling is the result of multiple Guarantee Commitments on the part of the Guarantor.
- 9.1.5 All Guarantee Calls must be written in French.
- 9.1.6 Any payment request that fails to comply with these requirements will not be accepted as valid and will be deemed not to have been issued.

9.2. Call by the Beneficiaries

- 9.2.1 Any Guarantee Call by a Beneficiary must be issued in writing and strictly comply with the standard form in Appendix B, which must be signed by a person duly authorised by the Beneficiary concerned and be notified to the Guarantor with a copy to Société Territoriale.
- 9.2.2 Any Guarantee Call by a Beneficiary will be deemed to be invalid unless accompanied by the following documents:
- (a) a copy of the legal documents relating to the Guaranteed Instruments with an indication of the clause stipulating that the said instruments benefit from the Guarantee;
 - (b) for Guaranteed Instruments issued in the form of financial securities, the account registration certificate;
 - (c) a sworn statement by the Beneficiary specifying
 - (i) the occurrence of a payment default, where any such declaration shall not undermine the autonomous nature of the Guarantee;
 - (ii) that no Guarantee Call has taken place under the Société Territoriale Guarantee with a view to recovering the same sum (or that any such call has not been honoured in accordance with the terms of the said Société Territoriale Guarantee); under no circumstances may any such declaration prejudice the right of the Beneficiary to divide its call;
 - (iii) that no Guarantee Call has taken place under guarantees provided by other Members with a view to recovering the same sum (or that any such calls have not been honoured in accordance with the terms of the said guarantees); under no circumstances may any such declaration prejudice the right of the Beneficiary to divide its call;
 - (d) the details of the accounts to which the amounts called are to be transferred, subject to the terms of the Guaranteed Instruments concerned not requiring payment via a securities clearing or settlement system

9.3. Call by a Representative

- 9.3.1 Any Guarantee Call by a Representative must be issued in writing and strictly comply with the standard form in Appendix C, which must be signed by the Representative or by a person duly

authorised by the Representative in accordance with applicable statutory provisions and be notified to the Guarantor with a copy to Société Territoriale.

9.3.2 Any Guarantee Call by a Representative will be deemed to be invalid unless accompanied by the following documents:

- (a) a copy of the legal documents relating to the Guaranteed Instruments with an indication of the clause stipulating that the said instruments benefit from the Guarantee;
- (b) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders or, where appropriate, details of allocation and payment if the Guaranteed Instruments are admitted to a clearing or settlement system;
- (c) a sworn statement by the Representative specifying
 - (i) the occurrence of a payment default, where any such declaration shall not undermine the autonomous nature of the Guarantee;
 - (ii) that no Guarantee Call has taken place under the Société Territoriale Guarantee with a view to paying the same sum (or that any such call has not been honoured in accordance with the terms of the said Société Territoriale Guarantee); under no circumstances may any such declaration prejudice the right of the originating party to divide its call;
 - (iii) that no Guarantee Call has taken place under guarantees provided by other Members with a view to paying the same sum (or that any such calls have not been honoured in accordance with the terms of the said guarantees); under no circumstances may any such declaration prejudice the right of the Beneficiary to divide its call;
- (d) the details of the accounts to which the amounts called are to be transferred, subject to the terms of the Guaranteed Instruments concerned not requiring payment via a securities clearing or settlement system;
- (e) a copy of the document by which the Representative was appointed or is entitled to act on behalf of the Beneficiaries.

9.4. Call by Société Territoriale

9.4.1 Any Guarantee Call by Société Territoriale must be made in writing and strictly comply with the standard form in Appendix D, which must be signed by the Managing Director (*Directeur Général*) of Société Territoriale or by any other person duly authorised to this effect in accordance with the applicable statutory provisions.

9.4.2 Any Guarantee Call by Société Territoriale resulting from a call of the Société Territoriale Guarantee shall be invalid unless accompanied by the following documents:

- (a) a copy of the call received within the context of the Société Territoriale Guarantee, including its appendices or a copy of the Call Request issued by Agence France Locale, excluding its appendices;
- (b) a sworn statement by the originating party confirming the Société Territoriale Guarantee Call or the existence of a Call Request;

- (c) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders or, where appropriate, details of allocation and payment if the Guaranteed Instruments are admitted to a clearing or settlement system;
- (d) the details of the account opened with the Caisse des Dépôts et Consignations on behalf of the holders of the Guaranteed Instruments as set out in paragraph (c) above, to which the amounts called are to be transferred accompanied by a copy of the payment instruction set out in Article 9.4.3.

9.4.3 In the event of a Guarantee Call, at the same time as the Guarantee Call, Société Territoriale shall instruct Caisse des Dépôts et Consignations to pay the holders of Guaranteed Instruments as set out in Article 9.4.2(c) on the date on which the amounts called are due for payment by Agence France Locale.

9.4.4 The call notification must also specify the date by which payment of the amounts called must have been made.

9.4.5 The form and terms of Call Requests shall be established by the Board of Directors and do not represent a condition of validity of the Guarantee Call made by Société Territoriale.

SECTION IV PAYMENT UNDER THE GUARANTEE

10. PAYMENT DATE

10.1. Payment in the event of a call by the Beneficiaries or their Representatives

In the event of a Guarantee Call by the Beneficiaries or their Representatives, the Guarantor must pay the amount called within five (5) Business Days of the date of receipt of the Guarantee Call.

10.2. Payment in the event of a call by Société Territoriale

In the event of a Guarantee Call by Société Territoriale, the Guarantor must pay the called amount within fifteen (15) Business Days of the date of receipt of the Guarantee Call or by any later date stipulated in the Guarantee Call.

11. PAYMENT TERMS

11.1. Account and payment method

The funds must be paid by bank transfer to the account specified in the Guarantee Call.

11.2. Currency of payment

The funds must be paid in euros (EUR) or in any other currency which is legal tender in France.

SECTION V DURATION OF THE GUARANTEE

12. EFFECTIVE DATE

This Guarantee shall become effective on the date of signature by the Member of a Guarantee Commitment.

13. DURATION

13.1. Expiry date

The Guarantee shall end on the date stipulated in the Guarantee Commitment (the *Expiry Date*).

13.2. Effect of duration

The Guarantee may no longer be subject to any Guarantee Call after the Expiry Date.

14. EARLY TERMINATION

14.1. Preconditions for early termination

Notwithstanding the provisions of Article 13, the Guarantee may be terminated early:

- (a) at any time with the agreement of the Guarantor, Société Territoriale and Agence France Locale; or
- (b) in the event of the commencement of proceedings under Book VI of the French Commercial Code (*Code de commerce*) against Agence France Locale at the request of the Guarantor; or
- (c) automatically in the event of the Guarantor signing a Guarantee Commitment incorporating a later version of the Model Guarantee.

14.2. Effect of early termination

14.2.1 Termination of the Guarantee does not restrict the ability of the holders of Guaranteed Instruments to make calls in respect of any Guaranteed Instrument which pre-dates the termination date.

14.2.2 Conversely, no person or entity may invoke the Guarantee in respect of any financial security or document which post-dates the termination date.

SECTION VI RECOURSE

15. SUBROGATION

In the event of any amount being paid under a Guarantee Call, the Guarantor is subrogated to the rights of the Beneficiary up to the amount paid and based on the Guaranteed Instrument on which the Guarantee Call is founded.

16. RECOURSE AGAINST THE MEMBERS

In the event of any amount being paid under a Guarantee Call, the Guarantor shall benefit from personal recourse against the other Members in accordance with the terms and conditions set out in the Shareholders' Agreement.

SECTION VII COMMUNICATIONS

17. INFORMATION FOR BENEFICIARIES

- 17.1. Agence France Locale undertakes to ensure that the following information is publicly accessible on its Website at all times:
- (a) the Outstanding Indebtedness of each Member on the first (1st) Business Day preceding the day on which the Website is updated or on any later date;
 - (b) the estimated Outstanding Indebtedness of each Member in the absence of any early repayment of all or part of the credit granted on the tenth (10th) Business Day following the date of the Website update;
 - (c) the allocation by the Model Guarantee version of the aforementioned Outstanding Indebtedness;
 - (d) the address and person to whom a Guarantee Call must be sent for each Guarantor;
 - (e) the total amount of Guarantee Calls of which it is aware.
- 17.2. Agence France Locale undertakes to update the Website every Business Day.
- 17.3. Agence France Locale undertakes to enter into a contract with an external IT service provider which will be both able and obliged to publish the aforementioned information on a backup website should the Website fail. Should Agence France Locale become financially impaired, it shall be bound to maintain access to the information for a minimum period of six (6) months from the commencement of any settlement or liquidation proceedings being instigated against it.

18. PUBLICATION

Agence France Locale is authorised to bring to the attention of any Beneficiary, by any appropriate means of its own choice, the existence and the terms of this Guarantee.

19. NOTIFICATION

- 19.1. Any notification or communication under this Guarantee, including any Guarantee Call, must be made in writing and sent as the issuer of the notification may choose:
- (a) by registered letter with request for acknowledgement of receipt;
 - (b) hand-delivered against a receipt, whether by the issuer itself, its agent or courier service; or
 - (c) by a court official.
- 19.2. Any communication made or document sent by one party to another under or in relation to the Guarantee shall become effective from:
- (a) its receipt as evidenced by the acknowledgement of receipt, by any other form of receipt or by the court official;
 - (b) the Business Day following notification as certified by confirmation of submission, a third party or a court official.

- 19.3. Any notification or communication to the Guarantor, Agence France Locale or Société Territoriale must be sent to the address specified on the Website.

SECTION VIII FINAL PROVISIONS

20. TAXES AND DUTIES

- 20.1. Any payments due by the Guarantor shall be made without any withholding tax or tax or duty of any kind raised, levied or collected by or on behalf of the State or by any of its authorities authorised to levy any such tax or duty, unless such withholding or other tax is provided for by law or any applicable international treaty.
- 20.2. If, pursuant French legislation, the payments owed by the Guarantor under the Guarantee were to be subject to a withholding or other tax or duty of any kind, the Guarantor shall not make any additional payments in respect thereof.

21. APPLICABLE LAW AND COMPETENT COURTS

- 21.1. This Guarantee shall be governed by French law.
- 21.2. Any dispute related to this Guarantee shall fall under the jurisdiction of the competent *Tribunal de Grande Instance*.

APPENDIX A
FORM OF GUARANTEE COMMITMENT



Par et pour
les collectivités

GUARANTEE COMMITMENT

[Name of Guarantor], represented by [●] in their capacity as [●]

- hereby provides an autonomous first demand guarantee whose terms and conditions shall be governed by the Model Guarantee, version 2016.01, a copy of which is appended to this Guarantee Commitment;
- the initial Guarantee amount provided pursuant to this Guarantee Commitment is _____ (_____) euros²⁵ (the **Initial Ceiling**);
- This Guarantee Commitment will expire on _____ (the **Expiry Date**)²⁶;
- declares that this Guarantee Commitment has been approved by their deliberative body in accordance with statutory and regulatory provisions and, where applicable, with their documents of constitution;
- declares acceptance of the stipulations of the Model Guarantee without reservation.

This Guarantee Commitment shall be governed and interpreted in accordance with French law.

Any dispute regarding notably the validity, interpretation or performance of this Guarantee Commitment shall be brought before the competent high court.

Executed in [●]

On [●]

For the Guarantor²⁷ For Agence France Locale

In the presence of Société Territoriale²⁸

²⁵ The amount must be specified in both numbers and words.

²⁶ The expiry date must be at the earliest forty-five (45) Business Days after the contractual maturity date of the deed or contract giving rise to the signature of the Guarantee Commitment.

²⁷ Signature preceded by the words "Signed and agreed - autonomous first demand guarantee for a ceiling amount of [Initial Ceiling, in figures and words] euros".

²⁸ A general power to countersign Guarantee Commitments may be granted by Société Territoriale to Agence France Locale.

APPENDIX B
FORM OF GUARANTEE CALL
CALL BY BENEFICIARY

To: [Contact details of Guarantor as appears on the Website]

CC: Agence France Locale – Société Territoriale
For the attention of the Chief Executive Officer
[Contact details of Société Territoriale as appears on the Website]

Date: [insert date]

Registered letter with request for acknowledgement of receipt or delivered by hand against receipt

Payment demand under the Autonomous First Demand Guarantee version 2016.01

Dear Sir/Madam,

1. We refer to the first demand guarantee granted by you in accordance with the Model Guarantee version 2016.01 as established by the Board of Directors of Agence France Locale – Société Territoriale (the *Guarantee*) in respect of which we announce that we accept the benefits and all of its provisions.
2. Unless otherwise defined in this Guarantee Call, the capitalised terms and expressions used below shall have the meaning assigned to them in the Guarantee.
3. We hereby state that, as of the date of this document, Agence France Locale has not paid us the sum of [specify amount] euros (the *Amount Claimed*). **Details regarding the Amount Claimed and the Guaranteed Instruments are as follows:**

ISIN *	Common Code*	Date of Guaranteed Instrument	Due date of Guaranteed Instrument	Amount outstanding (principal)	Amount outstanding (interest)	Other outstanding due amounts (late payment interest, charges, etc.)	Total amount outstanding

* where applicable

4. **We certify that, as of the date hereof and without undermining the autonomous nature of the Guarantee:**
 - (a) the Amount Claimed is due and payable in accordance with Article(s) [insert article number(s)] of the terms and conditions of the Guaranteed Instruments [where the Guaranteed Instruments were issued under various issue programmes, specify these programmes and their terms and conditions] [and which has not been paid for a period of over [___] Business days after its due date (after expiry of applicable grace periods and amicable settlement periods as provided for by the terms and conditions of the Guaranteed Instruments)]; and

- (b) the Amount Claimed has not been the subject of any payment demand under the Société Territoriale guarantee (or such a payment demand has not been honoured in accordance with the terms of the said Société Territoriale Guarantee);
 - (c) the Amount Claimed has not been the subject of any payment demand under guarantees provided by other Members (or such payment demands have not been honoured in accordance with the terms of the said guarantees).
5. In accordance with Article 9.2 of the Guarantee please find enclosed:
- (a) a copy of the legal documents relating to the Guaranteed Instruments with an indication of the clause stipulating that the said instruments benefit from the Guarantee;
 - (b) for Guaranteed Instruments issued in the form of financial securities, the account registration certificate;
 - (c) a sworn declaration by the Beneficiary stating the occurrence of a payment default;
 - (d) details of the bank account to which the called sums are to be transferred.
6. In accordance with the terms of Section III of the Guarantee, we ask you in your capacity as Guarantor under the Guarantee to pay us the Amount Claimed.
7. In accordance with the terms of Article 10.1 of the Guarantee, the Amount Claimed must be paid within five (5) Business Days of the date of receipt of this Guarantee Call.
8. [The Amount Claimed must be paid to the bank account with the following references: ***[insert account IBAN number]***, opened on the books of ***[insert the name of the bank]***.]²⁹

Yours faithfully,

For *[Insert name of Beneficiary]*
in the capacity of Beneficiary
By: ***[Insert name of signatory]***
Job title: ***[Insert job title of signatory]***

²⁹ Where the terms and conditions of the Guaranteed Instruments do not require payment via a settlement or clearing system.

APPENDIX C
FORM OF GUARANTEE CALL
CALL BY A REPRESENTATIVE

To: [Contact details of Guarantor as appears on the Website]

CC: Agence France Locale – Société Territoriale
 For the attention of the Chief Executive Officer
 [Contact details of Société Territoriale as appears on the Website]

Date: [insert date]

Registered letter with request for acknowledgement of receipt or delivered by hand against receipt

Payment demand under the Autonomous First Demand Guarantee version 2016.01

Dear Sir/Madam,

1. We refer to the first demand guarantee granted by you in accordance with the Model Guarantee version 2016.01 as established by the Board of Directors of Agence France Locale – Société Territoriale (the *Guarantee*) in respect of which we announce that we accept the benefits and all of its provisions in the name and on behalf of the Guaranteed Instrument holders whom we represent.
2. Unless otherwise defined in this Guarantee Call, the capitalised terms and expressions used below shall have the meaning assigned to them in the Guarantee.
3. We hereby state that, as of the date of this document, Agence France Locale has not paid the sum of [specify amount] euros (the *Amount Claimed*) to the **Guaranteed Instrument holders whom we represent. Details regarding the Amount Claimed and the Guaranteed Instruments are as follows:**

ISIN *	Common Code*	Date of Guaranteed Instrument	Due date of Guaranteed Instrument	Amount outstanding (principal)	Amount outstanding (interest)	Other outstand ing due amounts (late payment interest, charges, etc.)	Total amount outstanding

* where applicable

4. **We certify that, as of the date hereof and without undermining the autonomous nature of the Guarantee:**
 - (a) The Amount Claimed is due and payable in accordance with Article(s) [insert article number(s)] of the terms and conditions of the Guaranteed Instruments [where the Guaranteed Instruments were issued under various issue programmes, specify these programmes and their terms and conditions] [and which has not been paid for a period of over [___] Business Days after its due date (after expiry of applicable grace periods and

amicable settlement periods as provided for by the terms and conditions of the Guaranteed Instruments)]; and

- (b) the Amount Claimed has not been the subject of any payment demand under the Société Territoriale Guarantee (or such a payment demand has not been honoured in accordance with the terms of the said Société Territoriale Guarantee);
- (c) the Amount Claimed has not been the subject of any payment demand under Guarantees provided by other Members (or such payment demands have not been honoured in accordance with the terms of the said guarantees).

5. In accordance with Article 9.3 of the Guarantee please find enclosed:

- (a) a copy of the legal documents relating to the Guaranteed Instruments with an indication of the clause stipulating that the said instruments benefit from the Guarantee;
- (b) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders;
- (c) a sworn declaration by the Representative stating the occurrence of a payment default;
- (d) details of the bank account to which the called sums are to be transferred;
- (e) a copy of the document by which the Representative was appointed or is entitled to act on behalf of the Beneficiaries.

6. In accordance with the terms of Section III of the Guarantee, we ask you in your capacity as Guarantor under the Guarantee to pay us the Amount Claimed.

7. In accordance with the terms of Article 10.1 of the Guarantee, the Amount Claimed must be paid within five (5) Business Days of the date of receipt of this Guarantee Call.

8. [The Amount Claimed must be paid to the bank account with the following references: *[insert account IBAN number]*, opened on the books of *[insert the name of the bank]*.]³⁰

Yours faithfully,

For *[Insert name of Representative]*

in their capacity of [specify the capacity of the Representative providing them with the authority to act]

By: ***[Insert name of signatory]***

Job title: ***[Insert job title of signatory]***

³⁰ Where the terms and conditions of the Guaranteed Instruments do not require payment via a settlement or clearing system.

APPENDIX D
FORM OF GUARANTEE CALL
CALL BY SOCIÉTÉ TERRITORIALE

To: [Contact details of Guarantor as appears on the Website]

Date: [insert date]

Registered letter with request for acknowledgement of receipt or delivered by hand against receipt

Payment demand under the Autonomous First Demand Guarantee version 2016.01

Dear Sir/Madam,

1. We refer to the first demand guarantee granted by you in accordance with the Model Guarantee version 2016.01 as established by the Board of Directors of Agence France Locale – Société Territoriale (the *Guarantee*).
2. Unless otherwise defined in this Guarantee Call, the capitalised terms and expressions used below shall have the meaning assigned to them in the Guarantee.
3. We inform you that Société Territoriale has recently received [a Guarantee Call under the Société Territoriale Guarantee/a Guarantee Call Request] for a total amount of [state the amount] euros (the *Amount Claimed*).
4. Consequently, we ask you to pay the Amount Claimed to the holders of the Guaranteed Instruments as per the following details:

ISIN *	Common Code*	Date of Guaranteed Instrument	Due date of Guarante ed Instrume nt	Amount (principal)	Amount (interest)	Other due amounts (late payment interest, charges, etc.)	Total amount

* where applicable

5. In accordance with Article 9.4 of the Guarantee please find enclosed:
 - (a) a copy of the call received within the context of the Société Territoriale Guarantee, including its appendices or a copy of the Call Request issued by Agence France Locale, excluding its appendices;
 - (b) a sworn statement by Société Territoriale confirming the Société Territoriale Guarantee call or the existence of a Payment Request;
 - (c) a list of the holders of the Guaranteed Instruments affected by the call and the allocation of the amount called among the said holders;
 - (d) the details of the account opened with [Agence France Locale/Caisse des Dépôts et Consignations] in the name of Société Territoriale and on behalf of the holders of the

Guaranteed Instruments as set out in paragraph 9.4.2 above, to which the amounts called are to be transferred accompanied by a copy of the payment instruction set out in Article 9.4.3.

6. In accordance with the terms of Section III of the Guarantee, we ask you in your capacity as Guarantor under the Guarantee to pay us the Amount Claimed.
7. In accordance with the terms of Article 10.2 of the Guarantee, the Amount Claimed must be paid [within five (5) Business Days of the date of receipt of this Guarantee Call/on _____].
8. [The Amount Claimed must be paid to the bank account with the following references: ***[insert account IBAN number]***, opened on the books of *Caisse des dépôts et consignations*.

Yours faithfully,

For Société Territoriale

By: ***[Insert name of signatory]***

Job title: ***[Insert job title of signatory]***

4. DESCRIPTION OF ST

4.1 Description of the direct majority shareholder: ST

(a) Information on ST

(i) History and development of ST

(A) Company name and trade name

ST's company name is "Agence France Locale – Société Territoriale".

(B) Place of registration and registration number

ST is registered with the Paris Trade and Companies Register under no. 799 055 629.

(C) Issuer's date of incorporation and term

ST was incorporated on 3 December 2013 as a French limited liability company (*société anonyme*) with a Board of Directors pursuant to Article 35 of the French law of 26 July 2013.

ST's term is 99 years as from the date of its registration with the Companies and Trade Register, i.e., until 8 December 2112, unless such term is extended or the Issuer is dissolved prior to this date.

(D) General information

(I) Registered office

The Issuer's registered office address, telephone and fax numbers and website are as follows:

Agence France Locale – Société Territoriale
41, quai d'Orsay, 75007 Paris, France
Tel.: +33 (0) 1 42 22 29 05
Fax: +33 (0) 1 44 18 14 15
Website: www.agence-france-locale.fr
E-mail: olivier.landel@agence-france-locale.fr

(II) Legal form

ST is a French limited liability company (*société anonyme*) with a Board of Directors governed by the provisions of the French Commercial Code (*Code de commerce*).

(III) Applicable legislation

Subject to the legal and regulatory provisions related to financial companies, particularly the applicable articles of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer is governed by commercial law, principally by Articles L. 210-1 *et seq.* of the French Commercial Code, as well as its articles of association.

ST is a financial company pursuant to Article L. 517-1 of the French Financial and Monetary Code.

(ii) Investments

Pursuant to the Shareholders' Agreement, ST allocates annually to the Issuer at least 95% of the amounts it receives under capital increases and/or from shareholder loans, subject to any relevant prudential-related issues.

(b) Business Overview

ST's corporate objects are set forth in article 2 of its articles of association (*Statuts*). ST operates as a financial holding company, whose activity primarily consists of:

- representing shareholders;
- activation of the guarantee mechanism in the event that the ST Guarantee or the Member Guarantees are called on;
- appointing members of the Supervisory Board of the credit institution;
- setting the overall strategic direction and risk appetite framework; and
- promoting the model, jointly with AFL, in particular to local authorities with a view to increasing the number of Members.

(c) Administrative and management boards

ST's governance is based on the separation of duties between its general management and its administration.

(i) Membership of the administrative and management boards

(A) General management

A Chief Executive Officer and a Deputy Chief Executive Officer oversees ST's general management.

<i>First and Last Names</i> <i>First and Last names</i> <i>Date and place of birth</i>	<i>Duties</i> <i>Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties within the Group since ST's incorporation</i>	<i>Terms of office and duties outside the Group since ST's incorporation</i>
Olivier Landel Born on 9 January 1963 in Paramé (Saint-Malo), France	Chief Executive Officer 41 quai d'Orsay – 75007 Paris, France	Appointed by the Board of Directors on 3 December 2013 Renewed by the Board of Directors on 22 November 2016 Term to expire at the ordinary general shareholders' meeting called to	Member of the Issuer's Supervisory Board	General Manager of France Urbaine

<i>First and Last Names</i> <i>First and Last names</i> <i>Date and place of birth</i>	<i>Duties</i> <i>Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties within the Group since ST's incorporation</i>	<i>Terms of office and duties outside the Group since ST's incorporation</i>
		approve the accounts for the financial year ending 31 December 2022		
Yves Millardet Born on 24 August 1964 in Vannes, France	Deputy Chief Executive Officer 41 quai d'Orsay – 75007 Paris, France	Appointed by the Board of Directors on 5 June 2014 Renewed by the Board of Directors on 22 June 2017 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2023	Chairman of the Issuer's Executive Board	None

(B) Board of Directors

In accordance with applicable provisions of the articles of association, at the annual general meeting held on 24 May 2017, voting on the accounts for the third financial year ending after ST's formation, the shareholders decided to renew the membership of the Board of Directors.

In order to ensure shared governance among all categories of Member, the shareholders, meeting in a special assembly according to the type of Local Authority to which they belong, appointed their representatives on the Board of Directors, it being specified that (a) in the case of *communes*, tax raising EPCI an EPT, two (2) local authorities have been designated members of the Board of Directors from among the Local Authorities with less than 10,000 inhabitants in accordance with applicable provisions of the articles of association; (b) the non-open *syndicats de communes* and *syndicats mixtes* are attached to the same college as the *communes*, tax raising EPCI and EPT ; and (c) the open *syndicats mixtes* are attached to the category of Local Authority specified in their membership decision.

The membership of the Board of Directors as of the date of this Base Prospectus is set forth below:

First and Last names Date and place of birth	Duties and any special powers Professional address	Date of first appointment and end of term	Number of shares held in the share capital of the Company	Terms of office and duties within the Agence France Locale Group	Terms of office and duties outside the Agence France Locale Group
Mr Jacques Pélissard Born on 20 mars 1946 in Lyon (69)	Chairman of the Board of Directors and director 41 quai d'Orsay – 75007 Paris, France	- Appointed by the General Meeting held on 24 May 2017 - Term to expire at the end of the ordinary general meeting called to approve the accounts for the financial year ending 31 December 2022	None	Vice Chairman of the Issuer's Supervisory Board	None
Mr Richard Brumm Born on 26 October 1946 in Lyon (69006)	Vice-Chairman of the Board of Directors and director 41 quai d'Orsay – 75007 Paris, France	Coopted by the Board of Directors on 20 June 2016; Appointment renewed by the General Meeting held on 24 May 2017 Term to expire at the end of the ordinary general meeting called to approve the accounts for the financial year ending 31 December 2022	None	Chairman and member of the Issuer's Supervisory Board	<ul style="list-style-type: none"> - Representative of the Ville de Lyon at: - The Opéra National de Lyon (declared association) (Siren : 339 391 021) - Crédit Municipal de Lyon (Siren : 266 900 299) (Member of the Orientation and Supervisory Board) - Representative of the Métropole de Lyon at: - SEM Patrimoine du Grand Lyon (518 422 704 RCS Lyon) (Director) - Société Anonyme Immobilière d'Economie Mixte de Vaulx-en-Velin (404 997 868 RCS Lyon) (Chairman CEO) - Société Publique Locale Gestion des Espaces Publics du Rhône-Amont (316 312 594 RCS Lyon) (Director) - Société Publique Locale Lyon-Confluence (423 793 702 RCS Lyon) (Director) - Syndicat Mixte Pour l'Aménagement et la Gestion du Grand Parc de Miribel Jonage, (Siren :256 900 655) (Director)
Région Pays de la Loire (SIREN : 234 400 034) Represented by Laurent Dejoie	Director 41 quai d'Orsay – 75007 Paris, France	Appointed in the <i>statuts</i> on formation. Appointment renewed by the general meeting held on 24	73,511	None	Notary, SCP Dejoie – Fay – Gicquel Chairman of the Association CSN International

<p>Born on 15 October 1955, in Nantes (44000)</p>		<p>May 2017</p> <p>Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.</p>			<ul style="list-style-type: none"> - President of the « Association du Notariat Francophone » – 1901 Law - Manager – SCI des archives
<p>Région Occitanie (Siren : 200053791)</p> <p>Represented by Mrs Claire Fita, born 31 December 1976 in Toulouse (31400)</p>	<p>Director</p> <p>41 quai d’Orsay – 75007 Paris</p>	<p>Appointed by the member local authorities of the regional College on 10 January 2019, in accordance with applicable regulations</p> <p>Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2024.</p>	<p>15,000</p>	<p>None</p>	<p>None</p>
<p>Département de l’Essonne (SIREN : 229 102 280)</p> <p>Represented by Mr Dominique Echaroux</p> <p>Born on 16 June 1946 in Paris (18th)</p>	<p>Director, Member of the Audit and Risks Committee</p> <p>41 quai d’Orsay – 75007 Paris, France</p>	<p>Appointed in the <i>statuts</i> on formation.</p> <p>Appointment renewed by the General Meeting held on 24 May 2017.</p> <p>Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.</p>	<p>65,100</p>	<p>None</p>	<ul style="list-style-type: none"> - Member of the Departmental Committee for rental values of professional premises (CDVLLP) - Member of the Board of the Departmental Fire and Emergency Service - Member of the Departmental Public Safety Council (CDSC) - Member of the Advisory Committee for security and accessibility (CCDSA) - Member of the Departmental Sub-Committee for security and accessibility for road and public space contracts and the local accessibility commission for persons with disabilities - Member of the Board of Directors for the following schools: <ul style="list-style-type: none"> - Briis-sous-Forges : Collège Jean Monnet (Siren : 198 512 204) - Dourdan : Collège Condorcet (Siren : 199114919), Collège Emile Auvray (Siren : 199 119 405) - Etréchy : Collège Le Roussay (Siren : 199 114 471)

					<ul style="list-style-type: none"> - Limours : Collège Michel Vignaud (Siren : 199 100 413) - Saint-Chéron : Collège Le Pont de-Bois (Siren : 199 112 566) - Member of the Board of Directors for the Collège Jeanne d'Arc à Dourdan (under-association contract private school) (Siren: 200 026 433) - Member of the Supervisory Board for the Sud Essonne de Dourdan-Etampes hospital (Siren: 200 026 433); - Member of the Board for the elderly people's home (EHPAD) in Ablis (Siren: 267 802 460); - Member of the Departmental Committee for commercial development (CDAC) - Member of the Departmental Committee for Inter-Municipal Cooperation; - Member of the Board of Directors for Development for Essonne (Société Anonyme d' Economie Mixte) (969 201 656 RCS Evry) - Vice-president of the departmental Council responsible for public finance and policy - President of SDIS - Vice-president of SIREDOM
<p>Département de la Savoie (SIREN : 227 300 019)</p> <p>Represented by Mr Luc Berthoud</p> <p>Born 21 December 1962 in Chambéry (73000)</p>	<p>Director, Member of the Appointments, Remuneration and Corporate Governance Committee</p> <p>41 quai d'Orsay – 75007 Paris, France</p>	<p>Appointed in the <i>statuts</i> on formation.</p> <p>Appointment renewed by the General Meeting held on 24 May 2017.</p> <p>Term to expire at the end of the ordinary general meeting called to approve the accounts for the financial year ending 31 December 2022.</p>	23,532	None	<p>In connection with its mandate as Councillor of the Département:</p> <ul style="list-style-type: none"> - SAEM d'Etudes "Agriculture – Espace – Environnement en Savoie" (Siren : 394 142 160 – member of the Board of Directors - Société Locale d'Epargne Savoie (Siren : 343 186 615 – representative at

					<p>the General Meeting</p> <p>In connection with its mandate as communal councillor to the agglomeration community of Grand Chambéry :</p> <ul style="list-style-type: none"> – SEM Cristal Habitat (Siren : 747 020 345), – Société Publique Locale de la Savoie (Siren 752 993 550), as representative of Chambéry Grand Lac Economie.
<p>Département de la Seine-Saint-Denis (Siren : 229 300 082) Represented by Mr Stéphane Troussel born 7 April 1970 in Saint-Denis (93)</p>	<p>Director 41 quai d'Orsay – 75007 Paris</p>	<p>Appointed by the shareholder members of the departmental college on 28 September 2017, his appointment will be presented at the next annual shareholders General Meeting.</p> <p>Term to expire at the end of the annual ordinary general meeting called to approve the accounts for the financial year ending 31 December 2022.</p>	12,500	None	None
<p>Métropole du Grand Nancy (Siren : 245 400 676) Represented by Mr Pierre Boileau, Born 9 August 1948 in Germonville (54)</p>	<p>Director, Member of the Audit and Risks Committee 41 quai d'Orsay – 75007 Paris</p>	<p>Appointed by the General Meeting held on 24 May 2017.</p> <p>Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.</p>	45,394	None	<ul style="list-style-type: none"> – Chairman of the SPL Destination Nancy – Director of the Centre de Gestion de Meurthe-et-Moselle – Treasurer of the Agence de Développement des Territoires Nancy Sud Lorraine (SCALEN) – Vice-chairman of the Association des Maires de Meurthe-et-Moselle – Member of the <i>Bureau</i> of Multipôle Sud Lorraine – Member of the Pôle Métropolitain Européen du Sillon Lorrain – Director of SAEML NANCY DEFI – Director of SAPL GRAND NANCY Habitat
<p>Commune de Grenoble (SIREN no. 213,801,855) represented by Mr</p>	<p>Director 41 quai d'Orsay – 75007 Paris, France</p>	<p>Appointed under the <i>statuts</i> on formation Appointment renewed</p>	21,528	None	<ul style="list-style-type: none"> – SPL Alpexpo (Siren : 423 367 804 – Director, Representative of

<p>Hakim Sabri, born on 14 February 1956 in La Mûre (38350)</p>		<p>by the General Meeting held on 24 May 2017.</p> <p>Term to expire at the end of the ordinary general meeting called to approve the accounts for the financial year ending 31 December 2022.</p>		<p>theVille de Grenoble</p> <ul style="list-style-type: none"> - CIE DE CHAUFFAGE (CCIAG) (Siren : 060 502 291) - Director - Chairman - GAZ ELECTRICITE DE GRENOBLE (Siren : 331 995 944) - Director - SOCIETE PUBLIQUE LOCALE EAU POTABLE -Director - COLLEGE CHARLES MUNC – Director - Alternate - COMMISSION RESSOURCES VILLE DE GRENOBLE - Co-Chairman - COMMISSION APPEL D’OFFRES - Chairman - CONSEIL CONSULTATIF SERVICES PUBLICS LOCAUX - Chairman - CONSEIL COMMUNAL IMPOTS DIRECTS - Chairman - SEM PFI Vice-Chairman - EPFL - Director - RESEAUX DE CHALEUR - Director - COMMISSION RESSOURCES METROPOLE - Member - COMMISSION FINANCES SMTC – Member - COMMISSION LOCALE EVALUATION TRANSFERTS CHARGES -Director
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<p>Métropole Européenne de Lille (SIREN no. 245 900 410)</p> <p>represented by Mr Michel Colin</p> <p>Born on 7 August 1956 in Bray Dunes (59123)</p>	<p>Director</p> <p>41 quai d'Orsay – 75007 Paris, France</p>	<p>Appointed under the <i>statuts</i> on formation</p> <p>Appointment renewed by the General Meeting held on 24 May 2017.</p> <p>Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.</p>	<p>69,677</p>	<p>None</p>	<p><u>Incumbent</u></p> <ul style="list-style-type: none"> – On the <i>Association pour le Management des Risques et des Assurances de l'Entreprise</i> (AMRAE) <p><u>Representative</u></p> <ul style="list-style-type: none"> – On the <i>Association de Promotion du Sport et de l'Activité Physique "Mel is Sport"</i> – On the trade union committee of the <i>Association Foncière Urbaine Libre des Parcs du Triangle des Gares</i> – On the Supervisory Board of the <i>EPSM de l'Agglomération Lilloise de Saint André (Etablissement Public de Santé Mentale)</i> – On the territorial Committee of the elected local officials (CTEL) at the <i>Groupement Hospitalier de Territoire Lille Métropole Flandre Intérieure</i> – On the Board of Directors of the <i>Société Anonyme d'Economie Mixte de la Ville Renouvelée</i> (SAEM Ville Renouvelée) – On the Board of Directors of the <i>Société Anonyme d'Economie Mixte de Rénovation et de Restauration de Lille</i> (SAEM SORELI) – At the General Meeting of the <i>Société Anonyme d'Economie Mixte de Rénovation et de Restauration de Lille</i> (SAEM SORELI) – On the Board of Directors of the <i>Société d'Economie Mixte Euratechnologies</i> – On the Board of Directors of the <i>Société Publique Locale</i> (SPL) Euralille – On the institutional steering committee of PreciDIAB – On the supervisory
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					<p>board of SOLIHA Métropole Nord</p> <p><u>Alternate</u></p> <ul style="list-style-type: none"> - On the trade union committee of the <i>SMIRT Hauts-de-Frances Mobilités</i> - At the General Meeting of the <i>Société Publique Locale (SPL) Ruches</i> - On the Board of Directors of the <i>Société Publique Locale (SPL) Ruches</i> - On the research committee of the academic board of the <i>Université de Lille I - Université des sciences et technologies de Lille</i> - Studies and university life adviser. <p><u>Member</u></p> <ul style="list-style-type: none"> - Of the <i>Commission Locale d'Evaluation des transferts de Charges (CLETC)</i> <p><u>Chairman</u></p> <ul style="list-style-type: none"> - of <i>SIVU « Ecole Le petit prince »</i> - of CCAS of the Ville de Lannoy
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<p>Métropole de Lyon (SIREN: 246 900 245)</p> <p>Represented by Mrs Karine Dognin-Sauze</p> <p>Born 19 November 1968 in Le Coteau (42120)</p>	<p>Director, Member of the Appointments, Remuneration and Corporate Governance Committee</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed under the <i>statuts</i> on formation.</p> <p>Appointment renewed by the General Meeting held on 24 May 2017.</p> <p>Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.</p>	<p>148,996</p>	<p>None</p>	<ul style="list-style-type: none"> – Chairman of the Association Réseau des Territoires Innovants – Secretary General of the Think Tank Fondation Internet Nouvelle Génération – Co-President of Lyon French Tech – President and founder of Witty Cies – Director General and partner of Everblix – Director of SPL Part-Dieu – Member of the Syndical Committee of EPARI – Director of the New Franco-Chinese Institute – Vice-president of Luci – Vice-president of France Open Data – President of the Big Booster Foundation – Member of the National Ethics and Digital Committee – Member of the National Digital Council
<p>Eurométropole de Strasbourg (Siren : 246 700 488)</p> <p>Represented by Mrs Caroline Barrière,</p> <p>Born 22 September 1969 in Vitry-sur-Seine (94)</p>	<p>Director</p> <p>Member of the Audit and Risks Committee</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed by the General Meeting held on 24 May 2017.</p> <p>Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.</p>	<p>24,460</p>	<p>None</p>	<ul style="list-style-type: none"> – SEM Parcus (Siren : 598 501 468) - Chairman – Habitation Moderne, SEM Social Housing (Siren : 568 501 415) – member of the Board of Directors – Caisse de Crédit Municipal (Siren : 266 700 715) – Member of the Supervisory Board – Strasbourg Place Financière, Association – member of the Board of Directors – Aéroport d'Entzheim (Siren : 528 862 956) - Member of the Supervisory Board – Fédération Nationale des Entreprises Publiques Locales (Siren : 784 351 702)

					– member of the Board of Directors
Toulouse Métropole (Siren : 243 100 518) Represented by Mr Sacha Briand, Born 11 December 1969 in Villeneuve Saint Georges (94)	Director 41 quai d’Orsay – 75007 Paris	Appointed by the General Meeting held on 24 May 2017. Term to expire at the end of the ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.	15,769	None	– SPL Rin (Siren : 793 105 123), member of the Board of Directors – Tisséo Ingénierie (Siren : 408 370 740), member of the Board of Directors – MINT (Siren : 630 800 118), member of the Board of Directors – Tisséo Voyageurs (Siren : 520 807 876), member of the Board of Directors
Commune de Conches-en-Ouche (Siren : 212 701 650) Represented by Mr Jérôme Pasco, Born 12 October 1976 in Saint Cloud (92)	Director Member of the Audit and Risks Committee 41 quai d’Orsay – 75007 Paris	Appointed by the General Meeting held on 24 May 2017. Term to expire at the end of the annual ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.	20	None	None
Commune de Roquefort-sur-Soulzon (Siren : 211 202 031) Represented by Mr Bernard Sirgue, born 28 September 1950 in Coupiac (12)	Director Member of the appointments, remuneration, and corporate governance committee 41 quai d’Orsay – 75007 Paris	Appointed by the General Meeting held on 24 May 2017 Term to expire at the end of the annual ordinary General Meeting called to approve the accounts for the financial year ending 31 December 2022.	334	None	None

(C) General secretary

As of the date of this Base Prospectus, the Board of Directors has not nominated a General Secretary and has no plans to do so at such time.

(D) Conflicts of interest

To the Issuer's knowledge and as of the date of this Base Prospectus, there is no actual or potential conflict of interest between the duties of the individuals mentioned in paragraph (A) and (B) above with regard to the ST and their private interests or other duties.

(d) Operation of the administrative bodies (article 16 of the articles of association)

(i) Board of Directors

(A) Membership of the Board of Directors

I. Membership and appointment procedures

The Board of Directors has a minimum of ten (10) and maximum of fifteen (15) members. No director over 70 years of age shall be appointed to the Board if his/her appointment increases to more than one-third the number of directors over 70. If the number of its directors over 70 years old exceeds one-third of the Board, the oldest member will be deemed as having resigned automatically from office.

During each Board membership review, each category of Local Authority may elect a certain number of directors. Such number is determined in proportion to the relevant Local Authority's weighting in the local government debt compared to the aggregate amount of such debt borne by all of the Local Authorities as at the date of the review.

II. Duration of terms of office

The members of the Board of Directors are appointed for a six-year term, renewable according to the aforementioned majority requirements. The term of office ends at the ordinary shareholders' meeting called to vote on the accounts for the recently completed financial year held in the year in which their term of office expires.

III. Powers of the Board of Directors

The Board of Directors decides on ST's business strategy and oversees its roll-out. It examines any and all issues related to the efficient running of ST, and makes any and all business decisions within its remit, subject to those powers expressly conferred to the shareholders' meetings and within the limit of the corporate purpose.

Accordingly, the Board of Directors, acting by a simple majority, makes decisions within its authority in light of applicable laws and regulations and also decides on the following:

- general measures related to ST's organisation and running,
- adoption of the scoring method to identify which Local Authorities are eligible to join the Agence France Locale Group,
- ST's budget,
- ST's management report,
- preparation of the financial statements and proposal on the appropriation of ST's profits,
- general terms on hiring, employment and wages,
- the roll-out and the monitoring of the guarantee structure,
- use of the initial capital contributions made by ST's new shareholders, and

- the specific financial requirements for Local Authority candidates to meet in order to become a ST shareholder.

The Board of Directors also has the authority at any time to (i) request from its Chief Executive Officer the documents validating his decision that a certain Local Authority was eligible to join the Agence France Locale Group and (ii) conduct any investigation it deems necessary to ensure that the scoring method was correctly applied at the time of membership.

Moreover, the Board of Directors:

- receives from the Issuer yearly updates on the Members' financial positions,
- prepares any resolution coming under the authority of ST's shareholders' meeting,
- presents the financial statements of the most recently completed financial year and the budget for the upcoming year at ST's ordinary shareholders' meeting, and
- formulates the instructions provided to ST's Chief Executive Officer, defines his role in representing ST and ensures that the Board decisions are carried out.

The Board of Directors makes any checks and controls that it deems appropriate. Each director receives all the necessary information to perform his or her duties and he or she may request any document considered useful.

IV. Deliberations of the Board of Directors

The Board of Directors meets at least quarterly and as frequently as ST's interests require.

The Board of Directors may only hold deliberations validly if at least half of its members are in attendance or deemed present.

V. Chairmanship of the Board of Directors

The Board of Directors appoints from among its members a chairman who must be a natural person lest the appointment be null and void. The Chairman does not receive compensation for the performance of his duties.

The Chairman is appointed for a renewable six-year term, which cannot exceed the term of his appointment as director. As an exception to the foregoing, the Chairman is initially appointed for a three-year term. He is eligible in any event for re-appointment.

The Chairman organises and heads up the work conducted by the Board of Directors and reports on it to the shareholders' meeting. He oversees that ST's boards are running properly and, in particular, that the directors are capable in carrying out their mandate.

The Board of Directors also appoints from among its members a Vice Chairman whose role is to replace the Chairman in the event the latter is prevented from attending to his duties or dies. The Vice Chairman does not receive compensation for the performance of his duties.

VI. The Board of Directors' committees

The Board of Directors may form committees to analyse and issue an opinion on any matters put forth to it by the Board of Directors or its Chairman.

The Board of Directors determines the membership and the powers of the committees, which operate under its responsibility.

The Board of Directors shall place reliance on the work and diligence performed by the following two (2) specialised committees:

- an audit and risks committee; and
- an appointment, compensation and corporate governance committee

VII. The Board of Directors' compensation

The members of the Board of Directors are not paid any compensation for the performance of their terms of office. However, they may request reimbursement for any reasonable expenses that they made in connection with their duties upon submitting the appropriate receipts and documents.

(ii) General management

(A) Appointment

The Board of Directors appoints the Chief Executive Officer. At the Chief Executive Officer's proposal, the Board of Directors may appoint one to three individuals to assist him as Deputy Chief Executive Officer(s).

The Chief Executive Officer and Deputy Chief Executive Officer cannot be more than 70 years old. When the Chief Executive Officer or Deputy Chief Executive Officer reaches this age during their term office, such term shall automatically terminate at the end of the upcoming ordinary shareholder's meeting convened to approve the financial statements for the recently completed financial year.

(B) Powers

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on ST's behalf. He exercises the powers within the limit of the corporate purpose and subject to those powers expressly conferred to the shareholders' meetings and the Board of Directors, powers that are attributed, where relevant, to the General Secretary.

The Board of Directors may also reduce the scope of the Chief Executive Officer's power in a specific manner.

The Chief Executive Officer represents ST in its dealings with third parties. ST is bound by the actions of the Chief Executive Officer even if such actions are beyond the scope of the corporate purpose, unless it can prove that the third party knew that the relevant action was beyond the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances.

Under the Board of Directors' permanent control, the Chief Executive Officer ratifies the list of Local Authorities that are eligible to join the Agence France Locale Group according to the scoring method defined by the Board of Directors.

The provisions of ST's articles of association and the Board of Directors' decisions reducing the Chief Executive Officer's powers are not binding on third parties.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and the term of the powers conferred to the Deputy Chief Executive Officer(s), who have the same powers as those of the Chief Executive Officer with respect to third parties.

(C) Compensation

The Board of Directors sets the compensation for the Chief Executive Officer and the Deputy Chief Executive Officer(s).

(D) Duration of terms of office

The Chief Executive Officer and the Deputy Chief Executive Officer(s), where relevant, are appointed for renewable six-year terms. As an exception to the foregoing, the Chief Executive Officer and the Deputy Chief Executive Officer(s), where relevant, are initially appointed for a three-year term.

(E) Dismissal and impediment

The Board of Directors may dismiss the Chief Executive Officer at any time. The Deputy Chief Executive Officers may likewise be dismissed at the Chief Executive Officer's proposal.

In accordance with law, the Chief Executive Officer and/or any Deputy Chief Executive Officer who has been dismissed without just cause may claim damages from ST for the losses suffered resulting from such unjustified dismissal.

When the Chief Executive Officer ceases to perform or is prevented from attending to his duties, the Deputy Chief Executive Officers remain in office and conserve their powers until the appointment of a new Chief Executive Officer, unless otherwise decided by the Board.

(iii) General secretary

(A) Appointment

The Board of Directors' Chairman is entitled to appoint a General Secretary.

The General Secretary is appointed for a renewable six-year term. As an exception to the foregoing, the General Secretary's initial term of appointment is for three (3) years.

(B) Powers

ST's legal and corporate affairs may be headed up by a General Secretary whose role is based on the five (5) following areas of focus:

- the coordination required to establish the Agence France Locale Group;
- relationship management with the Local Authorities and the public authorities;
- advisory role to ST's Chairman;
- ST's corporate communication and coordination of communication matters and initiatives within the Agence France Locale Group; and
- legal and general corporate affairs of ST's Board of Directors and its sub-committees.

The General Secretary's powers are decided upon at the time of appointment.

(C) Provisions governing the exercise of duties

Detailed provisions governing the exercise of the General Secretary's duties, including his or her compensation, are set forth in an agreement between ST and the General Secretary drawn up for this purpose.

(D) Age limit

The General Secretary cannot be more than 70 years old. When the General Secretary reaches this age during his/her term office, such term shall automatically terminate at the end of the upcoming ordinary shareholder's meeting convened to approve the financial statements for the recently completed financial year.

(E) Dismissal

The Board of Directors' Chairman may dismiss ST's General Secretary at any time.

(e) Additional information

(i) Share capital

On 13 March 2020, ST completed a twenty third share capital increase in an aggregate nominal amount of 3,335,000 (three million three hundred and thirty five thousand) euros. Following this share capital increase, ST's share capital totalled 157,794,800 (one hundred and fifty seven million seven hundred and ninety four thousand eight hundred) euros.

As of the date of this Base Prospectus, ST's share capital amounted to €157,794,800 (one hundred and fifty seven million seven hundred and ninety four thousand eight hundred euros), divided into 1,577,948 (one million five hundred and seventy seven thousand nine hundred and forty eight) shares of a par value of €100.00 each, all of the same class and fully subscribed and paid up.

(ii) Indebtedness represented by securities

At 31 March 2020, no debt was recorded in ST's company accounts. In its consolidated accounts, ST only held Issuer debt. At 31 March 2020, the amount of debt represented by a security of the Issuer, in accordance with the IFRS as adopted by the European Union, totalled 4,339,954,239 euros. Between 1 April 2020 and the date of this Base Prospectus, the Issuer has made one bond issue in a total principal amount of 60,000,000 euros.

(iii) Memorandum and articles of association

In accordance with the provisions of article 2 of the articles of association, ST's corporate purpose consists of:

- establishing and becoming a shareholder of the Issuer, whose corporate purpose is to contribute funding to the Local Authorities;
- helping its shareholders generate first and foremost savings and not profits;
- guaranteeing the Issuer's financial commitments;
- defining the strategic focuses of the Agence France Locale Group, whose legal and operating structures include ST and the Issuer;
- managing the Agence France Locale Group's guarantee system;
- providing, where necessary, certain resources and services to the Issuer; and generally
- carrying out transactions of any kind, whether they be economic, legal, financial, civil or commercial in nature, that may be related, directly or indirectly, to any of the above purposes or to any similar or related purpose.

(f) Material agreements

Other than the agreements described below, there are no material agreements (other than contracts entered into in the ordinary course of business) that confer rights, or place obligations, on ST or the Issuer that may have a material impact on ST's ability to perform its obligations to the Noteholders under the ST Guarantee.

4.2 Description of ST's shareholders

(a) Shareholder structure

ST's shareholder base is exclusively comprised of Local Authorities, which have obtained the requisite authorizations from their relevant governance boards and whose financial position makes them eligible to become Members of the Agence France Locale Group.

The number of ST shareholders is expected to increase in lock step with the Agence France Locale Group's expansion to the extent where, in accordance with the provisions Article L.

1611-3-2 of the CGCT, the Issuer may only grant loans to Members who have also become ST shareholders. ST therefore regularly, and in the context of its normal business, increases its capital in order to include these new Members into its share capital. In addition, this increase in the number of shareholders will lead to a correlative drop in each Member's relative weighting in ST's share capital; therefore, no controlling shareholders will exist.

As of the date of this Base Prospectus, ST's share capital is held by 360 Members. Only *Métropole Aix-Marseille-Provence* holds more than 10% of the share capital (11.35%) and its holding should fall below the 10% threshold in the future due to new Members' joining the Agence France Locale Group. These percentage holdings are a result of the fact that the ICC of these two significant Members is greater than that of the majority of other Members.

As of the date of this Base Prospectus, ST's share capital is distributed among the following Local Authority Members:

List of Local Authority Members as at the date of this Base Prospectus

	Local Authorities	Amount subscribed (euros)	Number of shares	% holding
1.	Métropole Aix Marseille Provence (13 - Bouches-du-Rhône)	17 916 400	179 164	11.3542%
2.	Métropole de Lyon (69 - Rhône)	14 899 600	148 996	9.4424%
3.	Commune de Marseille (13 - Bouches-du-Rhône)	14 193 200	141 932	8.9947%
4.	Région Pays de la Loire	7 351 100	73 511	4.6586%
5.	Métropole européenne de Lille (59 - Nord)	6 967 700	69 677	4.4157%
6.	Département de l'Essonne	6 510 000	65 100	4.1256%
7.	Collectivité d'Outre-Mer de Polynésie Française	5 887 900	58 879	3.7314%
8.	Métropole Nantes Métropole (44 - Loire-Atlantique)	5 656 400	56 564	3.5847%
9.	Métropole du Grand Nancy (54 - Meurthe-et-Moselle)	4 539 400	45 394	2.8768%
10.	Métropole Bordeaux Métropole (33 - Gironde)	4 044 500	40 445	2.5631%
11.	Département de la Seine-Saint-Denis	2 750 000	27 500	1.7428%
12.	Métropole Toulouse Métropole (31 - Haute-Garonne)	2 717 800	27 178	1.7224%
13.	Département de l'Aisne	2 712 000	27 120	1.7187%
14.	Métropole Eurométropole de Strasbourg (67 - Bas-Rhin)	2 446 000	24 460	1.5501%
15.	Métropole Rouen Normandie (76 - Seine-Maritime)	2 373 600	23 736	1.5042%
16.	Département de la Savoie	2 353 200	23 532	1.4913%
17.	Département de Saône-et-Loire	2 269 000	22 690	1.4379%
18.	Etablissement public territorial Plaine Commune (93 - Seine-Saint-Denis)	2 210 400	22 104	1.4008%
19.	Commune de Grenoble (38 - Isère)	2 152 800	21 528	1.3643%
20.	Région Occitanie	2 000 000	20 000	1.2675%
21.	Commune de Nantes (44 - Loire-Atlantique)	1 924 900	19 249	1.2199%
22.	Communauté urbaine Dunkerque Grand Littoral (59 - Nord)	1 699 400	16 994	1.0770%
23.	Commune de Toulouse (31 - Haute-Garonne)	1 576 900	15 769	0.9993%
24.	Commune de Strasbourg (67 - Bas-Rhin)	1 516 500	15 165	0.9611%
25.	Commune de Montreuil (93 - Seine-Saint-Denis)	1 483 500	14 835	0.9401%
26.	Métropole Brest Métropole (29 - Finistère)	1 474 000	14 740	0.9341%
27.	Commune de Bordeaux (33 - Gironde)	1 468 100	14 681	0.9304%
28.	Commune de Clermont-Ferrand (63 - Puy-de-Dôme)	1 403 900	14 039	0.8897%
29.	Département de la Meuse	1 372 500	13 725	0.8698%
30.	Communauté d'agglomération Amiens Métropole (80 - Somme)	1 357 800	13 578	0.8605%
31.	Commune de Créteil (94 - Val-de-Marne)	1 152 000	11 520	0.7301%
32.	Etablissement public territorial Grand-Orly Seine Bièvre (94 - Val-de-Marne)	1 062 200	10 622	0.6732%
33.	Commune de Tours (37 - Indre et Loire)	1 052 600	10 526	0.6671%
34.	Clermont Auvergne Métropole (63 - Puy-de-Dôme)	1 038 400	10 384	0.6581%

	Local Authorities	Amount subscribed (euros)	Number of shares	% holding
35.	Commune de Noisy-le-Grand (93 - Seine-Saint-Denis)	987 000	9 870	0.6255%
36.	Commune d'Amiens (80 - Somme)	844 500	8 445	0.5352%
37.	Communauté d'agglomération Grand Chambéry (73 - Savoie)	796 500	7 965	0.5048%
38.	Commune de Saint-Denis (93 - Seine-Saint-Denis)	791 500	7 915	0.5016%
39.	Communauté urbaine d'Arras (62 - Pas-de-Calais)	787 400	7 874	0.4990%
40.	Commune d'Evreux (27 - Eure)	653 600	6 536	0.4142%
41.	Commune de Gennevilliers (92 - Hauts-de-Seine)	632 900	6 329	0.4011%
42.	Commune du Blanc-Mesnil (93 - Seine-Saint-Denis)	597 300	5 973	0.3785%
43.	Commune de Brest (29 - Finistère)	592 300	5 923	0.3754%
44.	Communauté d'agglomération Annemasse-Les Voirons Agglomération (74 - Haute-Savoie)	544 300	5 443	0.3449%
45.	Commune de Pau (64 - Pyrénées-Atlantiques)	534 300	5 343	0.3386%
46.	Communauté urbaine du Creusot Montceau (71 - Saône-et-Loire)	532 800	5 328	0.3377%
47.	Commune de Cherbourg-en-Cotentin (50 - Manche)	521 800	5 218	0.3307%
48.	Département de l'Ariège	472 200	4 722	0.2992%
49.	Communauté d'agglomération Valenciennes Métropole (59 - Nord)	467 400	4 674	0.2962%
50.	Communauté d'agglomération Territoire de la Côte Ouest (974 - La Réunion)	455 500	4 555	0.2887%
51.	Commune de Mâcon (71 - Saône-et-Loire)	454 800	4 548	0.2882%
52.	Commune de Rosny-sous-Bois (93 - Seine-Saint-Denis)	428 000	4 280	0.2712%
53.	Commune de Metz (57 - Moselle)	410 600	4 106	0.2602%
54.	Communauté d'agglomération Pau Bearn Pyrénées (64 - Pyrénées-Atlantiques)	383 000	3 830	0.2427%
55.	Communauté d'agglomération du Grand Besançon (25 - Doubs)	360 000	3 600	0.2281%
56.	Commune de Saumur (49 - Maine-et-Loire)	338 100	3 381	0.2143%
57.	Commune de Châlon-sur-Saône (71 - Saône-et-Loire)	336 300	3 363	0.2131%
58.	Commune de Villeurbanne (69 - Rhône)	334 900	3 349	0.2122%
59.	Commune de Chelles (77 - Seine-et-Marne)	326 900	3 269	0.2072%
60.	Commune de Roquebrune-sur-Argens (83 - Var)	315 100	3 151	0.1997%
61.	Commune de Vincennes (94 - Val-de-Marne)	300 500	3 005	0.1904%
62.	Commune de Bourgoin-Jallieu (38 - Isère)	296 200	2 962	0.1877%
63.	Communauté d'agglomération Grand Poitiers (86 - Vienne)	293 400	2 934	0.1859%
64.	Commune de Gonesse (95 - Val-d'Oise)	284 700	2 847	0.1804%
65.	Commune de Bergerac (24 - Dordogne)	262 800	2 628	0.1665%
66.	Commune de Vernon (27 - Eure)	261 100	2 611	0.1655%
67.	Commune de Saint-Nazaire (44 - Loire-Atlantique)	256 800	2 568	0.1627%
68.	Communauté d'agglomération de la Rochelle (17 - Charente-Maritime)	254 700	2 547	0.1614%
69.	Communauté d'agglomération Cannes - Pays de Lérins (06 - Alpes Maritimes)	252 300	2 523	0.1599%
70.	Sète Agglopol Méditerranée (34 - Hérault)	248 800	2 488	0.1577%
71.	Etablissement public territorial Est Ensemble (93 - Seine-Saint-Denis)	245 000	2 450	0.1553%
72.	Commune de Clichy-sous-Bois (93 - Seine-Saint-Denis)	243 200	2 432	0.1541%
73.	Commune de Grigny (91 - Essonne)	227 700	2 277	0.1443%
74.	Commune de Montfermeil (93 - Seine-Saint-Denis)	217 700	2 177	0.1380%
75.	Commune de Carvin (62 - Pas-de-Calais)	208 500	2 085	0.1321%
76.	Communauté de communes Moselle et Madon (54 - Meurthe-et-Moselle)	193 100	1 931	0.1224%
77.	Communauté d'agglomération Le Grand Périgueux (24 - Dordogne)	185 100	1 851	0.1173%
78.	Commune d'Epinaux-sur-Seine (93 - Seine-Saint-Denis)	183 300	1 833	0.1162%
79.	Commune du Kremlin Bicêtre (94 - Val-de-Marne)	182 400	1 824	0.1156%
80.	Commune de Livry-Gargan (93 - Seine-Saint-Denis)	179 700	1 797	0.1139%
81.	Commune de Lons-le-Saunier (39 - Jura)	179 400	1 794	0.1137%
82.	Commune de Nogent-sur-Marne (94 - Val-de-Marne)	174 900	1 749	0.1108%
83.	Commune de Noyon (60 - Oise)	173 000	1 730	0.1096%
84.	Commune de Balaruc-les-Bains (34 - Hérault)	167 800	1 678	0.1063%
85.	Commune de Vichy (03 - Allier)	161 200	1 612	0.1022%
86.	Communauté urbaine d'Alençon (61 - Orne)	154 100	1 541	0.0977%
87.	Commune d'Aubenas (07 - Ardèche)	153 300	1 533	0.0972%

	Local Authorities	Amount subscribed (euros)	Number of shares	% holding
88.	Commune de Croix (59 - Nord)	151 600	1 516	0.0961%
89.	Commune d'Oloron Sainte-Marie (64 - Pyrénées-Atlantiques)	148 600	1 486	0.0942%
90.	Commune de Brunoy (91 - Essonne)	145 500	1 455	0.0922%
91.	Commune de Rezé (44 - Loire-Atlantique)	142 400	1 424	0.0902%
92.	Communauté d'agglomération Vichy Communauté (03 - Allier)	131 300	1 313	0.0832%
93.	Commune de Saint-Julien-en-Genevois (74 - Haute-Savoie)	122 700	1 227	0.0778%
94.	Communauté d'agglomération Saumur Val de Loire (49 - Maine-et-Loire)	118 200	1 182	0.0749%
95.	Communauté de communes de la Région de Guebwiller (68 - Haut-Rhin)	118 100	1 181	0.0748%
96.	Commune de Biscarosse (40 - Landes)	115 500	1 155	0.0732%
97.	Collectivité d'Outre-Mer de Saint-Pierre-et-Miquelon (975 - St-Pierre-et-Miquelon)	107 100	1 071	0.0679%
98.	Commune de Pertuis (84 - Vaucluse)	106 900	1 069	0.0677%
99.	Communauté de communes Cœur de Savoie (73 - Savoie)	102 500	1 025	0.0650%
100.	Commune de Viry-Châtillon (91 - Essonne)	98 000	980	0.0621%
101.	Commune de Condom (32 - Gers)	97 200	972	0.0616%
102.	Communauté d'agglomération de Blois-Agglopolys (41 - Loir-et-Cher)	96 300	963	0.0610%
103.	Commune de La Possession (974 - La Réunion)	93 000	930	0.0589%
104.	Commune de Saint-Hilaire-de-Riez (85 - Vendée)	91 300	913	0.0579%
105.	Communauté de communes Pévèle Carembault (59 - Nord)	91 100	911	0.0577%
106.	Commune du Bouscat (33 - Gironde)	87 800	878	0.0556%
107.	Communauté d'agglomération Morlaix Communauté (29 - Finistère)	86 300	863	0.0547%
108.	Communauté de communes du Pays Noyonnais (60 - Oise)	83 000	830	0.0526%
109.	Commune de Schiltigheim (67 - Bas-Rhin)	83 000	830	0.0526%
110.	Commune de Bry-sur-Marne (94 - Val-de-Marne)	82 600	826	0.0523%
111.	Communauté d'agglomération Pays de Saint-Omer (62 - Pas-de-Calais)	79 200	792	0.0502%
112.	Communauté d'agglomération La Roche sur Yon (85 - Vendée)	78 900	789	0.0500%
113.	Commune d'Alençon (61 - Orne)	75 500	755	0.0478%
114.	Commune de Waziers (59 - Nord)	74 100	741	0.0470%
115.	Commune de Combloux (74 - Haute-Savoie)	72 200	722	0.0458%
116.	Communauté d'agglomération du Val de Fensch (57 - Moselle)	70 300	703	0.0446%
117.	Commune d'Ancenis-Saint-Géréon (44 - Loire-Atlantique)	69 100	691	0.0438%
118.	Commune de Lannion (22 - Côtes-d'Armor)	67 000	670	0.0425%
119.	Commune de Domérat (03 - Allier)	66 400	664	0.0421%
120.	Commune de La Motte-Servolex (73 - Savoie)	65 200	652	0.0413%
121.	Commune de Bagnères-de-Luchon (31 - Haute-Garonne)	64 700	647	0.0410%
122.	Etablissement public territorial Paris-Est-Marne et Bois (94 - Val-de-Marne)	64 400	644	0.0408%
123.	Commune d'Autun (71 - Saône-et-Loire)	64 000	640	0.0406%
124.	Commune de Saint-Brice-sous-Forêt (95 - Val-d'Oise)	63 900	639	0.0405%
125.	Commune de Bourg-Argental (42 - Loire)	62 700	627	0.0397%
126.	Communauté de communes des Portes de Romilly sur Seine (10 - Aube)	60 600	606	0.0384%
127.	Commune de Vertou (44 - Loire-Atlantique)	60 000	600	0.0380%
128.	Commune d'Anzin (59 - Nord)	59 800	598	0.0379%
129.	Commune du Soler (66 - Pyrénées-Orientales)	57 700	577	0.0366%
130.	Communauté de communes Plaine Dijonnaise (21 - Côte-d'Or)	56 500	565	0.0358%
131.	Commune de Loireauxence (44 - Loire-Atlantique)	54 900	549	0.0348%
132.	Communauté de communes du Val de Drôme (26 - Drôme)	52 300	523	0.0331%
133.	Commune de Bourg-Saint-Andéol (07 - Ardèche)	50 400	504	0.0319%
134.	Commune de Vendôme (41 - Loir-et-Cher)	50 000	500	0.0317%
135.	Commune de Valsérhône (01 - Ain)*	49 800	498	0.0316%
136.	Commune de Wittenheim (68 - Haut-Rhin)	44 100	441	0.0279%
137.	Commune de Saint-Saulve (59 - Nord)	43 000	430	0.0273%
138.	Commune de Plouzané (29 - Finistère)	42 200	422	0.0267%
139.	Communauté de communes du Bassin de Pompey (54 - Meurthe-et-Moselle)	41 200	412	0.0261%
140.	Commune d'Huningue (68 - Haut-Rhin)	38 700	387	0.0245%
141.	Commune de Cusset (03 - Allier)	37 400	374	0.0237%
142.	Communauté de communes du Pays Mornantais (69 - Rhône)	35 300	353	0.0224%

	Local Authorities	Amount subscribed (euros)	Number of shares	% holding
143.	Commune de Longvic (21 - Côte-d'Or)	34 900	349	0.0221%
144.	Commune de Morhange (57 - Moselle)	34 700	347	0.0220%
145.	Commune de Les Sorinières (44 - Loire-Atlantique)	34 400	344	0.0218%
146.	Commune de Pont d'Ain (01 - Ain)	34 200	342	0.0217%
147.	Commune de Raimbeaucourt (59 - Nord)	34 000	340	0.0215%
148.	Commune de Saint-Jean-Bonnefonds (42 - Loire)	33 900	339	0.0215%
149.	Commune de Roquefort-sur-Soulzon (12 - Aveyron)	33 400	334	0.0212%
150.	Communauté de communes du Pays de Conches (27 - Eure)	33 300	333	0.0211%
151.	Commune de Challes-les-Eaux (73 - Savoie)	33 100	331	0.0210%
152.	Communauté de communes du Pont du Gard (30 - Gard)	33 100	331	0.0210%
153.	Commune de Merlimont (62 - Pas-de-Calais)	32 100	321	0.0203%
154.	Commune d'Aussonne (31 - Haute-Garonne)	32 000	320	0.0203%
155.	Communauté d'agglomération Val Parisis (95 - Val-d'Oise)	31 900	319	0.0202%
156.	Communauté de communes Pays de Fayence (83 - Var)	31 800	318	0.0202%
157.	Commune de Créon (33 - Gironde)	31 100	311	0.0197%
158.	Communauté de communes des Coteaux du Girou (31 - Haute-Garonne)	29 800	298	0.0189%
159.	Commune de Bessancourt (95 - Val-d'Oise)	29 000	290	0.0184%
160.	Commune d'Etrembières (74 - Haute-Savoie)	26 800	268	0.0170%
161.	Commune de Mimizan (40 - Landes)	26 800	268	0.0170%
162.	Commune de Laxou (54 - Meurthe-et-Moselle)	26 300	263	0.0167%
163.	Commune de Saint-Avé (56 - Morbihan)	25 600	256	0.0162%
164.	Communauté de communes du Quercy-Caussadais (82 - Tarn-et-Garonne)	24 000	240	0.0152%
165.	Commune de La Mulatière (69 - Rhône)	23 900	239	0.0151%
166.	Communauté de communes du Sundgau (68 - Haut-Rhin)	23 700	237	0.0150%
167.	Communauté de communes Cœur Avesnois (59 - Nord)	23 500	235	0.0149%
168.	Communauté de communes du Warndt (57 - Moselle)	23 000	230	0.0146%
169.	Commune de Bora-Bora (Polynésie Française)	23 000	230	0.0146%
170.	Communauté de communes Rives de l'Ain - Pays du Cerdon (01 - Ain)	23 000	230	0.0146%
171.	Commune d'Aulnoy-lez-Valenciennes (59 - Nord)	22 900	229	0.0145%
172.	Communauté d'agglomération Bassin de Bourg-en-Bresse (01 - Ain)*	22 900	229	0.0145%
173.	Commune de Giberville (14 - Calvados)	22 700	227	0.0144%
174.	Commune de Roquemaure (30 - Gard)	22 600	226	0.0143%
175.	Commune de Guéthary (64 - Pyrénées-Atlantiques)	22 000	220	0.0139%
176.	Communauté de communes Cœur de Chartreuse (38 - Isère - 73 - Savoie)	21 100	211	0.0134%
177.	Communauté de communes Ardenne Rives de Meuse (08 - Ardennes)	20 300	203	0.0129%
178.	Commune du Pré-Saint-Gervais (93 - Seine-Saint-Denis)	20 000	200	0.0127%
179.	Communauté de communes Roumois Seine (27 - Eure)	19 800	198	0.0125%
180.	Commune de Cysoing (59 - Nord)	19 700	197	0.0125%
181.	Commune de Mison (04 - Alpes-de-Haute-Provence)	19 600	196	0.0124%
182.	Commune de Plailly (60 - Oise)	19 100	191	0.0121%
183.	Commune de Montmélian (73 - Savoie)	19 000	190	0.0120%
184.	Communauté de communes de l'Huisne Sarthoise (72 - Sarthe)	19 000	190	0.0120%
185.	Communauté de communes de la Vallée du Garon (69 - Rhône)	19 000	190	0.0120%
186.	Commune de Pollestres (66 - Pyrénées-Orientales)	18 200	182	0.0115%
187.	Commune de Beaucouzé (49 - Maine-et-Loire)	17 400	174	0.0110%
188.	Commune de Peypin (13 - Bouches-du-Rhône)	17 100	171	0.0108%
189.	Commune de Saint Martin de Seignanx (40 - Landes)	16 000	160	0.0101%
190.	Commune de Wavrin (59 - Nord)	15 500	155	0.0098%
191.	Commune de Seillans (83 - Var)	15 400	154	0.0098%
192.	Commune de Lesneven (29 - Finistère)	15 300	153	0.0097%
193.	Commune de Billom (63 - Puy-de-Dôme)	14 800	148	0.0094%
194.	Commune de Capvern (65 - Hautes-Pyrénées)	14 800	148	0.0094%
195.	Communauté de communes Adour Madiran (65 - Hautes-Pyrénées)	14 700	147	0.0093%
196.	Communauté de communes du Rhône aux Gorges de l'Ardèche (07 - Ardèche)	14 600	146	0.0093%
197.	Commune de Rang-du-Fliers (59 - Nord)	14 100	141	0.0089%

	Local Authorities	Amount subscribed (euros)	Number of shares	% holding
198.	Commune de Riom (63 - Puy-de-Dôme)	13 900	139	0.0088%
199.	Communauté de communes Pays de Rouffach. Vignobles et Châteaux (68 - Haut-Rhin)	13 500	135	0.0086%
200.	Commune de Boën-sur-Lignon (42 - Loire)	13 500	135	0.0086%
201.	Commune de Le Puy Sainte Réparate (13 - Bouches-du-Rhône)	13 500	135	0.0086%
202.	Communauté de communes Vezouze en Piémont (54 - Meurthe-et-Moselle)	13 500	135	0.0086%
203.	Commune de Saint-Victor-de-Malcap (30 - Gard)	12 800	128	0.0081%
204.	Communauté de communes Cèze Cévennes (30 - Gard (Nord) - 07 - Ardèche (Sud))	12 700	127	0.0080%
205.	Commune de Dieulouard (54 - Meurthe-et-Moselle)	12 400	124	0.0079%
206.	Commune de Mérindol (84 - Vaucluse)	12 300	123	0.0078%
207.	Commune de Cossé-le-Vivien (53 - Mayenne)	12 200	122	0.0077%
208.	Commune de Comps (30-Gard)	11 600	116	0.0074%
209.	Commune de Genech (59 - Nord)	11 300	113	0.0072%
210.	Commune de Peyrignac (24 - Dordogne)	11 000	110	0.0070%
211.	Commune de Gonfaron (83 - Var)	11 000	110	0.0070%
212.	Communauté de communes Ballon des Hautes Vosges (88 - Vosges)	10 600	106	0.0067%
213.	Commune de Pontaurmur (63 - Puy-de-Dôme)	10 500	105	0.0067%
214.	Commune de Saint-Just-d'Ardèche (07 - Ardèche)	10 000	100	0.0063%
215.	Commune de Gidy (45 - Loiret)	10 000	100	0.0063%
216.	Commune d'Arfeuilles (03 - Allier)	9 900	99	0.0063%
217.	Commune de Mundolsheim (67 - Bas-Rhin)*	9 800	98	0.0062%
218.	Commune de Plouvorn (29 - Finistère)	9 700	97	0.0061%
219.	Commune de Matha (17 - Charente-Maritime)	9 200	92	0.0058%
220.	Commune d'Usson-en-Forez (42 - Loire)	9 200	92	0.0058%
221.	Commune de Jouy-aux-Arches (57 - Moselle)	9 200	92	0.0058%
222.	Communauté de communes de la Vallée du Lot et du Vignoble (46 - Lot)	9 000	90	0.0057%
223.	Commune d'Aubrives (08 - Ardennes)	9 000	90	0.0057%
224.	Commune de Grandvilliers (60 - Oise)	8 900	89	0.0056%
225.	Commune de Pannes (45 - Loiret)*	8 900	89	0.0056%
226.	Communauté de communes de la Plaine du Nord Loiret (45 - Loiret)	8 900	89	0.0056%
227.	Communauté d'agglomération Grand Châlon (71 - Saône-et-Loire)	8 600	86	0.0055%
228.	Commune de Le Pallet (44 - Loire-Atlantique)	8 600	86	0.0055%
229.	Communauté de commune de Gémozac (17 - Charente-Maritime)	8 600	86	0.0055%
230.	Commune de Landas (59 - Nord)	8 400	84	0.0053%
231.	Commune de Sainte-Euphémie (01 - Ain)	8 100	81	0.0051%
232.	Commune de Saulzoir (59 - Nord)	8 000	80	0.0051%
233.	Commune d'Attiches (59 - Nord)	7 800	78	0.0049%
234.	Commune de Meulan-en-Yvelines (78 - Yvelines)	7 500	75	0.0048%
235.	Commune de Saint-Béron (73 - Savoie)	7 200	72	0.0046%
236.	Commune de Vitrac (24 - Dordogne)	7 100	71	0.0045%
237.	Commune de Peujard (33 - Gironde)	6 800	68	0.0043%
238.	Commune du Pont de Beauvoisin (73 - Savoie)	6 800	68	0.0043%
239.	Commune de Val-de-Livenne (33 - Gironde)	6 800	68	0.0043%
240.	Commune de Noyelles-sous-Lens (62 - Pas-de-Calais)	6 600	66	0.0042%
241.	Commune de Théza (66 - Pyrénées-Orientales)	6 400	64	0.0041%
242.	Commune de Saint-Sauveur-en-Rue (42 - Loire)	6 300	63	0.0040%
243.	Commune de SAILLY-LEZ-LANNOY (59 - Nord)	6 100	61	0.0039%
244.	Métropole de Grenoble (38 - Isère)	6 000	60	0.0038%
245.	Commune de Saint-Augustin-des-Bois (49 - Maine-et-Loire)	6 000	60	0.0038%
246.	Communauté de communes Pays Beaume Drobie (07 - Ardèche)*	5 900	59	0.0037%
247.	Commune de Pujo (65 - Hautes-Pyrénées)	5 900	59	0.0037%
248.	Commune de Mons-en-Pévèle (59 - Nord)	5 700	57	0.0036%
249.	Communauté de communes Guillestrois Queyras (05 - Hautes-Alpes)	5 700	57	0.0036%
250.	Communauté de communes Mad et Moselle (54 - Meurthe-et-Moselle)	5 400	54	0.0034%
251.	Commune de La Feuillie (76 - Seine-Maritime)	5 400	54	0.0034%
252.	Commune de Millery (69 - Rhône)	5 400	54	0.0034%

	Local Authorities	Amount subscribed (euros)	Number of shares	% holding
253.	Commune de Saint-Pierre-des-Fleurs (27 - Eure)	5 400	54	0.0034%
254.	Commune de Loubeyrat (63 - Puy-de-Dôme)	5 300	53	0.0034%
255.	Commune de Richardménil (54 - Meurthe-et-Moselle)	5 100	51	0.0032%
256.	Commune de Saint-Etienne-de-Baïgorry (64 - Pyrénées-Atlantiques)	5 100	51	0.0032%
257.	Commune de Bernay-Vilbert (77 - Seine-et-Marne)	5 100	51	0.0032%
258.	Commune de Flourens (31 - Haute-Garonne)	4 900	49	0.0031%
259.	Commune de La Monnerie le Montel (63 - Puy-de-Dôme)	4 900	49	0.0031%
260.	Commune de Scy-Chazelles (57 - Moselle)	4 800	48	0.0030%
261.	Commune de Saint-Pierre-d'Entremont (Savoie - 73)	4 700	47	0.0030%
262.	Commune de Bruley (54-Meurthe-et-Moselle)	4 700	47	0.0030%
263.	Commune de Pomerols (34 - Hérault)	4 600	46	0.0029%
264.	Commune de Thun-l'Evêque (59 - Nord)	4 600	46	0.0029%
265.	Commune de Banon (04 - Alpes-de-Haute-Provence)	4 500	45	0.0029%
266.	Commune de Les Voivres (88 - Vosges)	4 300	43	0.0027%
267.	Commune de La Faute sur Mer (85 - Vendée)	4 300	43	0.0027%
268.	Commune de Beynac et Cazenac (24 - Dordogne)	4 300	43	0.0027%
269.	Commune de Chirols (07 - Ardèche)	4 300	43	0.0027%
270.	Commune de Pouillon (40 - Landes)	4 100	41	0.0026%
271.	Commune de Saint-Louis-de-Montferrand (33 - Gironde)	4 100	41	0.0026%
272.	Communauté d'Agglomération d'Epinal (88 - Vosges)	4 000	40	0.0025%
273.	Commune de Vaux-sur-Seine (78 - Yvelines)	4 000	40	0.0025%
274.	Commune de Léon (40 - Landes)	3 900	39	0.0025%
275.	Commune de Le Ferré (35 - Ille-et-Villaine)	3 900	39	0.0025%
276.	Commune de Saint-Armel (56 - Morbihan)	3 800	38	0.0024%
277.	Commune de Saint-Pierre-du-Bosguérard (27 - Eure)	3 800	38	0.0024%
278.	Commune des Ormes (86 - Vienne)	3 600	36	0.0023%
279.	Commune de Rochecorbon (37 - Indre-et-Loire)	3 300	33	0.0021%
280.	Commune de Castelfranc (46 - Lot)	3 200	32	0.0020%
281.	Commune de Muzy (27 - Eure)	3 200	32	0.0020%
282.	Commune de Bayon (54 - Meurthe-et-Moselle)	3 100	31	0.0020%
283.	Commune de Croismare (54 - Meurthe-et-Moselle)	3 100	31	0.0020%
284.	Commune de Monacia d'Aullène (20 - Corse)	3 000	30	0.0019%
285.	Communauté de communes Pays Haut Val d'Alzette (54 - Meurthe-et-Moselle / 57 - Moselle)	3 000	30	0.0019%
286.	Commune de Thil (01 - Ain)	3 000	30	0.0019%
287.	Commune de Corny-sur-Moselle (57 - Moselle)	2 800	28	0.0018%
288.	Commune du Lion d'Angers (49 - Maine-et-Loire)	2 700	27	0.0017%
289.	Commune d'Epieds (49 - Maine-et-Loire)	2 600	26	0.0016%
290.	Commune de Saint-André-d'Olerargues (30 - Gard)	2 600	26	0.0016%
291.	Commune de Vénéjan (30 - Gard)	2 500	25	0.0016%
292.	Commune d'Estézargues (30 - Gard)	2 400	24	0.0015%
293.	Commune de Saint-Pierre-d'Entremont (Isère - 38)	2 400	24	0.0015%
294.	Commune de Fournès (30 - Gard)	2 300	23	0.0015%
295.	Commune de Casseneuil (47 - Lot-et-Garonne)*	2 300	23	0.0015%
296.	Commune de Crion (54 - Meurthe-et-Moselle)	2 300	23	0.0015%
297.	Commune de Pagny-derrière-Barine (54 - Meurthe-et-Moselle)	2 300	23	0.0015%
298.	Commune de Conches-en-Ouche (27 - Eure)	2 000	20	0.0013%
299.	Commune de Montrecourt (59 - Nord)	2 000	20	0.0013%
300.	Commune de Roquesérière (31 - Haute-Garonne)	2 000	20	0.0013%
301.	Commune de Waville (54 - Meurthe-et-Moselle)	2 000	20	0.0013%
302.	Commune de Chadron (43 - Haute Loire)	1 900	19	0.0012%
303.	Commune de Youx (63 - Puy-de-Dôme)	1 900	19	0.0012%
304.	Commune de Motz (73 - Savoie)	1 700	17	0.0011%
305.	Commune de Saint-Crépin (05 - Hautes-Alpes)	1 700	17	0.0011%
306.	Commune de Castillon-la-Bataille (33 - Gironde)	1 700	17	0.0011%
307.	Commune de Teilhède (63 - Puy-de-Dôme)	1 700	17	0.0011%
308.	Commune de Fontenay-le-Pesnel (14 - Calvados)*	1 500	15	0.0010%
309.	Commune de Saint-Pierre-d'Aurillac (33 - Gironde)	1 500	15	0.0010%

	Local Authorities	Amount subscribed (euros)	Number of shares	% holding
310.	Commune de Château-l'Evêque (24 - Dordogne)	1 500	15	0.0010%
311.	Commune de Rigney (25 - Doubs)	1 400	14	0.0009%
312.	Commune de Puy-Saint-Gulmier (63 - Puy-de-Dôme)	1 400	14	0.0009%
313.	Commune de Saint-Maurin (47 - Lot-et-Garonne)	1 400	14	0.0009%
314.	Commune de Saint-Clément-sur-Durance (05 - Hautes-Alpes)	1 400	14	0.0009%
315.	Commune de Valliguières (30 - Gard)	1 300	13	0.0008%
316.	Commune de Bauzemont (54 - Meurthe-et-Moselle)	1 300	13	0.0008%
317.	Commune de Saint-Romain-la-Virvée (33 - Gironde)	1 300	13	0.0008%
318.	Commune de Mandres aux Quatre Tours (54 - Meurthe-et-Moselle)	1 300	13	0.0008%
319.	Commune de Foisches (08 - Ardennes)	1 300	13	0.0008%
320.	Commune de Saint-Martial-d'Albarède (24 - Dordogne)	1 200	12	0.0008%
321.	Commune de Collonges-les-Premières (21 - Côte-d'Or)	1 200	12	0.0008%
322.	Commune de Duravel (46 - Lot)	1 200	12	0.0008%
323.	Commune de Maixe (54 - Meurthe-et-Moselle)	1 100	11	0.0007%
324.	Commune de Hargnies (08 - Ardennes)	1 100	11	0.0007%
325.	Communauté de communes Région de Levroux (36 - Indre)	1 100	11	0.0007%
326.	Commune d'Izier (21 - Côte-d'Or)	1 000	10	0.0006%
327.	Commune de Saint-Augustin (62 - Pas-de-Calais)	1 000	10	0.0006%
328.	Commune du Thuit-de-l'Oison (27 - Eure)	1 000	10	0.0006%
329.	Commune d'Espinasse-Vozelle (03 - Allier)	900	9	0.0006%
330.	Commune de Risoul (05 - Hautes-Alpes)	900	9	0.0006%
331.	Commune de Le Verger (35 - Ille et Vilaine)	900	9	0.0006%
332.	Commune d'Allons (04 - Alpes-de-Haute-Provence)	800	8	0.0005%
333.	Commune de Larroque (31 - Haute-Garonne)	800	8	0.0005%
334.	Commune de Montigny-sur-Chiers (54 - Meurthe-et-Moselle)	800	8	0.0005%
335.	Commune de Corbel (73 - Savoie)	800	8	0.0005%
336.	Commune de Jazennes (17 - Charente-Maritime)*	700	7	0.0004%
337.	Commune de Virecourt (54 - Meurthe-et-Moselle)	700	7	0.0004%
338.	Commune d'Anthelupt (54 - Meurthe-et-Moselle)	700	7	0.0004%
339.	Commune de Flainval (54 - Meurthe-et-Moselle)	700	7	0.0004%
340.	Commune d'Eygliers (05 - Hautes-Alpes)	700	7	0.0004%
341.	Commune de Cressy-sur-Somme (71 - Saône-et-Loire)	700	7	0.0004%
342.	Commune de Juvrecourt (54 - Meurthe-et-Moselle)	600	6	0.0004%
343.	Commune de Rumigny (80 - Somme)	600	6	0.0004%
344.	Commune de Parroy (54 - Meurthe-et-Moselle)	500	5	0.0003%
345.	Commune d'Hénaménil (54 - Meurthe-et-Moselle)	500	5	0.0003%
346.	Commune de Pretz-en-Argonne (55 - Meuse)	500	5	0.0003%
347.	Commune de Bernécourt (54 - Meurthe-et-Moselle)	500	5	0.0003%
348.	Commune de Saint-Marc-le-Blanc (35 - Ille-et-Villaine)	500	5	0.0003%
349.	Commune de Tart (21 - Côte-d'Or)	400	4	0.0003%
350.	Commune de Bonviller (54 - Meurthe-et-Moselle)	400	4	0.0003%
351.	Commune de Xures (54 - Meurthe-et-Moselle)	400	4	0.0003%
352.	Commune de Villariès (31 - Haute-Garonne)	400	4	0.0003%
353.	Commune de Saint-Marcel-en-Marcillat (03 - Allier)	400	4	0.0003%
354.	Commune de Sionviller (54 - Meurthe-et-Moselle)	300	3	0.0002%
355.	Commune de Bézange-la-Grande (54 - Meurthe-et-Moselle)	300	3	0.0002%
356.	Commune de Grosbois-en-Montagne (21 - Côte-d'Or)	300	3	0.0002%
357.	Commune de Mouacourt (54 - Meurthe-et-Moselle)	300	3	0.0002%
358.	Commune de Bathélemont (54 - Meurthe-et-Moselle)	200	2	0.0001%
359.	Commune de Huanne-Montmartin (25 - Doubs)	200	2	0.0001%
360.	Commune de Bures (54 - Meurthe-et-Moselle)	200	2	0.0001%
	Overall total	157 794 800	1 577 948	100%

The contractual framework applicable to ST guarantee a stability in the shareholder base in spite of the fact that there are numerous shareholders.

The updated list of ST's shareholders is available on the Issuer's website: (http://www.agence-france-locale.fr/sites/afl/files/base_documentaire/2020-05/200313-AFL-ST-R%C3%A9partition-actionnariat.pdf). The information contained on this web page is updated for each capital increase within thirty days of the closing of the subscription period.

(b) Local Authorities' Membership to the Agence France Locale Group

By joining the Agence France Locale Group, the Local Authority can benefit from the services offered by the Issuer, and its enrolment and payment of the ICC provide the equity that the Agence France Locale Group needs to make its business sustainable.

(i) Membership request

Only Local Authorities may apply to become members of the Agence France Locale Group and, simultaneously, ST shareholders.

The assessment of membership applications is based exclusively on objective indicators to assess, in particular, the relevant Local Authority's financial capacity, by reference to the criteria defined by the Decree (for all new entrants as from 12 May 2020) and in accordance with Agence France Locale Group's scoring assessment methodology.

The evaluation process and scoring method adopted by ST's Board of Directors, based on the Executive Board's proposal and the Supervisory Board's opinion, are based on following three indicators: (i) solvency, (ii) budget sustainability and (iii) the Local Authorities' indebtedness. These three indicators have been weighted in relation to their size.

The criteria defined by the Decree and Agence France Locale Group's scoring assessment methodology are more fully described in paragraph 2.5(a) of the "Description of the Issuer" section of this Base Prospectus.

Under the supervision of the Board of Director or pursuant to a Board decision, ST's Chief Executive Officer sends formal acceptance of the membership.

(ii) Initial Capital Contribution

Membership is contingent upon payment of the ICC by the Members. The ICC payable at the time of joining is in principle valid for the Member's entire membership with the Agence France Locale Group except in the event of (i) capital increases or contributions made pursuant to legal or regulatory requirements or (ii) changes in the scope of membership (transfer of competences).

In principle, payment by Members of the ICC may be staggered over a maximum period of three (3) calendar years. As an exception, above a certain threshold set by the Board of Directors, Members may request to pay their ICC in installments over a maximum of five (5) calendar years.

The ST combined shareholders' general meeting, held on 17 May 2018, approved amendments to its bylaws establishing the possibility for Members to become

members based exclusively on one or more ancillary budget(s), irrespective of the main budget.

The amount of the ICC is calculated as follows:

The amount of the ICC, expressed in euros, will equal:

Max ($k_n * 0.80% * Total Debt$; $k_n' * 0.25% * Operating Revenues$)

Where: *Max* (x ; y) is equal to the highest value among x and y ;

Total debt corresponds to the total outstanding loans recognised in management account of the Local Authority applying for membership, with respect to the third-to-last year preceding the date on which the decision on the Local Authority's membership becomes enforceable, unless such Local Authority has not closed out a minimum of two financial years as of the date thereof. In this case, and only where the Local Authority was not created as a result of a Transfer of Competence, the Total Debt presented in the administrative account of the preceding financial year (if one exists) or in the preliminary budget for the financial year in which the decision became enforceable shall be used.

The relevant Total Debt figure shall be that published by the General Directorate of Public Finances (the **DGFIP**), or, if applicable, the General Directorate of Local Authorities (the **DGCL**), and in the event that the DGCL and the DGFIP stop publishing such information, their replacement body, or if there is no replacement, the relevant Local Authority under the control of the Issuer on the relevant date. It is noted that:

- (i) Total Debt shall not include any debt related to project financing of private-public partnerships where the borrowing entity is not a shareholder of the Company.
- (ii) in the event where the Local Authorities decided not to include certain budgets (main and ancillary) in their Total Debt at the time of membership, such budgets shall not receive any funding from the Agence France Locale until they have been effectively included.
- (iii) The municipalities that belong to a tax-raising inter-communal cooperation public entity (EPCI) or a territorial public establishment as referred to in article L.5219-2 of the CGCT may request that the debts they allocated to such public entity are not included in their Total Debt so long as they submit to the ST documents proving such allocation.

Operating Revenues correspond to the total actual operating revenues recognised in the management account of the Local Authority applying for membership, with respect to the third-to-last year preceding the date on which decision on the Local Authority's membership becomes enforceable unless such Local Authority has not closed out a minimum of two financial years as of the date thereof. In this case, and only where the Local Authority was not created as a result of a transfer of competence, the Operating Revenues presented in either the administrative account of the preceding financial year (if one exists) or in the preliminary budget for the financial year in which the decision became enforceable shall be used.

The relevant Operating Revenues figure shall be that published by the **DGFIP**, or, if applicable, the **DGCL**, and in the event that the **DGCL** and the **DGFIP** stop publishing such information, their replacement body, or if there is no replacement,

the relevant Local Authority under the control of the Issuer on the relevant date. It is noted that:

- (i) in the event where the Local Authorities decided not to include certain budgets (main and ancillary) in their Operating Revenues at time of membership, such budgets shall not receive any funding from the AFL until they have been effectively included;
- (ii) Tax refunds allocated as a payment by the EPCIs shall not be included in the amount of their Operating Revenues.

k_n and k_n' are coefficients that are equal to or greater than one (1). Based on a proposal of the Issuer's Executive Board for each of the periods over which payment of the CCI can be phased and an opinion of the Issuer's Supervisory Board, ST's Board of Directors shall determine the amount of these coefficients in relation to economic and financial criteria to ultimately ensure the Issuer's capital adequacy in light of its mandate.

The final amount is rounded up to avoid the appearance of broken figures during the ST capital increases allowing the inclusion of ICCs.

The combined ST shareholders' general meeting, held on 30 September 2016, approved the amendments to the articles of association enabling Members, which so expressly request on the date of their accession, to benefit from an adjustment of the terms of payment of their ICC, allowing them to pay the amount of their ICC by instalments and over a period potentially exceeding five years.

These provisions of the articles of association are also valid for local authorities having become members based exclusively on one or more ancillary budget(s).

The amount of the ICC payable by Local authorities opting to take advantage of adjusted ICC payment terms, expressed in euros, is determined as follows:

Max ($ka * 0.80\% * \text{Total Debt}$; $ka' * 0.25\% * \text{Operating Revenue}$)

Where: **Max (x ; y)** has the meaning given thereto above;

Total Debt has the meaning given thereto above;

Operating Revenue has the meaning given thereto above;

ka and ka' are coefficients greater than or equal to one (1) which shall be determined by ST's Board of Directors upon the proposal of the Executive Board and an opinion of the Issuer's Supervisory Board by reference to economic and financial criteria to ultimately ensure the Agence France Locale Group's capital adequacy in light of its mandate.

In these circumstances, the applicant Local Authority shall pay an initial instalment of one (1) million euros, followed by a proportional annual payment in an amount equal to the higher of the following:

- i. 3% of the aggregate amount borrowed by the local authority as part of its medium/long-term financing entered into with the Issuer during the preceding year;
- ii. a fixed amount of 250,000 euros.

The final amount shall be rounded up to avoid any fractional entitlements whenever the share capital of ST is increased.

The combined ST shareholders' general meeting, held on 30 September 2016, also approved the amendments to the articles of association enabling Local Authorities, which so expressly request on the date of their accession, to benefit from an adjustment of the method of calculation of their ICC (**Adjusted ICC**), and thus to take into account in calculating their ICC, subject to certain strictly defined conditions in ST's articles of association, the actual amount of their indebtedness.

The **Adjusted ICC** amount payable by Local Authorities that have expressly opted for an adjusted ICC calculation method is determined as follows:

Any Local Authority wishing to opt for **Adjusted ICC** must first determine the ICC amount payable pursuant to one or other of the formulae specified above by calculating the ICC based (a) on Total Debt and (b) Operating Revenue.

If the ICC amount calculated by reference to Operating Revenue is higher than such amount calculated by reference to Total Debt, the Local Authority may not adjust its ICC amount and must pay its ICC without benefitting from **Adjusted ICC**.

If the Local Authority is permitted to adjust the amount of its ICC, it shall nominate the reference calendar year to be used as the basis for determining its total indebtedness (**Reference Total Debt**).

A provisional ICC shall be calculated based upon the recorded or anticipated indebtedness in respect of the reference calendar year nominated for the purpose of either of the formulae referred to above (**Provisional Adjusted ICC**).

At the end of the nominated reference calendar year, the actual ICC amount shall be calculated as provided below (**Actual Adjusted ICC**).

Reference Total Debt shall mean (i) total debt for the calendar year preceding its accession or (ii) total debt of the calendar year in which it requested accession or (iii) total debt for the calendar year following that in which it requested accession.

If the relevant Local Authority decides not to include certain budgets (main or ancillary) in the definition of Reference Total Debt on the date of Request for Accession, the relevant budgets may not be financed by Agence France Locale until such budgets have effectively been included.

The amount of the Provisional Adjusted ICC as defined on the date of request for accession may not in any event be less than 80% of the amount of the ICC as calculated pursuant to one or other of the aforementioned formulae.

At the end of such reference calendar year, the Actual Adjusted ICC amount is calculated by reference to the total actual debt recorded for the reference calendar year (**Actual Debt**) and by reference to the actual operating revenue recorded for the reference calendar year (**Actual Operating Revenue**) pursuant to one or other of the aforementioned formulae.

Where the Actual Adjusted ICC amount calculated by reference to Actual Debt is less than the amount calculated by reference to Actual Operating Revenue, the Actual Adjusted ICC amount shall be determined by reference to Actual Operating Revenue.

The actual amount of Actual Adjusted ICC payable is determined as follows:

- (i) if the Actual Adjusted ICC is greater than the Provisional Adjusted ICC, the difference between the two such amounts must be paid, exceptionally, by single payment during the financial year following the reference calendar year and must be paid by the Local Authority no later than 31 December, upon demand by the Chief Executive Officer of ST. If the Local Authority fails to make such payment, it may be treated as a Dormant Member;

- (ii) if the Actual Adjusted ICC is less than the Provisional Adjusted ICC, the difference so determined shall be applied, as from the financial year following the reference calendar year, against the Actual Adjusted ICC amount.

The Adjusted ICC amount shall be rounded up to avoid any fractional entitlements whenever the share capital of ST is increased to incorporate ICCs into the share capital

(c) Stability of the shareholder base and changes impacting Members

(i) Stability of the shareholder base

The Agence France Locale Group's success is intrinsically linked to its shareholder base that provides both equity and the guarantees that it needs to carry out its mandate. The contractual framework in place therefore maintains the stability of ST's shareholder base by stipulating the following:

- At the time of taking out any loan with the Issuer, Local Authorities must be Members, and in turn ST shareholders, to receive funding from the Agence France Locale Group and shall remain so until the loan has been fully paid back (forfeiture or loss of membership triggers an early repayment of the loans granted to Members);
- As part of the Shareholders' Agreement, ST's shareholders agree to hold on to their shares until the tenth (10th) anniversary of the full payment of their ICC;
- ST's articles of association set forth that the Board of Directors must approve any sale of shares;
- Any third party that purchases ST shares without the Board of Directors' approval shall be required to become a party to the Shareholders' Agreement without becoming a Member.

ST's Board of Directors may decide, by the unanimity of its members, to reduce the lock-up period mentioned above under exceptional circumstances.

Neither ST nor the Issuer shall be required to repurchase a Member' shares, except where approval has been denied or membership revoked.

(ii) Creation, regrouping and phase-out of Local Authorities

In the event a Local Authority's sphere of competence is amended, either by a transfer of competence, merger, regrouping or otherwise, ST's Board of Directors has the right to review the financial position of the Member(s) involved in these proceedings and may make them, where necessary, ineligible for loans granted by the Issuer by downgrading them to a Sleeping Member. The mechanism set forth in the Shareholders' Agreement may be activated in connection with the entry into force of the MAPTAM Law and the potential transfers of competence this law could result in.

In the event that such Local Authorities continue to be full Members, they are required to pay an additional ICC for the acquired competences if the transferring

Local Authority did not pay an ICC for them. The calculation of the additional ICC is set forth in detail in the Shareholders' Agreement.

(d) Option to expel a Member

In certain exceptional circumstances, the Agence France Locale Group may expel a Member subject to the Board of Directors' decision with respect thereto.

Acting on a proposal of the Executive Board and the Supervisory Board, the Board of Directors may pass a decision, by a majority of two thirds of its members in attendance or represented, to expel a Member in one of the following cases:

- material breach by the relevant Member of one of its commitments under the Shareholders' Agreement, the Member Guarantees, ST's articles of association or, where relevant, the Issuer's articles of association;
- material breach by the relevant Member of one of the rules of the Agence France Locale Group's code of conduct and ethics;
- significant deterioration of the relevant Member's financial position to such an extent that it is no longer able to meet the solvency criteria its membership in the Agence France Locale Group is contingent to; or

the relevant Member is a Sleeping Member that no longer has loans outstanding with the Issue

5. DESCRIPTION OF THE ISSUER'S INDIRECT SHAREHOLDERS: THE LOCAL AUTHORITIES

5.1 Financial Information on the Members

In light of the large and continually growing number of Members, incorporating the information on each of them in this Base Prospectus would be inconsistent with the objective under the Prospectus Regulation of providing easily understandable and readable information to the Noteholders.

Accordingly, the information required under section 3 of Schedule 21 of Delegated Regulation (EU) no. 2019/980, has been intentionally omitted from this Base Prospectus within the meaning of article 18 of the Prospectus Regulation.

5.2 The Members' position within the national governmental framework

(a) Background on local authorities, Tax Raising EPCI and Syndicats

The Members are either local authorities (*collectivités territoriales*), as set forth in Article 72 of the French Constitution, or Tax-Raising EPCIs, with a legal personality, financial and legal autonomy and the power of self-governance as defined by the legislation or territorial public establishments as referred to in article L. 5219-2 of the CGCT. In addition, in accordance with the Engagement and Proximity Law, all local authority groupings and local public establishments may become members of the Agence France Locale Group, provided that they meet the thresholds, defined in the Decree relating to the financial position and the level of indebtedness that any new Local Authority becoming a shareholder of the ST after its publication date must satisfy in addition to the criteria defined by Agence France Locale Group's scoring assessment methodology.

Following the Engagement and Proximity Law, the Agence France Locale Group will modify its contractual framework and internal processes with a view to integrating the new

types of local authority shareholders. The general meeting of ST shareholders which met on 28th May 2020 has already approved the integration of *Syndicats*.

As at 1 January 2019, there were 34,970 *communes*, 96 *départements* and 18 *régions* (including Corsica and the 5 overseas *régions*). More than 97.1% of the *communes* have fewer than 10,000 inhabitants.

Coverage of the entire nation by Tax-Raising EPCI has been completed. As of 1st January 2019, four isolated *communes* remained, which are four mono-communal islands enjoying special legislative dispensation (the Ile d'Yeu, Ile de Bréhat, Ile de Sein and Ile de Ouessant).

As of 1 January 2019 there were 1,258 Tax-Raising EPCIs together with two special status authorities, the *Ville de Paris* and the *Métropole de Lyon*, within the meaning of article 72 paragraph 1 of the Constitution: 1,001 commune communities, 223 agglomeration communities, 13 urban communities and 21 ordinary *métropoles*. Two authorities have a special status, the *Ville de Paris* following the absorption of the *département de Paris* and the *Métropole de Lyon*, created on 1st January 2015 and henceforth bestowed with the powers of an urban authority (*communauté urbaine*) and a *département*. Among the *métropoles* created on 1st January 2016, two have special status: *Grand Paris* and the *métropole d'Aix Marseille Provence*. The *Métropole du Grand Paris*, established by article 12 of the MAPTAM law and divided into 12 territories (EPT1 to EPT12). The *métropole d'Aix Marseille Provence* may merge with the *Département des Bouches du Rhône* in the next 2 or 3 years.

As a reminder, as of 1 January 2020, 5 *communautés urbaines* out of a total of 14 and 11 *métropoles* out of a total of 21 together with the *Métropole de Lyon* are members of the AFL.

Furthermore, the Finance Law 2018 dated 30 December 2017 renewed the financial incentive scheme promoting the continued establishment of new *communes*. As of 1 January 2019, 2508 communes had merged to form 774 new communes.

The difference among these various groupings mainly relates to the minimum population levels that they must cover as well as their range of competences.

In order to strengthen the regions, the status of *métropole* was established by the law dated 16 December 2010 to affirm the role of the major agglomerations as vectors for growth and the attractiveness of the area.

The MAPTAM law established 14 *métropoles*, joined by Nancy on 1st July 2016. Henceforth there are:

- 19 common law *métropoles* (Bordeaux, Brest, Grenoble, Lille, Montpellier, Nancy, Nantes, Nice, Rennes, Rouen, Strasbourg, Toulouse, Orléans, Tours, Dijon, Clermont-Ferrand, Saint-Etienne, Toulon and Metz) ;
- 2 special status *métropoles* (MGP and the *Métropole d'Aix-Marseille-Provence*) ;
and
- 1 special status local authority bestowed with the powers of a *métropole* and a *département* (the *Métropole de Lyon*).

With regard to MGP, the NOTRe Law, created an unprecedented two-tier inter-municipal system, with metropolitan areas under the form of Tax-Raising EPCIs with their own status

and EPTs subject to the provisions applicable to associations of municipalities (*syndicats de communes*) (art. L.5219-2 of the CGCT).

Since 1 January 2016 a new Tax-Raising EPCI called the "Métropole d'Aix-Marseille-Provence" (the Aix-Marseille-Provence metropolitan area) has replaced six current Tax-Raising EPCI (one urban authority and five conurbation communities). Following the example of the *Métropole de Lyon*, the *Métropole d'Aix-Marseille-Provence* is pursuing a proposed merger with the *Département des Bouches-du-Rhône*³¹.

As of the date of its incorporation, an urban authority groups together more than 250,000 inhabitants³² from several municipalities located on a continuous strip of land without any enclosures; whereas, a conurbation community, as of the date of its incorporation, includes more than 50,000 inhabitants from one or more core municipalities with populations of more than 15,000 inhabitants located on a continuous strip of land without any enclosures.

The municipalities community is required to group together several municipalities on a continuous strip of land without any enclosures. It has to comply with conditions relating to its collective population. The NOTRe Law sets the minimum size for the formation of a Tax-Raising EPCI at 15,000 inhabitants (with the exception of some geographical areas). This new legal threshold applies *de facto* only to communities of municipalities. The threshold may however be amended subject to four conditions, two of which are related to geographic density, one related to remote areas and one related to the creation of an association of municipalities in 2012, covering more than 12,000 inhabitants.

The law of 13 August 2004 was a milestone in endorsing the status of local authorities and set forth the terms of the new transfers of competences to the various decentralised levels. The majority of this law's provisions came into effect on 1 January 2005.

The purpose of French law of 16 December 2010 on the reform of local authorities (the **Law of 16 December 2010**) was to streamline the local structures (municipalities, inter-municipalities, departments and regions), reduce the number of territorial levels and clarify the powers and financing modalities of these various levels. The replacement of the "general competence clause" with "exclusive competences" clause by 1 January 2015 was primarily designed so that the regions and departments would have specialised powers.

More recently Phase III of decentralisation was launched in 2013 with the goal of adapting the local authorities' scope of competences to reflect the diversity of the territories as well as harmonizing and making more efficient public initiatives. With this in mind, the MAPTAM Law was enacted to streamline how public initiatives were undertaken, primarily by promoting inter-municipality integration, introducing "territorial governance", lowering the threshold of establishing urban authorities and creating new metropolitan areas.

Apart from the various EPCIs under French law, "special status" EPCIs came into being on 1 January 2016. They included the MGP (see paragraph (B) "the *Métropole du Grand Paris* and public territorial institutions (EPTs)").

The NOTRe Law, adopted in August 2015 is a new frontier in territorial reform. Indeed, by removing the general powers clause for departments and regions, the NOTRe Law redefines the scope of departmental and regional powers and introduces a number of changes in terms of the sharing and transfer of powers for the MGP, for communities of municipalities and for conurbation communities. More generally alongside the new definition of powers, it

³¹ Source: www.lemonde.fr/politique/article/2019/02/20/bouches-du-rhone-vers-la-fusion-totale-avec-la-metropole-aix-marseille-provence_5425814_823448.html?xtmc=aix_marseille_provence&xtcr=1.

³² The former threshold set at 500,000 inhabitants by Article L.5215-1 of the CGCT which was amended by the law of 16 December 2010, which lowered the threshold to 450,000 inhabitants and then by the MAPTAM law which further decreased it to 250,000 inhabitants.

increases the role of the regions, strengthens associative ties between municipalities and improves transparency and the management of local authorities.

The law of 3 August 2018 *on the implementation of the transfer of water and sanitation powers to municipality communities* has relaxed the provisions of the NOTRe Law on the transfer of “water” and “sanitation” powers to municipality communities and agglomeration communities. The NOTRe law provides for mandatory transfer on 1st January 2020.

(b) The specificities for each type of potential Member

(i) The municipalities

As of 1st January 2019, France had a total of 34,970 municipalities. Almost the entire population may be considered as belonging to Tax-Raising EPCI, with the exception of four isolated municipalities with a total of 6,316 inhabitants. The municipalities' scope of authority is identical across the board regardless of their respective sizes. Established under the French law of 5 April 1884, their general purpose is: *"in its deliberations, the municipal council rules on the matters of the municipality."*

The “*new municipalities*” born out of the law of 16 December 2010 and the law of 16 March 2015 relating to the improvement of the regime of new municipalities, are a new way of grouping together neighbouring municipalities within a community. The NOTRe Law provides that communities can substitute former communes within their territory in completing the preparation and drawing up of their local planning and development documents (local urban planning plans and municipal maps).

After the creation of 517 new municipalities in 2016 and 2017 by the merger of 1,760 municipalities³³, in 2018, 239 new municipalities were created by the grouping of 626 municipalities³⁴. In total, there are now 774 new municipalities in existence today combining 2,508 delegated municipalities (approximately 40 municipalities were merged before the 2015 law under which the scheme was relaunched).

As the head of the municipality's executive affairs, the mayor also oversees the following matters in which the municipality is empowered: urban planning (PLU, building permits, ZAC, ...), education (primary schools), economic actions (indirect aid), major facilities (marinas and aerodromes), highways, security (municipal police, ...), social work (CCAS), culture (libraries, museums,...), sport and leisure (sports facilities, leisure centres,...).

(ii) Tax-Raising EPCIs

Heightened cooperation between municipalities allows them to join forces to jointly manage public facilities and services and/or to draw up economic and urban development projects at a more far-reaching local level. The municipalities transfer to the Tax-Raising EPCIs the compulsory as well as the discretionary authorities. The transfer of authority endows the EPCI with the decision-making and executive powers that were previously held by the municipalities.

Tax-Raising EPCIs represent the federative type of intercommunal cooperation financed by the four local taxes: the territorial economic contribution, the occupancy

³³ Source : DGCL, 517 new municipalities created in two years, BIS n°115, March 2017.

³⁴ Source : www.insee.fr/fr/information/2549968

tax, the two property taxes on developed and undeveloped land. Under its umbrella are the following: the municipalities communities, the urban authorities to which were added the conurbation communities established under the Law of 12 July 1999 and the metropolitan areas created by the French law of 16 December 2010. By operation of the MAPTAM Law and the NOTRe Law, the MGP and the Métropole d'Aix-Marseille-Provence, special status EPCIs, also fall under this federative type.

The NOTRe Law sets a minimum threshold of 15,000 inhabitants for the formation of a Tax-Raising EPCI. This threshold, which may not be lower than 5,000 inhabitants, is flexible, in order to allow the EPCI to adapt to the diversity and reality of geographical areas, for the following four scenarios³⁵:

- for EPCIs “with a demographic density of less than half the national density, within a department whose demographic density is below the national density. In such cases the applicable demographic threshold is calculated by weighting the number of 15 000 inhabitants against the ratio between the demographic density of the department in which the majority of communes are located and the national density”;
 - for EPCIs with demographic density of less than 30% of the national density;
 - for EPCIs in which at least half of the municipalities are located in mountainous areas or which group together all of the municipalities on an island territory;
 - for EPCIs including the whole of a Tax-Raising EPCI of more than 12 000 inhabitants resulting from a merge between 1 January 2012 and the publication date of the NOTRe Law.
- (A) The ordinary law metropolitan area (*métropole du droit commun*)

The French Law of 16 December 2010 created a public inter-communal institution that can levy its own taxes (EPCI) known as the metropolitan areas.

As at 1st January 2019, there are 21 *métropoles* in France.

The metropolitan areas are EPCIs that pool together several municipalities on a continuous strip of land without any enclosures, which share a common consensus of setting up and piloting for their territory a plan focused on urban planning as well as economic, ecological, educative, cultural and social development. The mutually-led initiatives aim to strengthen unity, increase competitiveness and promote sustainable and cooperative development across the region.

The "Nice Côte d'Azur" metropolitan area was the only one created within the framework of the law of 16 December 2010, prior to the reforms made by the MAPTAM Law. This metropolitan area was established on 31 December 2011 in the wake of the merger between the Nice Côte d'Azur urban authority and three Alpes-Maritimes municipalities communities. By virtue of the MAPTAM Law and its application decrees, the EPCIs with more than 400,000 inhabitants in an urban area of more than 650,000

³⁵ Article L.5210-1-1 of the CGCT

inhabitants were automatically converted into metropolitan areas. In practical terms, this conversion impacted the greater urban areas of Bordeaux, Grenoble, Lille, Nantes, Rennes, Rouen, Strasbourg and Toulouse. Two other greater urban areas, Montpellier and Brest, voluntarily opted in to acquire the status of metropolitan areas. This law (set out in Articles L. 5217-1 *et seq.* of the CGCT) also amended the legal framework that applies to metropolitan areas by aligning the majority of competences attributed to urban authorities with those of the metropolitan areas. The law dated 28 February 2017 *on the status of Paris and metropolitan reorganisation* relaxes the conditions for the creation of *métropoles*. The urban communities of Tours, Orléans, Clermont-Ferrand, Saint-Étienne and Dijon have become *métropoles*. The agglomeration communities of Toulon and Metz directly became *métropoles* on 1st January 2018.

At 1st January 2019, there are 21 general law *métropoles*. The latest *métropoles* to be created are the *métropoles* of Orléans, Tours-Val de Loire, Dijon, Clermont-Ferrand, Saint-Etienne, Toulon and Metz. In addition, the MGP came into being on 1 January 2016 (see paragraph (B)) “The *Métropole du Grand Paris (MGP)* and public territorial institutions (*établissements publics territoriaux (EPT)*” below for more details.

The mandatory powers of *métropoles* are defined in article L. 5217-2 of the CGCT. These cover mainly economic, social and cultural development, metropolitan area planning, housing policy, management of public interest services (water and sanitation, fire and rescue service).

In agreement with the relevant department(s) or region(s) as well as the French State, these metropolitan areas may also exercise the authority falling within the remit of these public entities.

(B) The ***MGP*** and public territorial institutions (*établissements publics territoriaux*)

Established by the MAPTAM Law and enhanced by the NOTRe Law, the MGP came into being on 1 January 2016. Its aim is to reduce territorial inequalities and develop a sustainable urban, social and economic model.

The MGP covers Paris, the 123 municipalities in the inner suburbs (Hauts-de-Seine, Seine-Saint-Denis and Val-de-Marne) and 7 municipalities in the outer suburbs (Essonne and Val d’Oise), or almost 7.15 million inhabitants. The MGP has replaced the existing Tax-Raising EPCIs in the inner suburbs.

The NOTRe Law created a unique two-tiered intercommunal system:

- The MGP *métropole* in the form of a special status Tax-Raising EPCI,
- Geographical areas, which are public territorial institution EPTs subject to the provisions applicable to associations of municipalities (art. L.5219-2 of the CGCT).

The metropolitan area (métropole)

A metropolitan area plan defines the general axes of the MGP’s policy. Thus, the area has full rights in all competences of “metropolitan interest”, mainly to the detriment of the municipalities. This metropolitan interest is

essential to the extent that it defines the scope and allocation of powers between the MGP, EPT and the municipalities. The 4 compulsory powers have been transferred gradually to the MGP³⁶ between 2016 and 2018:

- Economic, social and cultural development and planning, environmental protection and lifestyle policy;
- Urban planning and local housing policy;
- The climate-air-energy plan and the blueprint for metropolitan energy distribution networks;
- The delegation of housing competencies and the transfer of large infrastructure and facilities from the State.

Public territorial establishments (EPT)

Following consultation with the relevant local authorities, on the basis of Article 12 of the MAPTAM Law, the area of territory making up the MGP was decreed in a series of decrees dated 11 December 2015. The MGP is divided into 12 territories (T1 to T12), comprising Paris and 11 territories from 300,000 to 700,000 inhabitants, which together with the MGP make up a system of inter-municipal associations. EPTs have legal personality and their own powers in some areas. Further, and following the amendments submitted by the Government through the NOTRe bill, EPTs can, according to the new terms of article L.16611-3-2 of the CGCT join Agence France Locale Group in the place of the EPCIs they have replaced.

In accordance with the NOTRe Law, the 12 EPTs will gradually be granted their own powers and some shared powers with the MGP. The inherent powers include town planning, construction, development, upkeep and operation of cultural, socio-cultural, socio-educational and sports facilities of local interest, water and sanitation; household waste management and regional social action³⁷. Since 1st January 2017, the powers shared with the MGP mainly include urban planning and redevelopment projects (defining scope, financing and implementation) and housing (improvement of housing stock, ...).

(C) The urban authority (*communauté urbaine*)

As of 1 January 2019, there were 13 urban authorities .

As of the date of its incorporation, an urban authority is an EPCI that groups together more than 250,000 inhabitants from several municipalities located on a continuous strip of land without any enclosures. Prior to passing the MAPTAM Law, this threshold was set at 450,000 inhabitants.

Four urban authorities had been established outright in Bordeaux, Lille, Lyon and Strasbourg. At the local authorities' own initiative, five additional urban authorities (Dunkerque, Cherbourg, Le Creusot – Montceau Les Mines, Le Mans and Brest) were voluntarily established from 1968 to 1974 according to prescribed regulatory channels. The more recent urban

³⁶ In this regard: Article L.5217-2 of the CGCT
³⁷ Article L. 5219-5 I of the CGCT.

authorities of Nancy, Arras and Alençon came into existence following the conversion of a district into an urban authority (1997-1998); while the urban authority of Marseille was created *ex nihilo* pursuant to the Chevènement law.

In accordance with the provisions of the MAPTAM law, ten urban authorities were converted into metropolitan areas (eight of which automatically and the other two opted in) on 1 January 2015.

Under certain conditions, EPCI having a commune that has lost its status as seat of the région may deviate from the 250,000 inhabitant threshold. Besançon, Caen, Limoges and Poitiers have thus become urban authorities, whereas Clermont-Ferrand, Metz and Montpellier have become métropoles.

The purpose of an urban authority is to bring together municipalities with a common consensus of devising a mutual urban development and planning for the territory.

An urban authority is established by prefectural order (*arrêté préfectoral*) either at the request of one or more municipal councils (*conseils municipaux*) or the Prefect subsequent to an opinion issued by the local government commission on inter-municipal cooperation.

The member municipalities transfer a number of their competences to the urban authority. At the time of establishing the urban authority, the municipalities must clearly separate the matters which fall within the remit of the urban authority from those of the municipalities.

The urban authority is governed by a community council (legislative body) made up of the elected officials from the member municipalities and a chairperson (executive body) elected from among the council members. Councillors from municipalities with more than 1,000 inhabitants have been elected directly since the March 2014 municipal elections, following the entry into force of 16 December 2010 Law, as amended by the French law no. 2013-403 of 17 May 2013. However, councillors from small-sized municipalities are still elected from within the municipal council.

An urban authority does not exercise any discretionary powers³⁸. The powers of urban authorities are derived from articles L. 5215-20 and L. 5215-20-1 of the CGCT.

(D) Conurbation community (*communauté d'agglomération*)

The French law of 12 July 1999 replaced the groupings of towns with conurbation communities. As of 1 January 2019, there are 223 conurbation communities.

As of the date of its incorporation, a conurbation community includes more than 50,000 inhabitants from one or more core municipalities with populations of more than 15,000 inhabitants located on a continuous strip of land without any enclosures.

³⁸ In accordance with Article L. 5215-20 of the CGCT, the department, region or French State may transfer by agreement the matters over which they have competence to the urban authorities.

However, the population threshold of 15,000 inhabitants does not apply when the conurbation community includes the largest town or municipality in the department.

The conurbation community is created for an indefinite time period and can cover one or more departments. The decree issued to create the conurbation community sets forth where its seat shall be located, based on the understanding that the perimeter of the conurbation community cannot be exactly the same as that of a department.

The conurbation community is governed by a community council (legislative body) made up of the elected officials from the member municipalities and a chairperson (executive body) elected from among the council members. Councillors from municipalities with more than 1,000 inhabitants have been elected directly since the March 2014 municipal elections following the entry into force of the French law of 16 December 2010, as amended by the French law no. 2013-403 of 17 May 2013. Councillors from small-sized municipalities (fewer than 1,000 inhabitants) are still elected from within the municipal council.

The powers of conurbation communities are derived from article L.5216-5 of the CGCT. These include mandatory, optional and discretionary powers.

(E) Municipalities community (*communauté de communes*)

The framework law no. 92-125 of 6 February 1992 on the local administration of the French Republic led to the existence of municipalities communities.

As of 1 January 2019, there were 1,001 municipalities communities.

A municipalities community combines together several municipalities that are required, from a territorial standpoint, to be on a continuous strip of land without any enclosures. It may be established for either an indefinite period of time or a definite period of time as stipulated in the decree of incorporation.

The municipalities community is governed by a council (legislative body) made up of the elected officials from the member municipalities and a chairperson (executive body) elected from among the council members. Councillors from municipalities with more than 1,000 inhabitants have been elected directly since the March 2014 municipal elections following the entry into force of the French law of 16 December 2010 Law, as amended by French law no. 2013-403 of 17 May 2013. Councillors from small-sized municipalities (fewer than 1,000 inhabitants) are still elected from within the municipal council.

The powers of municipality communities are derived from article L.5214-16 of the CGCT. These include mandatory, optional and discretionary powers. The main powers are local planning, economic development, collection and treatment of household waste.

The NOTRe Law strengthens the extent of integration of municipality communities and conurbation communities by granting them new powers, those of the urban communities and metropolitan areas that had already been bolstered by the MAPTAM Law. Indeed, the management of sites for

travellers, the collection and processing of household and similar waste together with water and sanitation (from 1 January 2020 for the latter two areas whose content had already been altered) are compulsory powers for municipality communities and conurbation communities. The law of 3 August 2018 *on the implementation of the transfer of water and sanitation powers to municipality communities* has relaxed the provisions of the NOTRe Law on the transfer of “water” and “sanitation” powers to municipality communities and agglomeration communities.

(iii) EPCI without tax-raising powers (*Syndicats Intercommunaux* and *Syndicats Mixtes*)

Syndicats Intercommunaux and *Syndicats Mixtes* represent the associative form financed by budgetary and/or taxed-based contributions from member communes. This includes single-purpose syndicats (SIVU), multi-purpose syndicats (SIVOM) and mixed syndicats (*Syndicats Mixtes*).

(A) *Syndicats intercommunaux*

Associative inter-communality, “association of *communes* for works or services in the interest of the communes” (article [L. 5212-1](#) of the CGCT), is the least well integrated category of EPCI.

Communes have complete freedom in choosing the transferred powers. However the selected transfers must not result in separating investment and operating elements. Commune delegates do not necessarily have to be municipal councillors.

Single purpose syndicats (*Syndicat intercommunal à vocation unique* (SIVU)): the syndicat’s objects are limited to one single work or service of inter-communal interest: it is a so-called specialized syndicat. A SIVU can manage several works or services provided they are complementary. The scope of its powers may also be extended. It may therefore, in accordance with the procedure for extending its powers, be vested with multiple objects.

Multi-purpose syndicats (*Syndicat intercommunal à vocation multiple* (SIVOM)): The objects of the syndicat are not limited to one single work or one single object of intercommunal interest, but include several purposes.

Where a commune joins a syndicat for only part of its powers, the syndicat is categorised as an *à la carte* syndicat. Article L. 5212-16 of the CGCT sets forth the specific rules applicable in such cases (specific operating rules, voting, the ability to set special representation rules, transfer and re-transfer of powers, determining contributions).

(B) *Syndicats mixtes*

These are local cooperation public establishments, but not EPCI (they are not exclusively an association of communes). A *syndicat mixte* must include at least one local authority or grouping of local authorities and a *syndicat mixte* may not become a member of another *syndicat mixte* except in the limited cases provided by law.

Closed *syndicats mixtes* (article L. 5711-1 to L. 5711-4 of the CGCT) are exclusively associations of communes and EPCI or simply EPCI (since the law dated 13 August 2004). As far as their operation is concerned, the law refers to the body of rules applicable to *syndicats intercommunaux* (general rules: articles L. 5211-1 to L. 5211-60 and specific rules: articles L. 5212-1 to L. 5212-34 of the CGCT).

Open *syndicats mixtes* (articles L. 5721-1 to L. 5722-9 of the CGCT) are associations of local authorities, groupings of local authorities and other public law legal entities (article L. 5721-2 of the CGCT). Their creation requires unanimity and their composition is variable depending on the circumstances. It is possible to form associations between inter-regional common utility institutions, regions, inter-departmental ententes or institutions, *départements*, inter-communal cooperation public establishments (all categories), communes, chambers of commerce and industry, chambers of agriculture, trade bodies and other public institutions.

The purpose of open *syndicats mixtes* is to carry out works or services useful for each of these legal entities.

As regards membership by one *syndicat mixte* of another *syndicat mixte*, in a decision of 5 January 2005, the *Conseil d'Etat* held that a closed *syndicat mixte*, in other words including only *communes* and EPCL, could not become a member of an open *syndicat mixte*, insofar as the legislature, by not having established a specific procedure for consulting its members, would appear not to have authorised this.

(iv) The *départements*

As of 1 January 2019, there are 96 departments in mainland France including three overseas departments (Guadeloupe, Reunion Island and Mayotte). The departments came into existence in 1790. The French Consulate (*Consulat*) established in 1800 the general council (*conseil général*) and the Prefect; however, the department was given the status of a local authority by the French law of 10 August 1871.

Since 1982 the department has been the main beneficiary of the transfers of competences. All of the departments' mandates and matters over which they have jurisdiction are derived from the decentralisation laws and primarily relate to public services in the general population's interest (French law no.° 83-663 of 22 July 1983). Except for certain ones specified in the law that remain under the French State's jurisdiction, these public services are as follows: rural facilities, roadways, secondary schools, transportation, the environment, culture, national heritage, municipal aid and land planning.

The French law of 13 August 2004 expanded the department's role in social services by setting forth that as from 1 January 2005 the "*department defines and applies the social service policy*" while being mindful of the matters entrusted to the French State and other local authorities. The department also coordinates the initiatives undertaken in its region.

The French law of 16 December 2010 established the departments' "specialisation of competences" stipulating that the general competence clause would be abolished beginning on 1 January 2015 and replaced by exclusive competences. However, the first article of the MAPTAM Law reinstated the general competence clause for a period. Henceforth Article L.3211-1 of the CGCT provides "*the departmental councils settle through their deliberations the matters concerning the departments in the areas provided for by law.*" Since the NOTRe Law however, the general competence clause has been removed for departments.

Another major milestone of the French law of 16 December 2010 is the replacement of the general and regional councillors with territorial councillors by March 2015. However, this proposal was abolished by the operation of French law no. 2013-403 of 17 March 2013.

The main powers of the *département* are as follows: social action (child welfare assistance, assistance for people with disabilities, elderly assistance, earned income supplement (RSA)), education (construction, extension, fitting-out and operation of schools and recruitment and management of non-teaching school staff), family and child health protection, *département* roads and highways.

(v) The regions

The French order dated 28 October 1956 established the regions and 21 regions were subsequently formed. They were conferred the status of a local authority by Article 59 of the French law no. 82-213 of 2 March 1982. Following the enactment of the law of 16 January 2015 *on the shape of regions, regional and departmental elections and amending the electoral calendar*. At 1 January 2019 there are 18 regions (including Corsica and the 5 overseas regions).

This change in the number of regions is a result of the government's proposal for territorial reform in June 2014. Through the MAPTAM and NOTRe Laws, the territorial reform has been supported by enhanced authority for the regions over economic development matters.

In the same way it did for the departments, the MAPTAM Law reinstated the general competence clause for the regions with respect to the "regional matters" set forth in Article L. 4221-1 of the CGCT (which the French law of 16 December 2010 had abolished). The NOTRe Law defined the region as a "local authority with responsibility on its territory for defining the strategic direction in the area of economic development"³⁹.

The NOTRe Law specifies that "*the regional council has the power to promote economic, social, healthcare, cultural and scientific development in the region, it supports urban policy and regeneration as well as education, planning and territorial equality. It promotes the preservation of the local identity and promoted regional languages, respecting the integrity, autonomy and powers of the departments and municipalities*".

In the aftermath of the decentralisation laws, the regions are now primarily involved in transportation (costs related to the regional express train known as the "TER"), professional training and economic activities. Régions also exercise the following powers: regional planning and development, education, professional training and culture. The NOTRe law has transferred powers to the régions, on the one hand, in the areas of mobility, transport and highways instead and in place of the *départements* and, on the other hand, in defining "*assistance schemes and decide on the granting of assistance to companies in the region*" and to prepare blueprints, covering both sides of economic development: the regional blueprint for economic development, innovation and internationalisation (SRDEII) and the regional blueprint for planning, sustainable development and territorial equality (SRADDET).

(vi) Special status local authorities

According to Article 72, 1st paragraph, of the French Constitution of 1958: "*The Republic's local authorities are the municipalities, the departments and the overseas territories. Any other local authority shall be created by law.*" As of the date of this

³⁹ Article L. 4251-12 of the CGCT

Base Prospectus, only two special status local authorities, as defined by the aforementioned article, have been set up under the legislation⁴⁰.

The first is the CTC, established under French law no. 82-214 of 2 March 1982 relating to the special status of the Corsica region, which conferred for the first time ever a status separate from that of the other regions. This law was superseded by French law no. 91-428 of 13 May 1991 and then by French law no. 2002-92 of 22 January 2002 relating to Corsica.

The CTC has a specific institutional framework under which it is largely independent in managing its affairs and has authorities that are normally conferred upon regions. Additionally, the scope of some of the matters over which it has control has been broadened, such as national heritage conservation.

The second special status local authority is the *Métropole de Lyon*, which was established with delayed effect as of 1 January 2015 under the MAPTAM Law. Despite its being called a "metropolitan area," the *Métropole de Lyon* actually is a "special status local authority" as defined under Article 72 of the French Constitution. In addition to the competences of a metropolitan area as listed in Article L. 5217-2 of the CGCT, the *Métropole de Lyon* now has competence in all the matters that were previously performed by the Rhône department.

As at 1st January 2019, the *Métropole de Lyon* comprises 59 *communes* with a population of 1.375 million inhabitants.

Corsica and the *Métropole de Lyon* are still local authorities in their own right despite having an *ad hoc* status. Unless otherwise stipulated by law, they are both subject to the same rules and main principles.

5.3 Overall description of the political and governance systems of the Guarantors

(a) Overall description of the political and governance systems of the Local Authorities

All of the Local Authorities are comprised of:

- a directly-elected deliberative assembly (a municipal, general or regional council). With respect to the EPCIs, the members of their deliberative assembly are not directly elected, but are actually appointed by their respective body of representatives;
- an executive body elected from among the members of the deliberative assembly (mayor and deputies, chairs of the general and regional councils, EPCI chairs).

In addition to these two bodies, the regions also have a regional economic, social and environmental council.

(b) Specificity for each type of guarantor

(i) The municipalities

The municipality has two decision-making bodies:

⁴⁰ New Caledonia, which has a special status, is governed by Section XIII of the French Constitution of 1958.

- **the municipal council:** a directly elected decision-making body that handles the municipality's matters through its deliberations;
- **the executive body,** comprising the mayor and his/her deputies. The mayor is elected by the municipal councillors at the first session of the newly-formed municipal council and he/she is alone responsible for running the administration. However, he or she may delegate certain duties to one or more deputies under his/her supervision and responsibility. Such delegations shall be limited to a specific purpose and may be withdrawn at any time.

The role of the municipality's mayor

The mayor is both an official of the French State and the municipality, given that it is a Local Authority. His/her authority derives from his/her election by secret ballot by the municipal council generally held at the first meeting held right after the municipal elections.

As a State official, the mayor serves under the Prefect. He or she carries out administrative duties such as posting laws and regulations and organising elections. Under the authority of the State Prosecutor (*Procureur de la République*), the mayor also handles legal matters as a registrar of vital records and an officer of the French judicial police.

As the municipality's executive official, the mayor is tasked with executing the decisions of the municipal council and is under the latter's control and supervision. The mayor's mandate includes representing the municipality in legal proceedings, awarding contracts, signing agreements, preparing the budget and managing assets.

Given that his or her authority is delegated by the municipal council, the mayor is accountable to it and reports on his or her work. The delegations of authority are extremely varied (appropriation of municipal property, contracting loans, adding new classes in schools, legal proceedings) and may be withdrawn at any time. The French law of 13 August 2004 on the local liberties and responsibilities authorises the mayor to sub-delegate to either a deputy or municipal councillor the powers conferred to him/her by delegation.

The mayor also has special powers. With respect to the administrative police, he or she is responsible for maintaining public order, which is defined by the CGCT as upright public order, security, safety and public health. It also involves specific policies and restrictions (swimming, traffic, etc.). The mayor also heads up the municipal administration: he or she is in charge of the municipal officials and has power over organising the services.

The decision-making body: the municipal council

The municipal council rules on the matters of the municipality in its deliberations. It issues its opinion each time the legislation or the State representative requires it to do so.

It submits resolutions on all matters in the local population's interest: it votes on the budget and approves the administrative account (the executed budget). It also has the authority to establish or close down municipal services, make decisions on public works projects, manage the municipality's common property and grant aid to boost economic development.

The municipal council settles the matters within its remit by approving "deliberations," which means the decisions voted in by a majority of its members. It may set up commissions that are authorised to review certain matters.

The municipal council meets at least quarterly and the meeting agenda drawn up by the mayor must be posted prior to the start of the session. The meetings are open to the public unless the council decides to have closed proceedings, or the mayor exerts his/her authority to expel or bar any individuals disrupting or becoming aggressive during the meeting, thereby restricting access to the proceedings.

In the event of a serious breach, the municipal council can be dissolved by decree of the Council of Ministers.

- (ii) Tax-Raising EPCIs: the conurbation community, the urban authority, the metropolitan area and the municipalities community

The executive body: the Chairperson of the EPCI

The chairperson is the EPCI's executive body. He or she is elected by secret ballot by the EPCI council from among the municipal delegates. He or she prepares the deliberations of the EPCI council and makes sure that such deliberations are carried out.

The chairperson authorises spending, prescribes how revenue will be implemented, and oversees the running of the services.

Under his/her supervision and responsibility, the chairperson may delegate by decree some of his/her duties to assistant chairs or other officers of the assembly.

The decision-making body: the EPCI council

The community is governed by the EPCI council, a decision-making body representing its form of administration.

For municipalities with more than 1,000 inhabitants, the EPCI council is made of directly-elected delegates from among the candidates placed at the top of list of the municipal council election ballot. For municipalities with fewer than 1,000 inhabitants, the community councillors are appointed in the order of priority set forth in a table established at the time of the municipal elections. The number of seats that a municipality has on the council is determined on a pro rata basis. However, this pro rata distribution may be adjusted so that all municipalities have a seat and the representation of the region in each EPCI is balanced. The number of elected officials per municipality therefore varies with respect to the size of the member municipalities. Following their election, the officials represent their municipality on the EPCI council.

The members of the decision-making body may assemble together and form political parties.

The EPCI council can be compared to a municipal council: the mayor corresponds to the chairperson, the deputies to the assistant chairs and the members of the decision-making body to the municipal councillors. As is the case for the municipal council, the term of office is for a six-year period.

The EPCI settles through its deliberations the matters that fall within the EPCI's remit. All of the proceedings passed by a majority of the members of the EPCI

council are submitted to the Prefect for review. At each council meeting, the chairperson reports on the work of the committee and the powers that were used in virtue of the council's delegations. The council must meet at least once a quarter upon a notice of call issued by its chairperson.

The EPCI council may delegate some of its powers to the chairperson and the committee.

The other structures

- ***The committee (bureau)***

In performing his or her duties, the chairperson is assisted by a committee (*bureau*), known as the EPCI committee.

Such committee is elected by the EPCI council and its membership includes the chairperson, assistant chair(s) (number of which cannot exceed 20% of the council) and any other member(s).

The committee members are voted in from among the council members, according to the defined rules for electing the mayor and deputies. New elections for the chairperson as well committee members are held at the same time.

The committee rules on all the decisions related to the proper running of the administration and determines the scope of the commissions' work. The EPCI council may delegate authority to the committee to make decisions on its behalf.

The French law of 12 July 1999 made it possible to delegate to the committee a certain number of the EPCI council's powers in order to facilitate and speed up the decision-making process, while ensuring that the EPCI council remains the key deliberative body.

- ***The commissions***

The commissions have an advisory role and are presided over by an assistant chairperson and composed of members of the EPCI council. The chairperson of the EPCI council is an *ex officio* member of all of the commissions.

(iii) *Syndicats intercommunaux* and *Syndicats mixtes*

The executive body: the president of the syndicat

Following the general municipal council elections, the syndicat committee elects its president and the bureau no later than Friday of the 4th week following the mayoral elections. The president is elected by the syndicat committee, in accordance with the rules applicable to the mayoral election, by secret ballot in three rounds (Article L. 5211-2 and L. 2122-7).

The responsibilities of the president are the same as any local executive authority. He prepares and executes the decisions of the deliberative body, orders expenditure and directs execution of the syndicat's revenue (art. L. 5211-9 of the CGCT).

He is the head of EPCI's services and represents EPCI in legal proceedings.

He may delegate, under his supervision and responsibility, the exercise of part of his duties to vice-presidents or, provided all of the vice-presidents hold a delegation of power, to other members of the bureau.

In addition, the president of a *syndicat de communes* which equates to a commune of more than 20,000 inhabitants by virtue of its powers, the size of its budget, the number and capacity of the officers it manages, may, under his supervision and responsibility, grant by decree, delegation of authority to the director and the deputy director (art. R. 5211-2 c of the CGCT).

Finally, the president can sub-delegate the delegation of authority he has received from the deliberative body to the vice-presidents (art. L. 5211-10 of the CGCT).

The deliberative body: the syndicat committee

The *syndicat de communes* is administered by a deliberative body, the syndicat committee, composed of delegates elected by the municipal councils of the member communes by absolute majority under secret ballot (art. L. 5211-7 of the CGCT).

The committee is, for the most part, governed by the same rules as those applicable to municipal councils.

It governs, through its deliberations, matters which are within the scope of its powers under the principle of specialism, in compliance with the laws and regulations on the administrative and financial control of communes.

It votes, in particular, on the budget, the administrative account and public service management delegations and may delegate to its president and the bureau certain day-to-day administrative tasks, excluding the powers expressly bestowed upon it under Article L. 5211-10 of the CGCT.

The deliberative body meets at least once per quarter or, for SIVU, once per semester. The meeting takes place, at the invitation of the president, either at the syndicat headquarters or in a place chosen by the deliberative body in one of the member communes.

At the request of five members or the president, the deliberative body may decide, without debate and by an absolute majority, to meet behind closed doors.

Other bodies:

– ***The bureau***

The syndicat's bureau comprises the president, one or more vice-presidents and possibly one or more other members of the deliberative body. The number of vice-presidents is determined by and at the discretion of the deliberative body, subject to a limit of 30% of its membership.

Unless expressly provided by laws governing the functioning of the bureau, it may be governed by special provisions adopted in its bylaws by the deliberative body.

In so far as the bureau is required to make decisions on matters delegated to it by the deliberative body, the bureau must comply with the rules applicable to deliberations in plenary session, in particular with regard to quorum, the majority required for adoption of decisions, voting procedure and the requirements for enforceability.

The rules and jurisprudence relating to the functioning of the standing committees of regional and general councils can serve as a reference insofar as, like the bureau, the committee is comprised of the president, vice-presidents and possibly other members and may be vested with the powers by delegation from the plenary assembly.

Both the president and the bureau may receive delegation of some of the powers of the deliberative body except in relation to the following matters:

- budgetary (voting the budget, approval of the administrative account, introducing and setting rates, tariffs and fees...);
- statutory (change of operating rules, duration of the EPCI...);
- EPCI's membership of public establishments;
- delegation of public service management;
- guidelines on inter-communal development, social equilibrium in housing in the commune and town policy.

The president reports on the work of the bureau and the powers exercised by delegation from the deliberative body at each of its meetings.

(iv) The departments (*départements*)

The executive body: the role of the chairperson of the departmental council⁴¹

The chairperson of the departmental council is the department's executive body. He or she is elected from among the members of the departmental council at the first session following each three-year renewal of the assembly. The chairperson has a three-year term of office and is eligible for re-appointment. He or she is assisted by a standing committee from which the assistant chairpersons are elected.

As the executive body, the departmental council's chairperson prepares the debates and puts into action the council's decisions. He or she approves the department's expenditure and prescribes how the revenues are implemented. He or she reports on the department's affairs and situation to the departmental council each year.

The chairperson may delegate the assistant chairpersons to perform some of his/her duties (similar in manner as the mayor to his/her deputies). The chairperson and the assistant chairperson together form the committee (*bureau*).

The decision-making body: the departmental council

The departmental council is the deliberative assembly of the department (as a Local Authority) and is comprised of the departmental councillors. The council has a six-year term and half of its members are renewed every three years.

Since the entry into force of the French law of 2 March 1982, the departmental council settles, through its deliberations, the department's affairs, such as establishing departmental public services and managing its assets and budget.

⁴¹ The term "departmental council" will soon replace "general council", which will remain applicable until the next scheduled elections of these decision-making bodies expected to take place in 2015.

Following each renewal of members, the departmental council holds a meeting presided over by its oldest member and elects its chairperson. It meets at least once a quarter to deliberate on a set agenda at the invitation of its chairperson or at the request of the standing committee (which includes the chairperson and 4 to 15 assistant chairs) or one-third of its members. It draws up its internal rules of procedure and may establish sub-committees.

An absolute majority of its members is required to vote on its deliberations, meaning in this case the decisions made by the assembly.

Given the nature of their powers, the departmental councillors must be informed of all of the departmental matters that will be discussed and debated. Accordingly, they receive a report on each resolution to be submitted to their approval at least twelve days before each meeting.

The meetings are open to the public unless the council decides to have closed proceedings, or the chairperson exerts his/her authority to expel or bar any individuals disrupting or becoming aggressive during the meeting, thereby restricting access to the proceedings.

(v) The regions

The executive body: the chairperson of the regional council

As the executive body, the chairperson of the regional council manages the region and is backed up by a standing committee and a committee (*bureau*). The chairperson is elected at the first meeting following the renewal of the regional council. He or she is elected by the council from among its members by an absolute majority in the first two ballots or by a relative majority in the third ballot. The term of office is for a six-year period.

The following powers are conferred to the chairpersons of the regional councils:

- They assemble council meetings over which they preside and ensure that these meetings are conducted in due and proper form (agenda, suspension of meetings, reading of the rules of procedure, etc.).
- They prepare the deliberations of the regional council. They recognise revenue and approve expenditure. As the region's legal representatives, they sign the orders and agreements. They report on the region's affairs and situation to the council each year.
- They are at the head of the regional administration. They may call upon the decentralised government services should the need arise.
- They are the stewards of the *domaine régional* (the region's natural realm including the forests, gardens, shore lines, etc.).

The chairperson may delegate some of his/her duties to the assistant chairs, who are appointed from among the members of the standing committee. The chairperson and the assistant chairs together form the committee (*bureau*).

The decision-making body: the regional council

The regional political system is based on the regional council, its deliberative assembly. Regional councillors are elected for six-year terms to serve on the council and half of them are renewed every three years.

Through its deliberations, the regional council settles the regional matters, which means the decisions voted in by a majority of its members. It issues an opinion on development and planning issues on which it must be consulted. It draws up its internal rules of procedure, which set out the number of members, the areas of competence and the running of commissions.

The regional councils hold their meetings as follows:

- full board meetings to deliberate on a set agenda are held at least once a quarter at the invitation of the chairperson or at the request of the standing committee or one-third of the members;
- a report on each item of business to be debated is sent to the regional councillors at least twelve days before the meeting to ensure that they have all necessary information;
- the meetings are open to the public unless the council decides to have closed proceedings, or the chairperson exerts his/her authority to expel or bar any individuals disrupting or becoming aggressive during the meeting, thereby restricting access to the proceedings.

In the event that it is no longer possible for the regional council to conduct its affairs properly, the government may dissolve it by a decree from the Council of Ministers.

The role of the standing committee

The standing committee derives its role from the regional council and its membership includes the chairperson and assistant chairs of the regional council as well as any other member(s). The regional council may delegate some of its duties to the standing committee except those related to voting on the budget and approving the administrative account (executed budget). The standing committee replaces *de facto* the regional council in between meetings.

The regional economic, social and environmental council (CESER)

The regional economic, social and environmental council is an advisory body, which has anywhere between 40 and 110 members depending on each individual case. It reassembles representatives broken down into four socio-professional categories: businesses and self-employed entrepreneurs; the most representative trade unions; associations involved in the regional community life⁴² and qualified experts in regional development. These members are appointed (i.e., not elected) for a six-year renewable term.

As the CESR only carries out an advisory role with regional political authorities, it therefore only issues an opinion and not a decision.

⁴² This third category includes representatives of environmental protection associations and foundations as well as qualified individuals selected for their renowned expertise in sustainable development (Article R. 4134-1 of the CGCT).

The chairperson of the regional council may request the CESR's opinion on economic, social or cultural projects. The CESR may also take it upon itself to issue an opinion on any matter falling within the region's competence.

5.4 Budgetary principles

(a) Budget system

(i) Overview of the key budgetary principles of public finances

The CGCT as well as the accounting nomenclatures applicable to local authorities provide the following budgetary and accounting principles which are listed below:

- **Principle of annuality** requires that the budget be programmed for a twelve-month period starting on 1 January and ending on 31 December and that each Local Authority adopts its budget for the upcoming year prior to 1 January. They may request a legal extension until 31 March in the year to which the budget applies or until 15 April for the years in which the local deliberative assemblies were renewed. Nevertheless, the application of this principle has been relaxed since the entry into force of French decree of 26 August 2005 (on simplifying and managing budgetary and accounting rules applicable to local authorities) due to the growing use of the plurality budgeting process.
- **Principle of equilibrium:** this implies that budget is based on a fair assessment of revenues and expenditures and that total operating and investment revenues equal total operating and investment expenditure.
- **Principle of unity** implies that the revenues and expenditures are recorded in a single document, i.e., the Local Authority's general budget. However other ancillary budgets may be appended to the general budget in order to trace back transactions of certain services and/or local government institutions.
- **Universality principle** implies that all revenue and expenditure are entered in full without any adjustment against each other. This underpins the requirement of truthfulness in budgetary documents, which specifies that revenue finances expenditure equally.
- **Principle of specification** consists in authorising an expenditure to only one specific service or purpose. Therefore, loans are appropriated to a service or a group of services and are divided into chapters grouping together expenditures according to type and purpose.

In cooperation with the regional accounting office (*chambre régionale des comptes (CRC)*), the Prefect audits the principles under which the local budgets are prepared.

(ii) Budgetary and accounting instruction

The budgetary and accounting instructions that apply to Local Authorities, EPCIs and mixed syndicats vary in relation to each Authority. The accrual basis of accounting is used with a double-entry method (credit and debit) maintained by an accountant at the Treasury. The budgetary and accounting instruction applicable to the Members depends on the category in which they belong. The numerical references to the applicable charts of accounts are as follows:

- **M14** for communes, Tax-Raising EPCIs and *syndicats intercommunaux* and *syndicats mixtes*,
- **M4** for *syndicats intercommunaux* and *syndicats mixtes* managing industrial and commercial public services,
- **M71** for regions
- **M52** for departments
- **M57** for unique local authorities, métropoles and their EPA (administrative public establishments).

(iii) The Members' budgetary framework

Given that they are legal entities, the Members have their own assets and prepare their own budget. The Members have a legally-recognised financial autonomy to handle the various matters over which they have control, such as the annual vote on the preliminary budgets (**PB**) and forecasting and authorising the revenues and expenditure. The recognised transactions are then recorded in the administrative accounts (**AA**) voted on by the Members. The Member's executive body prepares the budgets.

The budget is a document that forecasts and authorises revenues and expenditures. It may be necessary over the course of a year to prepare supplementary or amending budgets to adjust the revenues and expenditures to reflect the actual inflows and outflows.

For all Local Authorities, the budget is divided into two sections—operating and investment:

(A) The operating section includes:

- all necessary operating expenditures for the Local Authority (general expenses, payroll expenses, routine administrative expenditure, debt service payments, depreciation charges, provisions);
- all revenue that the Local Authority may receive from transfers of expenditures, provision of services, government contributions, taxes and any reversal of depreciation and provisions that Local Authority is able to make.

(B) The investment section includes:

- under expenses: debt repayments and Local Authority's capital expenditure (work in progress, transactions on behalf of third parties, etc.);
- under revenues: loans and government grants and subsidies.

(b) Local finance golden rules

The CGCT imposes a financial restriction on local authorities that prohibits them from borrowing to reimburse the principal on their debt.

Article L. 1612-4 of the CGCT sets forth such restriction as follows: "*The budget of the local authority is in true balance when the operating and investment sections voted are in balance, revenue and expenditure having been assessed truthfully, and when the drawdown of revenue in the operating section for the benefit of the investment section, added to the revenue specific to this section, and excluding the revenue of loans and any provisions to amortisation and provisions accounts, provides adequate resources to cover the reimbursement of principal of loan payments to fall due during the year.*"

Moreover, borrowings can only be made to finance capital expenditure and not for operating expenses.

- (c) A “reinforced golden rule” though non-binding for local authorities (art. 24 LPFP 2018-2022)

The golden rule which limits the purpose of borrowing to the financing of capital expenditure (excluding the repayment of debt principal) was reinforced by the LPFP 2018-2022 (art. 24). Indeed, a national benchmark cap is now used to measure a local authority’s or Tax-Raising EPCI’s deleveraging capacity (ratio of outstanding debt to gross savings – main budget and ancillary budgets – defined by number of years). This cap, which varies depending on the type of local authority or Tax-Raising EPCI (for *communes* and their groupings: between 11 and 13 years, for *départements*: between 9 and 11 years, for *régions* : between 8 and 11 years), is however not binding but enables Local Authorities whose financial situation has deteriorated to be identified.

5.5 Audits and controls applicable to the Members' accounts

French law. of 2 March 1982 abolished all *ex ante* control over the acts of local authorities. The budgets voted by each Local Authority are now enforceable as a matter of law upon promulgation and transmission to the Prefect, who is the State representative in the department.

The budgetary acts of the local authorities fall under two *ex post facto* controls: (i) administrative acts are subject to the general law control of legality and (ii) budgetary acts are subject to the special procedures of budgetary, jurisdictional and management control conducted by the CRCs.

- (a) Law applicable to Members

- the CGCT;
- French decree of 7 November 2012 on budgetary management and public accounting;
- finance laws (*loi de finances*);
- applicable budgetary and accounting instructions:
 - M14: accounting of communes, Tax-Raising EPCIs and *Syndicats*;
 - M4 for *syndicats* managing industrial and commercial public services ;
 - M52: accounting of the departments;
 - M71: accounting of the regions;
 - M57 for unique local authorities, métropoles and their EPA (administrative public establishments).

- codifying instruction no. 11-022-M0 of 16 December 2011 on the collection of revenue by local authorities and local public institutions.

(b) Control by the public accountant

The public account performs the financial transactions and keeps a management account to record all of the Local Authority's expenditure and revenue.

He or she inspects that the expenses are recorded in the appropriate budgetary chapter and that the revenues come from a legal source. The public accountant cannot make any inspection as to appropriateness and therefore cannot assess the relevance of the choices with respect to policy made by the local authorities since they govern themselves freely. Otherwise, the instructing party can "place a demand" on the accountant, i.e., force him/her to pay.

The accountant rejects any payment authorised by the instructing party whenever he or she detects an illegality.

Public accountants are held personally and financially liable for the payments they make. In the event of a discrepancy, the Minister of Finances can issue a reversal order that forces the accountant to pay out of his/her own pocket the corresponding sum immediately.

The EPCIs are subject to the provisions of Chapter VII of the single title in Book VI of the first part of the CGCT on the public accountant.

(c) Prefect's control of legality

Article L.2131-6 of the CGCT⁴³ provides that the Prefect defers any acts he deems contrary to the law to the administrative court within two months following their transmission to the Prefecture. The control of legality focuses on the conditions under which the budgetary documents and their appendices are prepared, adopted and presented.

As a rule, the deliberations of the Members' decision-making bodies must be submitted to the Prefect so he can perform the control of legality. Therefore, the deliberations in which the Guarantee Commitment are authorised will be submitted to the control of legality.

The provisions of the CGCT on the control of legality and enforceability of the acts of the municipal, departmental and regional authorities are also applicable to EPCIs.

(d) Role of the Regional Accounting Office (*Chambres Régionales des Comptes*)

The French law of 2 March 1982 established the Regional Accounting Offices (abbreviated "CRC") comprised of permanent magistrates, thereby counter-balancing the elimination of the government's *a priori* control over the acts of the local authorities. The powers of these courts are defined by law, but are also reflected in Articles L. 211-1 *et seq.* of the French Financial Jurisdiction Code (*Code des juridictions financières*).

The power of a CRC extends to all the local authorities within its geographical jurisdiction, whether they are municipalities, departments or regions, but also to their public institutions (including EPCIs and mixed syndicats).

In this context, the CRC's power of control is threefold. The first one is a budgetary control, which replaced the control exercised by the Prefect prior to French law of 2 March 1982.

⁴³ This Article is applicable to municipalities. Similar provisions exist for departments (Article L.3132-1 of the CGCT), regions (Article L.4142-1 of the CGCT) and EPCIs (Article L.5211-3 of the CGCT).

The second control is legal in nature and ensures that the transactions undertaken by the public accountant are compliant with applicable rules. The third control relates to management to verify ultimately that revenue received and expenditure incurred is made in a lawful and regular manner.

(e) Budgetary control

According to Articles 1612-1 to L. 1612-2 of the CGCT, the CRC control focuses on the preliminary budget, the amending decisions and the administrative account.

The CRC takes action in four cases when:

- the preliminary budget is adopted post-deadline (after March 31, except for years when the deliberative assemblies are renewed and the deadline is extended to 15 April). Beyond a two-week submission period, the Prefect must notify the CRC, which makes its recommendations within a month.
- the voted budget is not actually balanced (revenues do not cover expenditures). This triggers three consecutive one-month periods: (i) one month for the Prefect to notify the CRC, (ii) one month for the CRC to make its recommendations, and (iii) one month for the Local Authority's decision-making body to bring itself in compliance and correct the budget, otherwise the Prefect amends the budget himself.
- a compulsory expenditure is not recognised in the budget. Although the same time periods apply, the CRC, who may also be contacted by the public accountant, sends a formal notice to the Local Authority in question.
- the budget is running a deficit (i.e., the sum of results of the two sections of the administrative account is negative) of more than 5% or 10% of the revenues of the operating section. Depending on the size of the Local Authority, the CRC puts forth measures for rectifying this within one month as from the date it was notified. The CRC also validates the preliminary budget for the following year.

(f) Jurisdictional control

The CRC forms an opinion on all the accounts prepared by the public accountants of the local authorities and their public institutions, such jurisdictional control being the CRC's original mandate. Such control verifies that transactions made by the public accountants were legal and in compliance. It not only consists in checking that the accounts are accurate, but verifying that the accountant has indeed exercised all the controls he/she is required to make. However, conducting any control as to appropriateness is prohibited under French law of 21 December 2001 on the CRC and the Public Finance Courts. The CRC determines and recognises accounts as accurate according to decisions as to whether irregularities have been found.

(g) Management control

The CRCs is also mandated with controlling the management of local authorities. This control is to examine as to whether the management of these authorities is sound and in compliance. It not only considers the financial balance of the management transactions and type of means used, but also the results obtained in comparison to the means and results of the measures undertaken. The CRCs form a conclusion as to the compliance of the transactions and the economy of the means used, and not one in terms of appropriateness of

the acts undertaken by the local authorities. First and foremost, they support and encourage the authorities to comply with the law in order to avoid any sanctions.

(A) Impact of the CRC letter containing observations

Three major issues are covered in the letters of observation:

- balanced use of public finances;
- contained management of public services;
- compliance with public service key principles.

This mandate does not, however, sufficiently cover the requirements as the CRCs send their final letters of observations two to five years after the financial year close. A copy of these letters may be sent to any citizen who requests one.

(B) New forms of control

The way in which the CRC operates has undergone changes.

The "improvement and decentralising" French law of 5 January 1988 required a preliminary meeting at the time of the control to be scheduled not only between the reporting judge and the head of the Local Authority, but also with any persons responsible during the time period under audit. These provisions endeavour to improve the external control (uniform practices over the entire territory and confidentiality).

The CRCs make it a priority to check the efficiency of public policies. While it is not up to them to judge the municipality's decisions themselves, they make sure that the municipalities have adopted a structured organisation for their services and defined clear objectives, which are formally evaluated as well as tracked by performance indicators.

RECENT EVENTS

Covid-19 Pandemic:

The Covid-19 pandemic is having a significant impact on the global economic environment, including major disruptions to financial markets, the closure of certain areas of activity, changes in production patterns, but also changes in lifestyles and consumption.

Concerning the effects of the current pandemic on the business and development of the Agence France Locale Group, the postponement of the second round of municipal elections and increasing uncertainties surrounding this situation could delay the membership applications of new local authorities and the granting of new loans.

Nevertheless, over the first five months of the year AFL has continued the process of development seen over the last three years, with in particular 21 local authorities having voted to become a member and loan production increasing to date by 150%, compared to 2019.

Since the beginning of the health crisis, the Issuer has organised itself in such manner as to protect its employees and their families whilst ensuring business continuity and maintaining all services in operation. For this purpose a crisis unit has been established to take appropriate decisions.

Secondly, this period was also marked by several long-term bond issues, including at the height of the crisis, in a total principal amount of 260 million euros, in accordance with targets, in addition to short-term debt issues in an average outstanding amount of 400 million euros. These confirmed AFL's access to liquidity on good terms, enabling it to maintain a solid cashflow position. Thus as at 31 March 2020, the liquidity reserve totalled 1,091,786,057 euros.

In view of the uncertainties affecting economic and financial conditions, and their severity and duration, the Issuer considers it difficult at this stage to accurately estimate the impact of the crisis on its future financial statements.

This is why, since not all the effects of the crisis are necessarily known and until there is more visibility on these, the Issuer has suspended its 2020 forecasts.

However, as of today, there are expected to be no major consequences on the results for the first half of 2020 as these are mainly linked to the existing credit portfolio. A

TAXATION

The following is a summary of certain considerations concerning withholding taxes applicable to payments in respect of Notes.

This summary is based on tax law in force on the date of this Base Prospectus and is subject to modification (potentially with retroactive effect). Such summary is provided by way of general information and is not a comprehensive analysis of all tax considerations that may be relevant to Noteholders. Noteholders' attention is drawn to the fact that the tax laws of the Member State of the Noteholder and those of the country in which the Issuer was incorporated (i.e. France) may have an impact on the income derived from the Notes. It is therefore recommended that prospective investors should consult with their own tax adviser to examine their individual circumstances in detail.

1.1 Withholding tax on payments made outside France

The following is a summary of certain withholding tax considerations that may be relevant to Noteholders who do not also hold shares of the Issuer.

The payments of interest and other similar income made by the Issuer with respect to Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*, unless such payments are made outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the *Code général des impôts* (a **Non-Cooperative State or Territory**) other than those mentioned in 2° of 2 bis of such article 238-0 A of the *Code général des impôts*. If such payments under the Notes are made outside France in a Non-Cooperative State or Territory other than those mentioned in 2° of 2 bis of such article 238-0 A of the *Code général des impôts*, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty), by virtue of Article 125 A III of the *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other similar income on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or Territory or paid to an account held with a financial institution established in such a Non-Cooperative State or Territory (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other similar income may be recharacterised as constructive dividends pursuant to Articles 109 et seq. of the French *Code général des impôts*, in which case such non-deductible interest and other similar income may be subject to the withholding tax set out under Article 119 bis 2 of the French *Code général des impôts*, (i) at a rate of 12.8% for payments to or for the benefit of individuals not domiciled for tax purposes in France, (ii) at the normal corporation tax (*impôt sur les sociétés*) rate specified in the first sentence of the second sub-paragraph of article 219 I of the *Code Général des Impôts* for financial years commencing after 1st January 2020 (i.e. 28% for financial years commencing after 1st January 2020) for payments to or for the benefit of corporate entities whose registered office is situated outside France or (iii) at the rate of 75% for payments made outside France in a Non-Cooperative State or Territory other than those mentioned in 2° of 2 bis of such article 238-0 A of the *Code général des impôts* (subject to certain exceptions and the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion shall apply in respect of an issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other similar income to be made in a Non-Cooperative State or Territory (the **Exception**).

Pursuant to the *Bulletin Officiel des Finances Publiques – Impôts* BOI-INT-DG-20-50-20140211, no. 550 and 990, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered in the context of an offer to the public of financial securities as defined in the Prospectus Regulation, other than offers to the public as specified in article 1 paragraph 4 of the Prospectus Regulation, or an equivalent offer made in a State other than a Non-Cooperative State or Territory. An equivalent offer means an offer for which it is obligatory to register or submit an information document to a foreign financial market authority;
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system, provided that such market or system is not located in a Non-Cooperative State or Territory, and the operation of such market is carried out by a market operator or an investment service provider, or by such other similar foreign entity, provided further that such market operator, investment service provider or entity is not located in a Non-Cooperative State or Territory; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State or Territory.

1.2 Withholding tax on payments made to individuals who are fiscally domiciled in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, subject to certain limited exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8% withholding tax, which is applied against their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding tax at an aggregate rate of 17.2% on such interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a dealer agreement in the French language which shall be signed no later than 9 June 2020 entered into between the Issuer, the Permanent Dealers and the Arrangers (the **Dealer Agreement**), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer reserves the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between themselves in respect of Notes subscribed by such Dealer. If appropriate, the commissions in respect of an issue of Notes on a syndicated basis will be specified in the relevant Final Terms. The Issuer has agreed to reimburse the Arrangers for the expenses incurred by them in connection with the Programme, and the Dealers for certain expenses in relation to their role under this Programme.

The Issuer has agreed to indemnify the Dealers against certain types of liability they may incur in connection with the offer and sale of Notes. The Dealer Agreement entitles the Dealers, under certain circumstances, to terminate any agreement they may enter into for the subscription of Notes prior to payment for such Notes being made to the Issuer.

1. GENERAL

These selling restrictions may be amended by mutual agreement between the Issuer and the Dealers in particular following any change to any applicable law, regulation or directive. Any such amendments shall be set out in a supplement to this Base Prospectus.

Each Dealer has undertaken to comply, to the fullest extent of the information in its possession, with all relevant laws, regulations and directives in each country in which it buys, offers, sells or delivers Notes or in which it holds or distributes the Base Prospectus, any other offer document or any Final Terms and neither the Issuer nor any of the Dealers shall incur any liability in respect thereof.

2. EUROPEAN ECONOMIC AREA – UNITED KINGDOM

Each Dealer has represented and warranted that it has not made and will not make an offer of Notes to the public in a member state of the European Economic Area (**EEA**) or the United Kingdom. Each Dealer may however make an offer of such Notes to the public in that member state of the EEA:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that member state of the EEA or the United Kingdom (a **Non-exempt Offer**), following the date of publication of a Base Prospectus in relation to such Notes which has been approved by the competent authority in that member state of the EEA or the United Kingdom or, where appropriate, approved in another member state of the EEA or the United Kingdom and notified to the competent authority in that member state of the EEA or the United Kingdom, provided that any such Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation in the period beginning and ending on the dates specified in such Base Prospectus or Final Terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined under the Prospectus Regulation ;

- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers appointed by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

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

For the purposes of this provision (a) the expression an **offer of Notes to the public** in any member state of the EEA or the United Kingdom means the communication addressed in any form and by any means whatsoever to persons and providing sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide or not to purchase or subscribe for the Notes and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Council and Parliament dated 14 June 2017.

3. UNITED STATES OF AMERICA

The Notes have not and will not be registered pursuant to the United States Securities Act of 1933 as amended (the **U.S. Securities Act**) or pursuant to any regulatory authority related to financial securities of any State or other jurisdiction of the United States of America. Subject to certain exceptions, Notes may not be offered or sold in the United States of America or, in the case of Materialised Notes, offered, sold or delivered in the territory of the United States of America or to, or for the benefit or on behalf of, U.S. Persons as defined in the U.S. Internal Revenue Code of 1986. Each Dealer has undertaken and each new Dealer will be required to undertake, not to offer or sell any Note, or in the case of Materialised Notes, to deliver such Notes in the territory of the United States of America except in compliance with the Dealer Agreement.

The Notes shall be offered and sold outside the United States of America in compliance with Regulation S.

Materialised Notes with a maturity of greater than one year are subject to U.S. tax rules and may not be offered, sold or delivered in the territory of the United States of America or any of its possessions or to U.S. Persons, with the exception of certain transactions which are permitted under U.S. tax laws. Terms used in this paragraph shall have the meaning given to them in the U.S. Internal Revenue Code of 1986 and regulations made thereunder.

In addition, the offering or sale by any dealer (whether or not participating in the offering) of any identifiable tranche of Notes within the United States of America within the first forty (40) days after the commencement of the offering, may violate the registration requirements under the U.S. Securities Act.

4. UNITED KINGDOM

Each Dealer has represented and agreed and each new Dealer will be required to represent and agree that:

- (a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve acquiring, holding, managing or selling financial products (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom, other than to persons whose ordinary activities involve acquiring, holding, managing or selling financial products (as principal or agent) for the purposes of their business or to persons who may reasonably be expected to acquire, hold, manage or sell financial products (as principal or agent) for the

purposes of their business, where the issue of the Notes would otherwise constitute a violation of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**);

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

5. ITALY

The offering of Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (the **CONSOB**) in accordance with Italian securities legislation and, accordingly, the Notes may not be and shall not be, offered, sold or delivered in the Republic of Italy, and no copy of the Base Prospectus, the relevant Final Terms or any other document relating to the Notes may be, nor shall be, distributed in the Republic of Italy, except :

- (i) to qualified investors (*investitori qualificati*), as defined in Article 2 of the Prospectus Regulation and any applicable provision of the legislative decree No. 58 of 24 February 1998, as amended from time to time (the **Financial Services Law**) and/or in the CONSOB regulations; or
- (ii) if specified in the relevant Final Terms that a non-exempt offer to the public may be made in the Republic of Italy, each Dealer may offer, sell or deliver Notes, or distribute copies of any prospectus relating to such Notes, provided that such prospectus has been (a) approved in a Member State of the EEA or in the United Kingdom and notified to the CONSOB and (b) completed by the final terms (if relevant) which expressly provide for such non-exempt offer to the public, in connection with any offer to the public of financial products during the period from the date of approval of this prospectus, in accordance with the Prospectus Regulation, until 12 months after the date of approval of this prospectus;
- (iii) in any circumstances which benefit from an exemption to the rules applicable to public offerings in accordance with Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 dated 14 May 1999, as amended from time to time, and applicable Italian legislation.

In all cases, any offer, sale or delivery of Notes or any distribution of the Base Prospectus (including the relevant Final Terms) or any other document relating to the Notes in the Republic of Italy in accordance with paragraphs (i), (ii) and (iii) above must :

- (a) be made by an investment firm, bank or financial intermediary authorised to conduct such activities in the Republic of Italy in accordance with the Financial Services Law, Consob regulation No. 20307 of 15 February 2018, as amended from time to time and Legislative Decree No. 385 of 1st September 1993 as amended from time to time (the **Banking Law**); and
- (b) comply with all other laws, regulations or requirements imposed by CONSOB, the Bank of Italy (including all disclosure obligations, as applicable, in accordance with article 129 of the Banking Law and the guidelines of the Bank of Italy, as amended from time to time) or any other Italian authority.

6. FRANCE

Each of the Dealers and the Issuer has represented and agreed, and each new Dealer shall represent and agree that it undertakes to comply with applicable French laws and regulations relating to the offering, placement or sale of the Notes and the distribution in France of the Base Prospectus or any other material relating to the Notes.

7. SWITZERLAND

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that Notes issued in Switzerland will be sold or offered in accordance with usual practices and regulations in Switzerland. In relation to Notes issued in Switzerland which will be listed on the SIX Swiss Exchange, the Dealers (if necessary, together with a representative of the stock exchange recognized by SIX Swiss Exchange) shall prepare and provide a Base Prospectus for potential investors in accordance the listing rules of the SIX Swiss Exchange and will provide any additional information that will be required by applicable Swiss law.

FORM OF FINAL TERMS

⁴⁴[**MiFID II Product Governance / Target Market: eligible counterparties and professional clients only**

– Solely for the purposes of the product approval process of [the/each] manufacturer, the target market assessment in respect of the Notes, taking into consideration the five categories referred to in paragraph 18 of the guidelines published by the European Financial Markets Authority on 5 February 2018, has led to the conclusion that : (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**) ; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Take into consideration any negative target market*]⁴⁵. Any person who subsequently offers, sells or recommends the Notes (a **distributor**) should take into consideration the [the/each] manufacturer[’s/s’] target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (and either adopting or refining [the/each] manufacturer[’s/s’] target market assessment) and determining the appropriate distribution channels.]

OR

⁴⁶**MiFID II Product Governance / Target Market: Retail investors, eligible counterparties and professional clients only**

- Solely for the purposes of the product approval process of [the/each] manufacturer, the target market assessment in respect of the Notes, taking into consideration the five categories referred to in paragraph 18 of the guidelines published by the European Financial Markets Authority on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is retail investors, eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); **EITHER**⁴⁷ and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** ⁴⁸(ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the channels for distribution of the Notes to the following retail investors are appropriate – investment advice [./ and] portfolio management [./ and] [non-advised sales][and pure execution services][, subject to the distributor’s suitability or appropriateness assessment under MiFID II, as applicable]] [*Take into consideration any negative target market*]⁴⁹. Any person who subsequently offers, sells or recommends the Notes (a **distributor**) should take into consideration [the/each] manufacturer[’s/s’] target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (and either adopting or refining [the/each] manufacturer[’s/s’] target market assessment) and determining the appropriate distribution channels [, subject to the distributor’s suitability or appropriateness assessment under MiFID II, as applicable]⁵⁰]]

⁴⁴ Paragraph to be included above the Final Terms ICMA 1 target market approach “all bands to all professionals” is adopted.

⁴⁵ ICMA 1 and ICMA 2 provide that a negative target market is unlikely. Note that a programme that only provides for *plain vanilla issues* is not likely to require negative target market language. If a negative target market is necessary, the following wording may be included: “The assessment of the target market indicates that the Notes are incompatible with the requirements, characteristics and objectives of clients who [are totally risk averse / have no tolerance for risk or who seek repayment in full on demand of their investment].”

⁴⁶ Paragraph to be included above the Final Terms ICMA 2 approach is adopted.

⁴⁷ To be included for notes that are not considered to be complex by ESMA.

⁴⁸ To be included for certain notes considered as complex by ESMA. It may be necessary to update this list, for example if advised sales are necessary. If sales have been advised, it will be necessary to verify suitability. Furthermore, if the Notes are “complex” products, pure execution services are not permitted for retail investors, without it being necessary to verify appropriateness as required under Article 25(3) of MiFID II.

⁴⁹ ICMA 1 and ICMA 2 provide that a negative target market is unlikely. Note that a programme that only provides for *plain vanilla issues* is not likely to require negative target market language. If a negative target market is necessary, the following wording may be included: “The assessment of the target market indicates that the Notes are incompatible with the requirements, characteristics and objectives of clients who [are totally risk averse / have no tolerance for risk or who seek repayment in full on demand of their investment].”

⁵⁰ If the Notes are “complex” products, pure execution services are not permitted for retail investors, without it being necessary to verify appropriateness as required under Article 25(3) of MiFID II. If sales have been advised, it will be necessary to verify suitability.

*[The Base Prospectus dated 9 June 2020 is valid until 9 June 2021. The next following base prospectus shall be available on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.agence-france-locale.fr) and copies may be obtained at the registered office of the Issuer and the specified offices of the Paying Agents.]*⁵¹

Set out below is the Form of Final Terms which will be completed for each Tranche of Notes:

Final Terms dated [●]

[insert logo]

AGENCE FRANCE LOCALE

Legal Entity Identifier (LEI): 969500NMI4UP00IO8G47

€7,000,000,000

Euro Medium Term Note Programme

Benefiting from the first demand Guarantees of the Agence France Locale – Société Territoriale and the Members of the Agence France Locale group.

SERIES No: [●]

TRANCHE No: [●]

[Brief description and aggregate nominal amount of Notes]

Issue Price: [●] %

[Name(s) of Dealer(s)]

[Any person making or intending to make an offer of the Notes may only do so:

- (1) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a Base Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a Base Prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer; or
- (2) in France as mentioned in Paragraph 8 of Part B below, provided such person is one of the persons mentioned in Paragraph 8 of Part B below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer, nor any Guarantor, nor [the/any] Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.]⁵²

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area or the United Kingdom will be made pursuant to an exemption, under the Prospectus Regulation, from the requirement to publish a Base Prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or the/any Dealer to

⁵¹ To be inserted in the case of a public offer where the offer period closes after the expiry date of this Base Prospectus.

⁵² Insert if a non-exempt offer of Notes is planned.

publish a Base Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a Base Prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer, nor any Guarantor, nor [the/any] Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.⁵³

PART A

CONTRACTUAL TERMS

This document constitutes the Final Terms in respect of the issue of notes described below (the **Notes**) and contains the Final Terms of the Notes. These Final Terms complete the base prospectus dated 9 June 2020 (approved by the *Autorité des marchés financiers* (the **AMF**) under No. 20-244 on 9 June 2020) relating to the €7,000,000,000 Euro Medium Term Note Programme of the Issuer [and the supplement[s] to the base prospectus dated [●] (approved by the AMF under No. [●] on [●]), which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of Regulation (EU) 2017/1129 of the European Parliament and Council dated 14 June 2017 (the **Prospectus Regulation**).

The Final Terms shall be read in conjunction with the Base Prospectus [as supplemented] and constitute together a prospectus (the **Prospectus**) for the purposes of the Prospectus Regulation. Terms used below shall have the meaning given to them in the Base Prospectus. The Notes shall be issued in accordance with the provisions of these Final Terms together with the Base Prospectus. [An issue specific summary is annexed to these Final Terms⁵⁴.] These Final Terms and the Base Prospectus [and the supplement to the Base Prospectus] are (a) published on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuer (www.agence-france-locale.fr) [and] (b) available during normal business hours at the head office of the Issuer and the specified offices of the Paying Agent(s) from which copies may be obtained. [The Base Prospectus is also available [on/at] [●].]⁵⁵

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

Terms used herein shall have the meaning given to them in the [2015/2016/2017/2018/2019] Terms and Conditions incorporated by reference in the base prospectus dated 9 June 2020. This document constitutes the Final Terms of the Notes described below (the **Notes**) for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**) and must be read in conjunction with the base prospectus dated 9 June 2020 (approved by the *Autorité des marchés financiers* (the **AMF**) under no. 20-244 on 9 June 2020) related to the EUR 7,000,000,000 Euro Medium Term Note Programme of the Issuer [and the supplement to the base prospectus dated [●] (approved by the AMF under no. [●]-[●] dated [●]), which [together] constitute[s] a base prospectus for the purpose of the Prospectus Regulation (the **Base Prospectus**). [A summary of the issue of the Notes is annexed to these Final Terms.]⁵⁶ These Final Terms and the Base Prospectus are (a) published on the websites (i) of the AMF (www.amf-france.org) and (ii) the Issuer (www.agence-france-locale.fr), [and] (b) available during normal business hours, at the registered office of the Issuer and the specified office of the Paying Agent(s) from which a copy can be obtained. [In addition, the Base Prospectus [is][are] available [on/at][●]]⁵⁷ [Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

⁵³ Insert if a non-exempt offer of Notes is planned

⁵⁴ Include only for issue of Notes with a denomination of less than €100,000.

⁵⁵ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

⁵⁶ Include only for issue of Notes with a denomination of less than €100,000.

⁵⁷ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

1. **Issuer:** Agence France Locale
2. **Guarantors** Agence France Locale – Société Territoriale
- [Specify the Individual Ceiling of the ST Guarantee]
- [Identify Members of Agence France Locale group having subscribed for a loan at the date of issuance of the Final Terms with reference to the website]
3. (a) **Series:** [●]
- (b) **Tranche:** [●]
- (If the Tranche is fungible with an existing Tranche, specify the characteristics of the Tranche, including the date on which the Notes become fungible).
4. **Specified Currency(ies):** [●]⁵⁸
5. **Aggregate Nominal Amount:** [●]
- [Insert the amount or in the case of a non-exempt offer to the public, the date of publication of such amount.]
- (a) **Series:** [●]
- (b) **Tranche:** [●]
6. **Issue Price:** [●] % of the Aggregate Nominal Amount of the Tranche [plus accrued interest from *[insert date]* (in the case of fungible issues or first broken coupon, if relevant).]
7. **Specified Denomination(s):** [●] [(one Denomination only for Dematerialised Notes)]
8. (a) **Issue Date:** [●]
- (b) **Interest Period Commencement Date:** [●][Specify / Issue Date / Not Applicable]
9. **Maturity Date:** [●] [specify the date or (for Floating Rate Notes) the Interest Payment Date]

⁵⁸ In accordance with article 1343-3 of the Civil Code, all payments in respect of domestic issues must be made in euros.

in the relevant month and year or the nearest date to the Interest Payment Date in the relevant month and year]

- 10. Interest Basis:** [Fixed Rate of [●] % [[EURIBOR, €STR, SONIA, SOFR, CMS Rate or LIBOR] +/-[●] % Floating Rate]] [Zero Coupon Note] (*other details specify below*)
- 11. Redemption basis:** [Subject to any purchase and cancellation or Early Redemption, the Notes shall be redeemed at Maturity Date at [100]% of their Aggregate Nominal Amount]
- 12. Change of Interest Basis:** [Applicable (for *Fixed /Floating rate interest Notes*)/ Not applicable]
- (If applicable, *specify details for conversion of Fixed/ Floating Rate interest basis pursuant to Condition 5.4*)
- 13. Redemption at the option of the Issuer/Noteholders:** [Redemption at the option of the Issuer][Redemption at the option of the Noteholders] [*other details specified below*]
- 14. (a) Status of Notes:** Senior preferred as defined in article L.613-30-3-I-3° of the Monetary and Financial Code
- (b) Date of authorisation for the issuance of the Notes:** Decision of the Executive Board of the Issuer dated [●]
- 15. Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16. Fixed Rate Note provisions:** [*Applicable/Not Applicable*] (*If this paragraph is not applicable, delete the remaining sub-paragraphs*)
- (a) Interest Rate:** [●] % per annum [payable [annually/semi-annually/quarterly/monthly] at maturity/*other*] [in arrear]
- (b) Interest Payment Date(s):** [●] in each year [adjusted in accordance with [*specify Business Day Convention and any relevant Business Centre(s) for the "Business Day" definition*]/not adjusted]

- (c) Fixed Coupon Amount(s): [●] per Specified Denomination of [●]
- (d) Broken Amount(s): [[●] (Include information relating to the initial or final Broken Amount which are different to the Fixed Coupon Amount(s) and Interest Payment Date(s) to which they relate) / Not Applicable]
- (e) Day Count Fraction (Condition 5.1): [Actual/365
Actual/365-FBF
Actual/Actual-[ICMA/ISDA/FBF]
Actual/365 (Fixed)
Actual/360
30/360
360/360
Bond Basis
30/360 FBF
Actual 30A/360 (American Bond Basis)
30E/360
Euro Bond Basis
30E/360 – FBF]
- (f) Coupon Determination Date(s) (Condition 5.1): [●] in each year (specify the Payment Dates, excluding the Issue Date and the Maturity Date in the case of a first or last long or short Coupon.

N.B.: only applicable where the Day Count Fraction is Actual/Actual-ICMA Basis).

17. Provisions relating to Floating Rate Notes:

[Applicable/Not Applicable]

(If this paragraph is not applicable, delete the remaining sub-paragraphs).

- (a) Interest Period(s)/ Interest Accrual Period Date: [●]
- (b) Interest Payment Date(s): [[●] each year / [●] and [●] / [●],[●],[●], and [●]] until the Maturity Date (inclusive)
- (c) First Interest Payment Date: [●]
- (d) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][non adjusted] (Insert "non adjusted" if it is not anticipated that the Coupon Amount

will be affected by the application of the applicable business day convention)

- (e) Business Centre(s) (Condition 5.1): [●]
- (f) Manner in which the Interest Rate is/[are] to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (g) Party responsible for calculating the Interest Rate(s) and Coupon Amount(s) (if other than the Calculation Agent): [[●](*specify*)/Not Applicable]
- (h) Screen Rate Determination (Condition 5.3 (c) (iii)):
- Benchmark: *[EURIBOR, LIBOR, €STR, SONIA, SOFR or CMS Rate]*
(If the Interest Rate is determined by linear interpolation in respect of a [first/last] [long/short] Interest Period, insert the relevant interest period[s] and the two relevant rates used for such determination)
 - [Screen Page: [●]]
(delete this paragraph if €STR, SONIA or SOFR are the Benchmarks)
 - Relevant Time: [●]
 - Coupon Determination Date(s): [[● [TARGET] Business Days in (*specify the city*) for (*specify the currency*) before [the first day of each Interest Period/each Interest Payment Date]]
 - [Method of Determination for SOFR: SOFR Arithmetic Average/SOFR Lockout Compound/SOFR Lookback Compound/SOFR Shift Compound]
 - [Lookback Observation Period: [●] (*Applicable only if €STR, SONIA or SOFR is the Benchmark*)/Not Applicable]
 - [SOFR Rate Cut-Off Date [●]/[In accordance with the Terms and Conditions of the Notes]
 - [Shift Observation Days [●]]

- Primary source for the Floating Rate: [[●] (*Specify the relevant Screen Page or "Reference Banks"*)/Not Applicable]
- Reference Banks (if the primary source is "Reference Banks"): [[●] (*Specify four entities*)/Not Applicable]
- Relevant Financial Centre: [●] (*Specify the financial centre most closely connected with the Benchmark – if other than Paris*)

- Representative Amount: [[●] (*Specify if quotations published on a Screen Page or offered by Reference Banks must be given for a transaction of a specific amount*)/Not Applicable]
- Effective Date: [[●] (*Specify if quotations are not to be obtained with effect from commencement of Interest Period*)/Not Applicable]
- Specified Duration: [[●] (*Specify period for quotation if other than duration of Interest Period*)/Not Applicable]
- Rate Multiplier: [●]
- (i) FBF Determination (Condition 5.3(c) (i)) [Applicable/Not Applicable]
 - Floating Rate: [●]

(if the Interest Rate is determined by linear interpolation in respect of an [first/last] Interest Period [long/short], insert the relevant interest period(s) and the two relevant rates to be used for such determination)
 - Determination Date for Floating Rate: [●]
- (j) ISDA Determination (Condition 5.3 (c)(ii)) [Applicable/Not Applicable]
 - Floating Rate Option: [●]

(if the Interest Rate is determined by linear interpolation in respect of an [first/last] Interest Period [long/short], insert the relevant interest period(s) and the two relevant rates to be used for such determination)
 - Designated Maturity: [●]

- Reset Date: [●]

- (k) Margin(s): [+/-] [●] % per annum
- (l) Minimum Interest Rate: [Zero(0)/[●] % per annum
- (m) Maximum Interest Rate: [Not Applicable/[●] % per annum]
- (n) Day Count Fraction (Condition 5.1):
 - [Actual/365
 - Actual/365–FBF
 - Actual/Actual-[ICMA/ISDA/FBF]
 - Actual/365 (Fixed)
 - Actual/360
 - 30/360
 - 360/360
 - Bond Basis
 - 30/360-FBF
 - Actual30A/360 (American Bond Basis)
 - 30E/360
 - Euro Bond Basis
 - 30E/360-FBF]

18. Provisions relating to Zero Coupon Notes:

[Applicable/Not Applicable] *(If this paragraph is not applicable, delete the remaining sub-paragraphs)*

- (a) Amortisation Yield: [●]% per annum
- (b) Day Count Fraction:
 - [Actual/365
 - Actual/365–FBF
 - Actual/Actual-[ICMA/ISDA/FBF]
 - Actual/365 (Fixed)
 - Actual/360
 - 30/360
 - 360/360
 - Bond Basis
 - 30/360-FBF
 - Actual 30A/360 (American Bond Basis)
 - 30E/360
 - Euro Bond Basis
 - 30E-360-FBF]

PROVISIONS RELATING TO REDEMPTION

19. Issuer call:

[Applicable/Not Applicable] *(If this paragraph is not applicable, delete the remaining sub-paragraphs)*

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) for each Note: [●] per Note of Specified Denomination [●]

- (c) If redeemable in part: per Note of Specified Denomination / Not Applicable
- (I) Minimum Redemption Amount: per Note of Specified Denomination / Not Applicable
- (II) Maximum Redemption Amount: per Note of Specified Denomination / Not Applicable
- (d) Notice period: [In accordance with the Terms]/
- 20. Investor put:** [Applicable/Not Applicable] *(If this paragraph is not applicable, delete the remaining sub-paragraphs)*
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount(s) for each Note: per Note [of Specified Denomination
- (c) Notice period: [In accordance with the Terms]/
- 21. Final Redemption Amount for each Note:** per Note of Specified Denomination of
- 22. Instalment Amount:** [Applicable/Not Applicable] *(If this paragraph is not applicable, delete the remaining sub-paragraphs)*
- (a) Instalment Date(s):
- (b) Instalment Amount(s) of each Note:
- 23. Early Redemption Amount:**
- (a) Early Redemption Amount(s) for each Note paid on redemption for tax reasons (Condition 6.6), for illegality (Condition 6.9) or on Event of Default (Condition 9): [Pursuant to the Terms]/ per Note of Specified Denomination
- (b) Redemption for tax reasons on dates other than Interest Payment Dates (Condition 6.6): [Yes/No]
- (c) Unmatured Coupons to be cancelled on Early Redemption (Materialised Notes only (Condition 7.2(b))): [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24. Form of the Notes:** [Dematerialised Notes/Materialised Notes] *(Materialised Notes are issued in bearer form only) (Delete as*

appropriate)

- (a) Form of Dematerialised Notes: [Applicable/Not Applicable] (If applicable specify whether in bearer form/ registered form)
- (b) Registration Agent: [Not Applicable/if applicable name and information] (N.B. a Registration Agent may be appointed in respect of Dematerialised Notes in pure registered form (au nominatif pur) only).
- (c) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Physical Notes on [●] (the **Exchange Date**), 40 days after the issue date, unless postponed, as specified in the Temporary Global Certificate.]
- 25. Financial Centre(s) (Condition 7.7):** [Not Applicable/Specify]. (N.B. this refers to the date and place for payment and not the Coupon Payment Date(s) referred to in paragraphs 16(b) and 17(b))
- 26. Talons for future Coupons or Receipts to be attached to Physical Notes (and dates on which such Talons mature):** [Yes/No/Not Applicable]. (If yes, specify) (Only applicable to Materialised Notes.)
- 27. Provisions relating to redenomination, renominatisation and reconventioning:** [Applicable/Not Applicable]
- 28. Provisions relating to consolidation:** [Not Applicable/The provisions [of Condition 1.5] apply]
- 29. Masse (Condition 11):** [Issue outside France:[Applicable/Not Applicable] (Only applicable to issues of Notes with a nominal value of less than 100,000€ (or the equivalent of such amount in other currencies) – otherwise delete)]
- (Specify details relating to the initial and alternate Representatives and their remuneration as set out below)
- Name and contact details of the initial Representative are: [●]
- Name and contact details of the alternate Representative are: [●]
- The Representative of the Masse [shall receive a remuneration of €[●] per

year with respect to its functions/shall not receive compensation with respect to its functions] /

[As long as the Notes are held by a single Noteholder, and unless a Representative has been appointed in respect of that Series, the relevant Noteholder will exercise all of the powers delegated to the Masse under the provisions of the *Code de commerce*. The Issuer shall keep a record of all the decisions adopted by the single Noteholder in such capacity, and shall make it available, on demand, to any future Noteholder. A Representative shall be appointed when the Notes of a Series are held by more than one Noteholder.]

30. [Exclusion of option to request information enabling Noteholders to be identified as provided in Condition 1.1(a):

[Applicable] *(if option to request information enabling Noteholders to be identified as provided in Condition 1.1(a) is contemplated, delete this paragraph)*

31. Notes capable of being retained in accordance with Condition 6.7:

[Applicable/Not Applicable]

32. Conversion into euros

[Not applicable/ The aggregate nominal amount of the Notes issued has been converted into euros at a rate of [●], i.e. a sum of [●].]

(Only applicable to Notes which are not denominated in euros.)

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[(Relevant third party information) has been extracted from (specify source)].* The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to verify based on data published by *(specify source)*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]⁵⁹

Signed on behalf of the Issuer:

By:

Duly authorised

⁵⁹ To be included if information coming from third parties appears in the Final Terms

PART B

OTHER INFORMATION

1. ADMISSION TO TRADING

- (a) Admission to trading: [A request for admission of the Notes to trading on [Euronext Paris/other (*specify*)] as from [●] has been made by the Issuer (or on its behalf).]

[A request for admission of the Notes to trading on [Euronext Paris/other (*specify*)] as from [●] shall be made by the Issuer (or on its behalf).]

[Not Applicable]

- (b) Regulated Markets or similar markets on which, to the Issuer's best knowledge, Notes of the same category as the Notes are already admitted to trading: [[●]/Not Applicable]
- (Where documenting a fungible issue specify that original securities are already admitted to trading.)*

- (c) Total estimated costs relating to admission to trading: [[●]/Not Applicable]

2. RATINGS AND CONVERSION INTO EUROS

Ratings: The Programme has been assigned a Aa3 rating by Moody's France S.A.S. (**Moody's**) and a rating AA- by S&P Global Ratings Europe Limited (**S&P**).

At the date of this Base Prospectus, Moody's and S&P are rating agencies established in the European Union and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council dated 16 September 2009 relating to credit rating agencies as amended (the **CRA Regulation**) and are included on the list of rating agencies published on the website of the European Financial Markets Authority (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

The Notes to be issued [shall be/will be] assigned the following rating:

[●: [●]]

[[Other]: [●]]

(The rating assigned to the Notes issued under the Programme must be specified above or, if an issue of Notes has been assigned a specific rating, such specific rating

should be specified above. Give a brief indication of this rating if it has already been published by the assigning agency.)

3. [NOTIFICATION]

[The *Autorité des marchés financiers* has been requested to provide/The *Autorité des marchés financiers* has provided (use the first alternative for Notes issued contemporaneously with the updating of the Programme and the second alternative for subsequent issues)] to (insert the name of the relevant authority in the host member State) [a] certificate[s] of approval certifying that the prospectus and the supplement[s] [has]/[have] been prepared in accordance with the Prospectus Regulation.]]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]

The purpose of this section is to describe any interest, including any conflict of interest that may have a material impact on the issue of Notes, identifying each person concerned and the nature of such interest. This may be satisfied by inserting the following statement:

["Except the commissions related to the issue of Notes [and the expenses relating to [*insert details of expenses*]] paid to Dealers, so far as the Issuer is aware, no other person involved in the issue of Notes has any interest material to the issue. Dealers and their affiliates have been engaged and may be engaged in investment banking and/or commercial banking transactions with the Issuer or the Guarantors, and may perform other services for it in the ordinary course of business."]

5. REASONS FOR THE OFFER, USE OF PROCEEDS

(a) Reasons for the Offer: /[The net proceeds of the issue of Notes are intended to finance the activities conducted by the Issuer in accordance with its corporate objects]/[Sustainable Bonds]

(*If necessary, describe any specific Eligible Categories and include any necessary additional information*)

[(See Section "Use of Proceeds" of the Base Prospectus – If the proposed use of proceeds is different than described, specify here the reasons for the offer.)]

(b) Estimated net proceeds:

(If the proceeds are to be applied towards several uses, provide a breakdown and order of priority. If the proceeds are insufficient to finance all planned uses, specify the amount and sources of other financing. Specify whether the proceeds are intended to finance environmental and social projects)

(c) Estimated total expenses⁶⁰:

(A breakdown of the expenses for each planned main "use" must be provided and presented in order of priority.)

⁶⁰ Information not required in the case of an issue of notes of more than €100,000.

6. [FIXED RATE NOTES ONLY - YIELD]

Yield: [●] per annum.
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. [FLOATING RATE NOTES ONLY – PERFORMANCE OF INTEREST RATES]

Details of the performance of interest rates [EURIBOR, €STR, SONIA, SOFR, CMS Rate, LIBOR] that may be obtained from [●], [but not] free of charge, from [●]/[Include electronic means by which performance can be obtained]]

[Benchmark: The amounts payable in respect of the Notes may be calculated by reference [to EURIBOR / the CMS Rate/ LIBOR] as supplied by [●]. As of [●], [●] [is / is not] entered on the register of administrators and benchmarks established and maintained by the European Financial Markets Authority in accordance with article 36 of Regulation (EU) 2016/1011.] [To the Issuer's knowledge, the transitional provisions of Article 51 of the Benchmark Regulation apply such that [●] is not currently obliged to obtain permission or registration (or, if situated outside the European Union, recognition, approval or equivalence).]

8. DISTRIBUTION

If syndicated, names [and addresses]⁶¹ of the [Not applicable/give names]
Managers:

(a) Stabilising Manager(s) (if any):

[Not applicable/give names]

(b) Underwriting commitments of [●]⁶²
the Manager(s):

(c) Date of the Subscription [●]⁶³
Agreement:

If non-syndicated, names [and addresses]⁶⁴ of
the Dealer: [Not applicable/give names]

U.S. Selling restrictions: [Regulation S Compliance Category 1; TEFRA C / TEFRA D / Not applicable] (TEFRA are not applicable to Dematerialised Notes)

Non-exempt Offer: [Not applicable] / [An offer of Notes may be made by Dealers] [and (specify names of the

⁶¹ The address must be specified in the case of an issue of notes under €100,000 when the relevant Dealer is not a Permanent Dealer.

⁶² Information not required in the case of an issue of notes of more than €100,000.

⁶³ Information not required in the case of an issue of notes of more than €100,000.

⁶⁴ The address must be specified in the case of an issue of notes under €100,000 when the relevant Dealer is not a Permanent Dealer.

*other financial intermediaries/dealers which realise non-exempt offers, if it is known OR consider a generic description of the other parties involved in the non-exempt offers in France or in Luxembourg during the Offer Period, if it is not known)] (together with the Dealers, the **Financial Intermediaries**) if applicable)] other than pursuant to article 1(4) of the Prospectus Regulation [in France / [and] in Luxembourg] during the period from [●] [specify the date] to [●] (*specify the date or wording such as "Issue Date" or "the Date which occurs [●] business days following this date"*) (the **Offer Period**). For more details, see paragraph 10 of Part B.*

(N.B. Consider all local regulatory requirements which shall be respected in order to implement a non-exempt offer in France or in Luxembourg. Such offer shall not be implemented in France or in Luxembourg until those requirements are respected.).

9. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) Name and address of entities that have firmly undertaken to act as intermediaries on the secondary market and ensure liquidity by buying / selling, and a description of the main terms of their undertaking: [[●]/Not applicable]
- (d) Depositary(ies): [[●]/Not Applicable]
- (i) Euroclear France acting as Central Depositary: [Yes/No]
- (ii) Common Depositary for Euroclear and Clearstream: [Yes/No]
- (e) Any clearing system other than Euroclear France, Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (f) Delivery: Delivery [against/free of payment]
- (g) Names and addresses of initial Paying Agents appointed for the Notes: [●]
- (h) Names and addresses of additional [●]

Paying Agents appointed for the Notes:

10. [NON-EXEMPT OFFERS TO THE PUBLIC

- a) Conditions to which the offer is subject: [Not Applicable/(*give details*)]
- b) Total amount of the offer. If the amount has not been fixed, maximum amount intended to be offered and conditions and timetable for public announcement of the final amount: [[●]/Not Applicable/(*specify*)]
- c) Specify the time period, mentioning any possible modification, during which the offer will be open and describe the application process: [Not Applicable/(*give details*)]
- d) Information on the minimum and/or maximum subscription amount: [Not Applicable/(*give details*)]
- e) Description of option to reduce the amount of the offer and the method for reimbursing overpayments made by subscribers: [Not Applicable/(*give details*)]
- f) Information on method and cut-off date for payment for and delivery of the Notes: [Not Applicable/(*give details*)]
- g) Procedure and date for publication of the results of the offer: [Not Applicable/(*give details*)]
- h) Procedure for exercise of any preferential rights, negotiability of subscription rights and treatment reserved for unexercised subscription rights: [Not Applicable/(*give details*)]
- i) Categories of prospective investors to which the Notes are offered [Not Applicable/(*give details*)]
- j) If the offer is made in the same time on markets located in different countries, and if a tranche has been reserved or is reserved to some investors, specify what the tranche is: [Not Applicable/(*give details*)]
- k) Procedure for notification to subscribers of their allocations and indication of whether the distribution can begin prior to notification: [Not Applicable/(*give details*)]

11. [DETERMINATION OF PRICE (NON-EXEMPT OFFER TO THE PUBLIC)]⁶⁵

(a) Provisional price at which the Notes are offered: [Not Applicable/(give details)]

(b) Method for determining price and publication procedure: [Not Applicable/(give details)]

(c) Amount of any fee or tax chargeable to the subscriber or purchaser: [Not Applicable/(give details)]

12. PLACEMENT AND UNDERWRITING⁶⁶

Issuer consent in order to use the Base Prospectus during the Offer Period: [Not applicable/ Applicable to any Authorised Institutions indicated below]

Authorised Institution(s) in the different countries where the offer takes place: Not applicable/Name(s) and address(es) and, if relevant, LEI of financial intermediaries authorised by the Issuer in order to act as Authorised Institution(s) / Any financial intermediary which satisfies the conditions set out below in section "Conditions relating to the Issuer's consent to the use the Base Prospectus"]

Conditions relating to the Issuer's consent to the use the Base Prospectus: [Not applicable/ Specify any clear and objective condition, other than those indicated on page [●] of the Base Prospectus, relating to consent and relevant to use of the Base Prospectus.]

Name and address of intermediaries responsible for fiscal agency and depositaries in each country (in addition to the Paying Agent): [●]

Entities that have agreed to underwrite the offer and entities that have agreed to place the Notes without any underwriting commitment or pursuant to a "best efforts" (*placement pur compte*) agreement, terms of the agreements entered into, including quotas (if the whole amount of the issue is not underwritten, specify the portion underwritten), total amount of underwriting fee (underwritten offer): [●]

⁶⁵ Information required in case of issue of notes of less than €100,000

⁶⁶ Information required in case of issue of notes of less than €100,000.

ANNEX 1 – [SUMMARY OF THE ISSUE]⁶⁷

[●]

⁶⁷ Insert only for issues of Notes of less than €100,000.

GENERAL INFORMATION

1. The Issuer has obtained all consents, approvals and authorisations necessary in France in connection with the update of the Programme. Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires a prior decision of the Executive Board (Directoire). The Issuer's Supervisory Board which met on 12 December 2019 set the maximum issuance amount of Notes during the year 2020 at 1.2 billion euros. The Issuer's Executive Board which met on 16 December 2019 authorised, for a period of one year expiring on 16 December 2020, the issuance of Notes up to a maximum amount of 1.2 billion euros.
2. The provision of the ST Guarantee by ST has been authorised by decisions of the Board of Directors of ST dated 5 June and 18 November 2014. The decision of the Board of Directors dated 28 September 2018 has increased the maximum cap for the ST Guarantee from 5,000,000,000 euros to 10,000,000,000 euros.
3. The Legal Entity Identifier of the Issuer is : 969500NMI4UP00IO8G47. The Legal Entity Identifier of ST is: 99695002K2HDLD20JU790;
4. The Base Prospectus has been approved by the Autorité des Marchés Financiers (AMF) which has assigned approval no. 20-244 on 9 June 2020 in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF has approved the Base Prospectus having verified that the information contained therein is complete, coherent and comprehensible within the meaning of the Prospectus Regulation. Such approval should not be considered as a favourable opinion on the Issuer or on the quality of the Notes issued under the Base Prospectus. Investors are invited to make their own assessment of the appropriateness of investing in the relevant notes.
5. Except as mentioned in the "Risk Factors" and "Recent Events" sections of this Base Prospectus relating to the Covid-19 pandemic, no material change to the financial situation or financial performance of the Issuer has occurred since 31 December 2019 and no material change in the financial situation or financial performance of ST has occurred since 31 December 2019.
6. Except as mentioned in the "Risk Factors" and "Recent Events" sections of this Base Prospectus relating to the Covid-19 pandemic, there has been no material adverse change in the prospects of the Issuer since 31 December 2019, and there has been no material adverse change in ST's prospects since 31 December 2019.
7. An application for admission to trading on Euronext Paris or on the Luxembourg Stock Exchange will be made if required. Application has been made for the delivery by the *Autorité des Marchés Financiers* of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation to the *Commission de Surveillance du Secteur Financier* (CSSF) as competent authority in Luxembourg for the purposes of the Prospectus Regulation. In compliance with the Prospectus Regulation, such notification may be made to any other competent authority of any other member state of the EEA.
8. This Base Prospectus and any supplements will be published on the websites of (a) the AMF (www.amf-france.org), (b) the Issuer (www.agence-france-locale.fr) and (c) any other relevant regulatory authority and shall be available for inspection and obtaining copies, free of charge, during normal office hours, on any weekday (except Saturdays, Sundays and public holidays) at the offices of the Fiscal Agent or the Paying Agents. The documents incorporated by reference in the Base Prospectus will be published on the website of the Issuer (www.agence-france-locale.fr). So long as any Notes are admitted to trading on a regulated market in the EEA, the United Kingdom or offered to the public to investors other than qualified investors in a member State other than France, in each

case in accordance with the Prospectus Regulation, the relevant Final Terms shall be published on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuer (www.agence-france-locale.fr).

9. During the twelve (12) months preceding the date of this Base Prospectus, there have not been any administrative, legal or arbitration proceedings (including any proceedings pending or threatened that the Issuer is aware of) involving the Issuer, that may have or have recently had a material effect on the financial position or profitability of the Issuer. During the twelve (12) months preceding the date of this Base Prospectus, there have not been any administrative, legal or arbitration proceedings (including any proceedings pending or threatened that the Issuer is aware of) involving the Guarantor that may have or have recently had a material effect on the financial position or profitability of the Guarantor.
10. An admission application of the Notes for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France), Euroclear (boulevard du Roi Albert II – 1210 Brussels – Belgium) and Clearstream (42 avenue JF Kennedy – 1885 Luxembourg – Grand-Duchy of Luxembourg) may be made. The Common Code and ISIN number (International Securities Identification Number) or the identification number of any other relevant clearing system for each Series of Notes shall be specified in the applicable Final Terms.
11. So long as any Notes issued under this Programme remain outstanding, copies of the following documents shall be available, upon publication, free of charge, on the Issuer's website (www.agence-france-locale.fr) or during normal office hours, on any weekday (except Saturdays, Sundays and public holidays) at the specified office of the Fiscal Agent and the Paying Agents:
 - (a) the Fiscal Agency Agreement (which includes the form of accounting letter (*lettre comptable*), the Temporary Global Certificates, Physical Notes, Coupons, Receipts and Talons);
 - (b) all Final Terms relating to any Notes admitted to trading on Euronext Paris or any other regulated market or offered to the public to investors other than qualified investors in a Member State of the EEA or the United Kingdom;
 - (c) a copy of this Base Prospectus and of any supplement to this Base Prospectus or any new base prospectus;
 - (d) Issuer's IFRS Annual Accounts 2018;
 - (e) Issuer's IFRS Annual Accounts 2019;
 - (f) Issuer's French GAAP Annual Accounts 2018;
 - (g) Issuer's French GAAP Annual Accounts 2019;
 - (h) ST's Consolidated Accounts 2018; and
 - (i) ST's Consolidated Accounts 2019.

For the duration of this Base Prospectus, copies of the following documents will be available on the Issuer's website (www.agence-france-locale.fr):

- (a) The Issuer's and ST's articles of association (*Statuts*); and
- (b) all reports, correspondence and other documents, appraisals and statements issued by any expert at the request of the Issuer, any extracts of which, or references to which, are contained in this Base Prospectus relating to any issue of Notes.

12. The price and the amount of the Notes issued within the Programme shall be determined by the Issuer and each relevant Dealer at the time of the issue in accordance with the market conditions.
13. For any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes shall be specified in the relevant Final Terms. The yield shall be calculated at the Issue Date of the Notes on the basis of the Issue Price and shall not be an indication of future yields.
14. KPMG Audit FS I (replaced as from the 2020 financial year by KPMG S.A., Tour Eqho 2, avenue Gambetta 92066 Paris, la Défense CEDEX) and Cailliau Dedouit et Associés (19, rue Clément Marot, 75008 Paris) are the auditors of the Issuer and ST for the years ended 31 December 2018 and 31 December 2019. KPMG Audit FS I is a member of the *Compagnie régionale des commissaires aux Comptes de Versailles*. Cailliau Dedouit et Associés is a Member of the *Compagnie régionale des commissaires aux Comptes de Paris*. KPMG Audit FSI and Cailliau Dedouit et Associés have reviewed the financial statements of the Issuer and of ST for the financial year ends 31 December 2018 and 31 December 2019 and their related audit reports do not contain any reservations.
15. In connection with the issue of any Tranche, any of the Dealers may act as stabilisation manager (the **Stabilisation Manager**). The entity acting as Stabilisation Manager shall be specified in the relevant Final Terms. For the purposes of an issue, the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) may over-allot Notes or take action with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail in the absence of such action (the **Stabilisation Measures**). However, such Stabilisation Measures may not necessarily take place. Such Stabilisation Measures may only commence after the date on which the Final Terms of the issue of the relevant Tranche have been made public and, once commenced, may cease at any time and must end no later than the earlier of the following two dates: (a) thirty (30) calendar days after the issue date of the relevant Tranche and (b) sixty (60) calendar days after the date of allotment of the Notes of the relevant Tranche. Any Stabilisation Measures taken must comply with all applicable laws and regulations.
16. Amounts payable under the Notes may be calculated by reference to one or more benchmarks for the purposes of Regulation (EU) 2016/1011 of the European Parliament and Council dated 8 June 2016 (the **Benchmark Regulation**). In such case, a statement shall be included in the relevant Final Terms to indicate whether the benchmark administrator appears in the register of administrators maintained by ESMA under Article 36 of the Benchmark Regulation or whether, to the Issuer's knowledge, the transitional provisions of Article 51 of the Benchmark Regulation apply.
17. Information derived from third parties and appearing in this Base Prospectus has been faithfully reproduced and, so far as the Issuer is aware and has been able to verify based on data published by such third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.
18. Unless such information has been incorporated by reference in this Base Prospectus, the information appearing on the websites mentioned in this Base Prospectus does not form part of this Base Prospectus, has not been examined or approved by the competent authority and is provided for information purposes only.

RESPONSIBILITY FOR THE BASE PROSPECTUS

1. PERSONS ASSUMING RESPONSIBILITY FOR THIS BASE PROSPECTUS

Mr Yves Millardet, President of the Executive Board of the Issuer

Mr Olivier Landel, Chief Executive Officer of ST

2. RESPONSIBILITY STATEMENT

"I confirm, having taken all reasonable care to ensure that such is the case, that the information contained in this Base Prospectus is, to my knowledge, in accordance with the facts and contains no omission likely to affect its import."

Mr Yves Millardet, President of the Executive Board of the Issuer

Paris, 9 June 2020

"I confirm, having taken all reasonable care to ensure that such is the case, that the information contained in this Base Prospectus is, to my knowledge, in accordance with the facts and contains no omission likely to affect its import."

Mr Olivier Landel, Chief Executive Officer of ST

Paris, 9 June 2020

3. PERSON ASSUMING RESPONSIBILITY FOR THE FINANCIAL INFORMATION

Thiébaud Julin, Chief Financial Officer, Member of the Issuer's Executive Board

Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon

Telephone: + 33 (0) 4 81 11 29 33

Facsimile: +33 (0) 4 81 11 29 20

Thiebaut.julin@agence-France-locale.fr

www.agence-france-locale.fr



The Base Prospectus has been approved by the AMF, as competent authority for the purposes of Regulation (EU) n°2017/1129. The AMF approves this Base Prospectus having verified that the information contained therein is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

Such approval should not be considered as a favourable opinion on the Issuer nor on the quality of the Notes issued under the Base Prospectus. Investors are invited to make their own assessment of the appropriateness of investing in the relevant Notes.

The Base Prospectus was approved on 9 June 2020 and is valid for a period of 12 months after such approval, namely until 9 June 2021, and shall, during this period and, as provided in article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Base Prospectus in the event of material new facts or significant errors or inaccuracies.

The Base Prospectus bears the following approval number: 20-244.

Issuer

Agence France Locale
Tour Oxygène
10-12, boulevard Vivier Merle
69003 Lyon
France

Guarantor

Agence France Locale – Société Territoriale
41, quai d'Orsay
75007 Paris
France

Arrangers

HSBC France
103, avenue des Champs Elysées
75008 Paris
France

Natixis
30, avenue Pierre Mendès-France
75013 Paris
France

Dealers

BNP Paribas
16 boulevard des Italiens
75009 Paris
France

**Citigroup Global Markets
Europe AG**
Reuterweg 16
60323 Frankfurt am Main
Germany

**Citigroup Global Markets
Limited**
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

**Crédit Agricole Corporate and
Investment Bank**
12, place des Etats-Unis –
CS 70052
92547 Montrouge
France

**Daiwa Capital Markets Europe
Limited**
5 King William Street
London EC4N 7AX
United Kingdom

HSBC France
103, avenue des Champs Elysées
75008 Paris
France

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Natixis
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75013 Paris
France

Société Générale
29, boulevard Haussmann
75009 Paris
France

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company**
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Dublin 2
D02 RF29
Ireland

The Toronto-Dominion Bank
60 Threadneedle Street
London EC2R 8AP
United Kingdom

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services

9, rue du Débarcadère
93500 Pantin
France

Attention: Corporate Trust Services Dette
Email: paris.bp2s.gct.debt.france@bnpparibas.com

Operational notifications:
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Corporate Trust Services
60, avenue J.F. Kennedy
L-2085; Luxembourg

Attention: Lux Emetteurs/Lux GCT
Telephone: +352 26 96 20 00
Fax: +352 26 96 97 57
Email: lux.emetteurs@bnpparibas.com; lux.gct@bnpparibas.com

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to the Issuer

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to the Dealers

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75008 Paris
France

Auditors of the Issuer

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Tour Egho
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92066 Paris La Défense CEDEX
France

Cailliau Dedouit et Associés
19, rue Clément Marot
75008 Paris
France

IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH LANGUAGE "PROSPECTUS DE BASE" SHALL PREVAIL.