

Final Terms dated 7 February 2007



**DEXIA MUNICIPAL AGENCY
(the "Issuer")**

Euro 75,000,000,000
Euro Medium Term *Note* Programme
for the issue of *Obligations Foncières*

Due from one month from the date of the original issue

**SERIES NO: 115
TRANCHE NO: 5**

EUR 500,000,000 3.5 per cent. *Obligations Foncières* due September 2009 to be assimilated (*assimilables*), upon listing, and form a single series with the existing Euro 1, 000,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 21 September 2004 as Tranche 1 of Series 115 and Euro 200,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 23 June 2005 as Tranche 2 of Series 115, Euro 250,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 10 February 2006 as Tranche 3 of Series 115 and EUR 250,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 2 November 2006 as Tranche 4 of Series 115

Issue Price: 98.498 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount corresponding to accrued interest at a rate of 1.352 per cent. of the Aggregate Nominal Amount of the Tranche for the period from, and including, 21 September 2006 to, but excluding, 9 February 2007

SOCIETE GENERALE

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated 9 July 2004 registered by the *Autorité des marchés financiers* under registration number P04-141 of 8 July 2004 issued in relation to the Euro 45,000,000,000 Euro Medium Term Note Programme of Dexia Municipal Agency for the issue of *Obligations Foncières* (the “**Offering Circular**”). This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 21 July 2006 and the supplements to the Base Prospectus dated 4 October 2006 and 12 December 2006, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular and are attached hereto. Full information on the Issuer and the offer of the *Obligations Foncières* is only available on the basis of the combination of these Final Terms, the Offering Circular, the Base Prospectus dated 21 July 2006 and the supplements to the Base Prospectus dated 4 October 2006 and 12 December 2006. The Base Prospectus and the supplements to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the Issuer (www.dexia-ma.com), on the website of the Luxembourg Stock Exchange, or otherwise in accordance with the provisions of Article 14 of the Prospectus Directive, and copies may be obtained from Dexia Municipal Agency, Tour Cristal, 7-11 Quai André Citroën, 75015 Paris, France.

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	115
	(ii) Tranche Number:	5
		The <i>Obligations Foncières</i> will, upon listing on Euronext Paris S.A. and the Luxembourg Stock Exchange, be assimilated (<i>assimilables</i>) and interchangeable for trading purposes and form a single series with the existing EUR 1,700,000,000 3.5 per cent. <i>Obligations Foncières</i> due September 2009
3	Specified Currency or Currencies:	Euro (“ EUR ”)
4	Aggregate Nominal Amount:	
	(i) Series:	EUR 2,200,000,000
	(ii) Tranche:	EUR 500,000,000
5	Issue Price:	98.498 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount corresponding to accrued interest at a rate of 1.352 per cent. of such Aggregate Nominal Amount corresponding to the period from, and including, 21 September 2006 to, but excluding, 9 February 2007.
6	Specified Denominations:	EUR 1,000
7	(i) Issue Date:	9 February 2007
	(ii) Interest Commencement Date:	21 September 2006

8	Maturity Date:	21 September 2009
9	Interest Basis:	3.5 per cent. per annum Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Call Options:	Not Applicable
13	(i) Status of the <i>Obligations Foncières</i> :	<i>Obligations Foncières</i>
	(ii) Dates of the corporate authorisations for issuance of the <i>Obligations Foncières</i> :	Decision of the <i>Directoire</i> of Dexia Municipal Agency dated 31 January 2007 deciding the issue of the <i>Obligations Foncières</i> and authorising Mr François Laugier, President or any of its <i>Directeurs Généraux</i> officers to sign and execute all documents in relation to the issue of the <i>Obligations Foncières</i>
14	Method of distribution:	Non-Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate <i>Obligation Foncière</i> Provisions	Applicable
	(i) Rate of Interest:	3.5 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	21 September in each year commencing on 21 September 2007 up to 21 September 2009
	(iii) Fixed Coupon Amount:	EUR 35 per EUR 1,000 in nominal amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction (Condition 5(a)):	Actual/Actual ICMA (formerly known as ISMA) unadjusted
	(vi) Determination Date(s) (Condition 5(a)):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate <i>Obligations Foncières</i> :	Not Applicable
16	Floating Rate Provisions	Not Applicable
17	Zero Coupon <i>Obligation Foncière</i> Provisions	Not Applicable
18	Index Linked Interest <i>Obligation Foncière</i> /other variable-linked interest <i>Obligations Foncières</i> Provisions	Not Applicable
19	Dual Currency <i>Obligation Foncière</i> Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20	Call Option	Not Applicable
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21	Other Option	Not Applicable
22	Final Redemption Amount of each <i>Obligation Foncière</i>	EUR 1,000 per <i>Obligation Foncière</i> of EUR 1,000 Specified Denomination
23	Early Redemption Amount Early Redemption Amount(s) of each <i>Obligation Foncière</i> payable on redemption for taxation reasons or on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions).	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

24	Form of <i>Obligations Foncières</i> :	Dematerialised <i>Obligations Foncières</i>
	(i) Form of Dematerialised <i>Obligations Foncières</i> :	Bearer dematerialised form (<i>au porteur</i>)
	(ii) Registration Agent	Not Applicable
	(iii) Temporary Global Certificate:	Not Applicable
	(iv) Applicable TEFRA exemption:	Not Applicable
25	Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:	Not Applicable
	(i) Adjusted Payment Date (Condition 7(h)):	Not Applicable
26	Talons for future Coupons or Receipts to be attached to definitive Materialised <i>Obligations Foncières</i> (and dates on which such Talons mature):	Not Applicable
27	Details relating to Partly Paid <i>Obligations Foncières</i> : amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay:	Not Applicable
28	Details relating to Instalment <i>Obligations Foncières</i> : amount of each instalment, date on which each payment is to be made:	Not Applicable
29	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
30	Consolidation provisions:	Not Applicable

<p>31 Representation of holders of <i>Obligations Foncières Masse</i> (Condition 10):</p>	<p>Holders of <i>Obligations Foncières</i> will be grouped automatically for the defence of their common interests in a <i>Masse</i>¹.</p> <p>The <i>Masse</i> will be governed by the provisions of the French <i>Code of commerce</i> with the exception of Articles L.228-47, L.228-48 and L.228-59 and by the decree no. 67-236 of 23 March 1967, with the exception of Articles 218, 222 and 224.</p> <p>The initial Representative will be: Antoine de Chauveron 29, avenue du Roule 92200 Neuilly-sur- Seine</p> <p>The alternative Representative will be: Laurent Vallery Radot 15, rue des Pins 92100 Boulogne</p> <p>The Representative will not be remunerated.</p>
<p>32 Other final terms:</p>	<p>Not Applicable</p>
<p>DISTRIBUTION</p>	
<p>33 (i) If syndicated, names and addresses of Managers and underwriting commitments:</p> <p>(ii) Date of Subscription Agreement:</p> <p>(iii) Stabilising Manager(s) (if any):</p>	<p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>
<p>34 If non-syndicated, name and address of Dealer:</p>	<p>Société Générale 17, Cours Valmy 92987 Paris La Defense Cedex</p>
<p>35 Total commission and concession:</p>	<p>Not Applicable</p>
<p>36 Additional selling restrictions:</p>	<p>FRANCE:</p> <p>Each of the Dealer and the Issuer has represented and agreed that:</p> <p>(i) it has not offered or sold and will not offer or sell, directly or indirectly, any <i>Obligations Foncières</i> to the public in</p>

¹ At the date of these Final Terms the *statuts* of the Issuer do not contemplate the right for a holder of an *Obligation Foncière* to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating holders of *Obligations Foncières*.

France;

- (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, its supplements, the Final Terms or any other offering material relating to the *Obligations Foncières*; and
- (iii) such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 to D.411-3 of the French Monetary and Financial Code, but excluding individuals referred to in Article D.411-1 II 2° of the French Monetary and Financial Code.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the Final Terms required to list the issue of *Obligations Foncières* described herein pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Dexia Municipal Agency.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Duly represented by:
Jean-Claude Synave

PART B – OTHER INFORMATION

1. RISK FACTORS

Not Applicable.

2. LISTING AND ADMISSION TO TRADING

(i) Listings: *Bourse de Luxembourg* (regulated market of the Luxembourg Stock Exchange) and *Eurolist* by Euronext Paris S.A. (regulated market of the Paris Stock Exchange)

(ii) Admission to trading: Application has been made for the *Obligations Foncières* to be admitted to trading on the *Eurolist* by Euronext Paris S.A. and on the *Bourse de Luxembourg* with effect from 9 February 2007.

The existing Euro 1,000,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 21 September 2004 as Tranche 1 of Series 115 and Euro 200,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 23 June 2005 as Tranche 2 of Series 115, Euro 250,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 10 February 2006 as Tranche 3 of Series 115 and Euro 250,000,000 3.5 per cent. *Obligations Foncières* due September 2009 issued on 2 November 2006 as Tranche 4 of Series 115 are already admitted to trading on the regulated market of the *Bourse de Luxembourg* and on *Eurolist* by Euronext Paris S.A.

3. RATINGS

Ratings: Applicable

The *Obligations Foncières* to be issued under the Programme are expected to be rated AAA by Standard & Poor's Rating Services, AAA by Fitch Ratings and Aaa by Moody's Investors Services, Inc.

4. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the privilege defined in article L.515-19 of the French Monetary and Financial Code, after settlement of this issue and of the issues which have been the subject of previous attestations.

5. NOTIFICATION

The *Commission de surveillance du secteur financier* in Luxembourg provided the *Autorité des marchés financiers* with a certificate of approval attesting that the Base Prospectus and the supplements to the Base Prospectus have been drawn up in accordance with the Prospectus Directive.

6. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

So far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer.

7. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: See "Use of proceeds" wording in the Base Prospectus.
- (ii) Estimated net proceeds: EUR 499,250,000 (including accrued interest)
- (iii) Estimated total expenses: Not Applicable

8. YIELD

Indication of yield: 4.111 per cent.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

9. OPERATIONAL INFORMATION

ISIN Code: FR0010114322
Common Code: 020094141

Depositories:

Euroclear France to act as
Central Depository Yes

Common Depository for
Euroclear Bank S.A./N.V. and
Clearstream Luxembourg No

Any clearing system(s) other than
Euroclear and Clearstream,
Luxembourg and the relevant
identification number(s): Not Applicable

Delivery: Delivery against payment

The Agents appointed in respect
of the *Obligations Foncières* are:

**Fiscal Agent, Principal Paying Agent and
Luxembourg Listing Agent:**

Dexia Banque Internationale à Luxembourg, société
anonyme

69, route d'Esch
L-1470 Luxembourg
Grand-Duchy of Luxembourg

Paying Agents:

Dexia Bank Belgium SA
44, boulevard Pachéco
B-1000 Brussels
Belgium

RBC Dexia Investor Services Bank France S.A. (formerly
known as Dexia Investor Services Bank France)
105, rue Réaumur
75002 Paris
France

Name and address of the
Calculation Agent:

Not Applicable

Names and addresses of
additional Paying Agent(s) (if
any):

Not Applicable

The aggregate principal amount
of *Obligations Foncières* issued
has been translated into Euro at
the rate of [currency] per euro
1.00, producing a sum of:

Not Applicable

ANNEX

TERMS AND CONDITIONS OF THE *OBLIGATIONS FONCIÈRES*

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Obligations Foncières. In the case of Dematerialised Obligations Foncières the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Pricing Supplement. In the case of Materialised Obligations Foncières, either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on definitive Bearer Materialised Obligations Foncières. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. References in the Conditions to “**Obligations Foncières**” are to the Obligations Foncières of one Series only, not to all Obligations Foncières that may be issued under the Programme.

The Obligations Foncières are issued by Dexia Municipal Agency (the “**Issuer**”) with the benefit of an amended and restated agency agreement dated 9 July 2004 between the Issuer, Dexia Banque Internationale à Luxembourg Société Anonyme as fiscal agent and the other agents named in it (the “**Amended and Restated Agency Agreement**”). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”.

References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

1 Form, Denomination, Title and Redenomination

(a) **Form:** *Obligations Foncières* may be issued either in dematerialised form (“**Dematerialised Obligations Foncières**”) or in materialised form (“**Materialised Obligations Foncières**”).

(i) Title to Dematerialised *Obligations Foncières* will be evidenced in accordance with Article L. 211-4 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article 7 of Decree No. 83-359 of 2 May 1983) will be issued in respect of the Dematerialised *Obligations Foncières*.

Dematerialised *Obligations Foncières* are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or a registration agent (designated in the relevant Pricing Supplement) acting on behalf of the Issuer (the “**Registration Agent**”).

For the purpose of these Conditions, “**Account Holder**” means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on

behalf of its customers with Euroclear France, and includes the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”).

- (ii) Materialised *Obligations Foncières* are issued in bearer form (“**Bearer Materialised Obligations Foncières**”). Definitive Bearer Materialised *Obligations Foncières* are serially numbered and are issued with coupons (the “**Coupons**”) (and, where appropriate, a talon (the “**Talon**”) attached, save in the case of Zero Coupon *Obligations Foncières* in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment *Obligations Foncières* are issued with one or more receipts (the “**Receipts**”) attached.

In accordance with Article L.211-4 of the French Code monétaire et financier securities (such as Obligations Foncières) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination:** *Obligations Foncières* shall be issued in the Specified Denomination(s) as set out in the relevant Pricing Supplement. Dematerialised *Obligations Foncières* shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised *Obligations Foncières* in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised *Obligations Foncières* in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to definitive Bearer Materialised *Obligations Foncières* and the Receipts, Coupons and Talons shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any *Obligation Foncière*, Receipt, Coupon 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 an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder**” means (i) in the case of Dematerialised *Obligations Foncières*, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such *Obligations Foncières* and (ii) in the case of Materialised *Obligations Foncières*, the bearer of any definitive Bearer Materialised *Obligation Foncière* and the Receipts, Coupons or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the *Obligations Foncières*.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Pricing Supplement), on any Interest Payment Date, without the consent of the holder of any *Obligation Foncière*, Receipt, Coupon or Talon, by giving at least 30 days’ notice in accordance with Condition 14 and on or after the date on which the European Member State in whose national currency the *Obligations Foncières* are denominated has become a participating Member State in the third stage (or any further stage) of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the “**EC**”, as amended from

time to time (the “**Treaty**”) or events have occurred which have substantially the same effects (in either case, “**EMU**”), redenominate all, but not some only, of the *Obligations Foncières* of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Pricing Supplement accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the “**Redenomination Date**”.

- (ii) Unless otherwise specified in the relevant Pricing Supplement, the redenomination of the *Obligations Foncières* pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each *Obligation Foncière* from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 123 (4) of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each *Obligation Foncière* using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the *Obligations Foncières* so determined shall be notified to holders of *Obligations Foncières* in accordance with Condition 14. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to holders of *Obligations Foncières* by the Issuer.
- (iii) In the case of Dematerialised *Obligations Foncières* only the Issuer may also redenominate all, but not some only, of the *Obligations Foncières* of any Series into Euro in accordance with Article L. 113-4 of the French *Code monétaire et financier* provided that references to the Franc or the ECU contained in such Article L. 113-4 shall be deemed to be a reference to the currency of any Member State participating in the third stage (or further stages) of the European Economic and Monetary Union.
- (iv) Upon redenomination of the *Obligations Foncières*, any reference in the relevant Pricing Supplement to the relevant national currency shall be construed as a reference to Euro.
- (v) Unless otherwise specified in the relevant Pricing Supplement, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 13, without the consent of the holder of any *Obligation Foncière*, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 13 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of *Obligations Foncières*, Receipts, Coupons and Talons and shall be notified to holders of *Obligations Foncières* in accordance with Condition 14 as soon as practicable thereafter.
- (vi) Neither the Issuer nor any Paying Agent shall be liable to the holder of any *Obligation Foncière*, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euros or any currency conversion or rounding effected in connection therewith.

2 Conversions and Exchanges of Obligations Foncières

- (a) Dematerialised *Obligations Foncières*
- (i) Dematerialised *Obligations Foncières* issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised *Obligations Foncières* in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
 - (ii) Dematerialised *Obligations Foncières* issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised *Obligations Foncières* in bearer dematerialised form (*au porteur*).
 - (iii) Dematerialised *Obligations Foncières* issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such *Obligations Foncières*, be converted into *Obligations Foncières* in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder shall be made in accordance with Article 4 of Decree No. 83-359 of 2 May 1983. Any such conversion shall be effected at the cost of such holder.

(b) Materialised *Obligations Foncières*

Bearer Materialised *Obligations Foncières* of one Specified Denomination may not be exchanged for Bearer Materialised *Obligations Foncières* of another Specified Denomination.

3 Status

The *Obligations Foncières* and, where applicable, any Receipts and Coupons relating to them constitute direct, unconditional and, pursuant to the provisions of Condition 4, secured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future *obligations foncières* of the Issuer (including the *Obligations Foncières* of all other Series) and other resources raised by the Issuer secured by the *privilège* (the "**Privilège**") referred to in Article L. 515-19 of the French *Code monétaire et financier* as described in Condition 4.

4 Privilège

- (a) The *Obligations Foncières* are secured by the *Privilège* (priority right of payment) created by Article L. 515-19 of the French *Code monétaire et financier*.
- (b) Pursuant to Article L. 515-19 of the French *Code monétaire et financier*, all amounts payable to the Issuer in respect of loans or assimilated receivables and securities referred to in Articles L. 515-14 to L. 515-17 of the French *Code monétaire et financier* and the forward financial instruments referred to in Article L. 515-18 of the French *Code monétaire et financier* (in each case after any applicable netting), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of *obligations foncières* (including the *Obligations Foncières*) issued by the Issuer and other resources raised by the Issuer pursuant to issue or subscription contracts referring to the *Privilège*.

It should be noted that not only *Obligations Foncières* benefit from the *Privilège*; other resources (such as loans and other securities) and derivative transactions for hedging *Obligations Foncières* and such other resources may also benefit from the *Privilège*.

- (c) Article L. 515-19 of the French *Code monétaire et financier* provides that, notwithstanding any legislative provisions to the contrary and in particular those contained in the French

Code of commerce relating to the prevention and amicable settlement of business difficulties and the judicial administration and liquidation of companies, the amounts due regularly under *obligations foncières* (including the *Obligations Foncières*) and other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer.

5 Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of euro, a day on which the TARGET system is operating (a **“TARGET Business Day”**) and/or
- (ii) 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 that currency and/or
- (iii) in the case of a specified currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any *Obligation Foncière* for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if **“Actual/365”** or **“Actual/Actual - ISDA”** is specified in the relevant Pricing Supplement, 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 (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/Actual - ISMA”** is specified in the relevant Pricing Supplement:
 - 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 (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified hereon or, if none is so specified, the Interest Payment Date

- (iii) if “**Actual/365 (Fixed)**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365
- (iv) if “**Actual/360**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Pricing Supplement, 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 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but 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 that includes that last day shall not be considered to be shortened to a 30-day month, or (b) 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 considered to be lengthened to a 30-day month)) and
- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Pricing Supplement, 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 12 30-day 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 30-day month)

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Pricing Supplement or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate *Obligations Foncières*, means the Fixed Coupon Amount or Broken Amount, as the case may be

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Pricing Supplement

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in Paris for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro

“Interest Payment Date” means the date(s) specified in the relevant Pricing Supplement

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the relevant Pricing Supplement

“ISDA Definitions” means the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Supplement

“Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (**“Reuters”**) and Moneyline Telerate (**“Moneyline Telerate”**)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate, subject to amendment in respect of Paris listed *Obligations Foncières*, as disclosed in the Pricing Supplement

“Rate of Interest” means the rate of interest payable from time to time in respect of the *Obligation Foncières* and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement

“Reference Banks” means the institutions specified as such in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

“Relevant Financial Center” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris

“Relevant Date” means, in respect of any *Obligation Foncière*, Receipt or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised *Obligations Foncières* if earlier) the date seven days

after that on which notice is duly given to the holders of such Materialised *Obligations Foncières* that, upon further presentation of the Materialised *Obligation Foncière*, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Pricing Supplement 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 in the interbank market in the Relevant Financial Centre and for this purpose “**local time**” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels time

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Pricing Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

“**Specified Currency**” means the currency specified as such in the relevant Pricing Supplement or, if none is specified, the currency in which the *Obligations Foncières* are denominated

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Pricing Supplement or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii)

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

- (b) **Interest on Fixed Rate *Obligations Foncières*:** Each Fixed Rate *Obligation Foncière* bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Pricing Supplement.

- (c) **Interest on Floating Rate *Obligations Foncières* and Index Linked Interest *Obligations Foncières*:**
- (i) Interest Payment Dates: Each Floating Rate *Obligation Foncière* and Index Linked Interest *Obligation Foncière* bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing

Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) Business Day Convention: If any date referred to in these Conditions 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 Business Day Convention specified is (A) 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 such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) 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 (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) Rate of Interest for Floating Rate *Obligations Foncières*: The Rate of Interest in respect of Floating Rate *Obligations Foncières* for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.
 - (A) ISDA Determination for Floating Rate *Obligations Foncières*

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

 - (a) the Floating Rate Option is as specified in the relevant Pricing Supplement
 - (b) the Designated Maturity is a period specified in the relevant Pricing Supplement and
 - (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Pricing Supplement.

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

(B) Screen Rate Determination for Floating Rate *Obligations Foncières*

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

(a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

(i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or

(ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date, subject to amendment in respect of Paris listed *Obligations Foncières*, as disclosed in the Pricing Supplement.

(b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be 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 Interest Determination Date, as determined by the Calculation Agent and

(c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall 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 commencing 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 Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) Rate of Interest for Index Linked Interest *Obligations Foncières*: The Rate of Interest in respect of Index Linked Interest *Obligations Foncières* for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the relevant Pricing Supplement.
- (d) **Zero Coupon *Obligations Foncières***: Where an *Obligation Foncière* the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date pursuant to an Issuer's option or, if so specified in the relevant Pricing Supplement, pursuant to Condition 6(d)(i) or otherwise and is not paid when due, the amount due and payable prior to the Maturity Date shall, unless otherwise provided in the relevant Pricing Supplement, be the Early Redemption Amount of such *Obligation Foncière*. As from the Maturity Date, the Rate of Interest for any overdue principal of such an *Obligation Foncière* shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(d)(i)) or to a rate specified in the Pricing Supplement.
- (e) **Dual Currency *Obligations Foncières***: In the case of Dual Currency *Obligations Foncières*, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating, a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.
- (f) **Partly Paid *Obligations Foncières***: In the case of Partly Paid *Obligations Foncières* (other than Partly Paid *Obligations Foncières* which are Zero Coupon *Obligations Foncières*), interest will accrue as aforesaid on the paid-up nominal amount of such *Obligations Foncières* and otherwise as specified in the relevant Pricing Supplement.
- (g) **Accrual of Interest**: Interest shall cease to accrue on each *Obligation Foncière* on the due date for redemption unless (i) in the case of Dematerialised *Obligations Foncières*, on such due date or (ii) in the case of Materialised *Obligations Foncières*, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding**:
- (i) If any Margin or Rate Multiplier is specified in the relevant Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) 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(ies) of such currency.

- (i) **Calculations:** The amount of interest payable in respect of any *Obligation Foncière* for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such *Obligation Foncière* by the Day Count Fraction, unless an Interest 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 *Obligation Foncière* for such period shall equal such Interest 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.
- (j) **Determination and Publication of Rates of Interest, Interest Amounts, Final 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 Interest Amounts in respect of each Specified Denomination of the *Obligations Foncières* for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of *Obligations Foncières*, any other Calculation Agent appointed in respect of the *Obligations Foncières* that is to make a further calculation upon receipt of such information and, if the *Obligations Foncières* are listed on a stock exchange and the rules of such exchange so require, such exchange 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 time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest 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.
- (k) **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 offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Pricing Supplement and for so long as any *Obligation Foncière* is outstanding (as defined below). 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 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 *Obligations Foncières*, references in these Conditions to the Calculation Agent shall be construed as

each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options 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 as aforesaid.

For the purpose of these Conditions, “**outstanding**” means, in relation to the *Obligations Foncières* of any Series, all the *Obligations Foncières* issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such *Obligations Foncières* to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised *Obligations Foncières* in bearer dematerialised form and in administered registered form, to the relevant Account Holder on behalf of the holder of *Obligations Foncières*, (ii) in the case of Dematerialised *Obligations Foncières* in fully registered form, to the account of the holder of *Obligations Foncières* and (iii) in the case of Materialised *Obligations Foncières*, to the Fiscal Agent and remain available for payment against presentation and surrender of Bearer Materialised *Obligations Foncières*, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised *Obligations Foncières* (i) those mutilated or defaced Bearer Materialised *Obligations Foncières* that have been surrendered in exchange for replacement Bearer Materialised *Obligations Foncières*, (ii) (for the purpose only of determining how many such Bearer Materialised *Obligations Foncières* are outstanding and without prejudice to their status for any other purpose) those Bearer Materialised *Obligations Foncières* alleged to have been lost, stolen or destroyed and in respect of which replacement Bearer Materialised *Obligations Foncières* have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more definitive Bearer Materialised *Obligations Foncières*, pursuant to its provisions.

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Pricing Supplement including any Issuer’s option in accordance with Condition 6(c), each *Obligation Foncière* shall be finally redeemed on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a *Obligation Foncière* falling within Condition 6(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments and Final Redemption:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Pricing Supplement) is extended pursuant to any Issuer’s option in accordance with Condition 6(c), each *Obligation Foncière* 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 Pricing

Supplement. The outstanding nominal amount of each such *Obligation Foncière* 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 *Obligation Foncière*, such proportion) (the “**Outstanding Nominal Amount**”) 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 *Obligations Foncières*, on the due date for such payment or (ii) in the case of Materialised *Obligations Foncières*, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (c) **Redemption at the Option of the Issuer, Exercise of Issuer’s Options and Partial Redemption:** If Call Option is specified in the relevant Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice in accordance with Condition 14 to the holders of *Obligations Foncières* (or such other notice period as may be specified in the relevant Pricing Supplement) redeem, or exercise any Issuer’s option (as may be described) in relation to, all or, if so provided, some, of the *Obligations Foncières* on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of *Obligations Foncières* shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must relate to *Obligations Foncières* of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Pricing Supplement and no greater than the maximum nominal amount to be redeemed specified in the relevant Pricing Supplement.

All *Obligations Foncières* in respect of which any such notice is given shall be redeemed, or the Issuer’s option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer’s option in respect of Materialised *Obligations Foncières*, the notice to holders of such Materialised *Obligations Foncières* shall also contain the numbers of the definitive Bearer Materialised *Obligations Foncières* to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of Dematerialised *Obligations Foncières*, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised *Obligations Foncières* in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised *Obligations Foncières* and, in such latter case, the choice between those Dematerialised *Obligations Foncières* that will be fully redeemed and those Dematerialised *Obligations Foncières* of any Series that will not be redeemed shall be made in accordance with Article 9 of Decree no. 83-359 of 2 May 1983 and the provisions of the relevant Pricing Supplement, subject to compliance with any other applicable laws and stock exchange requirements. In the case of a partial exercise of an Issuer’s option in respect of Dematerialised *Obligations Foncières* (other than for the purposes of the redemption), the option shall be exercised in the manner specified in the relevant Pricing Supplement.

So long as the *Obligations Foncières* are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the *Obligations Foncières*, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate

nominal amount of *Obligations Foncières* outstanding and, in the case of Materialised *Obligations Foncières* a list of any definitive Bearer Materialised *Obligations Foncières* drawn for redemption but not surrendered.

(d) **Early Redemption:**

(i) Zero Coupon *Obligations Foncières*:

(A) The Early Redemption Amount payable in respect of any Zero Coupon *Obligation Foncière*, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such *Obligation Foncière* pursuant to Condition 6(e) if so specified in the relevant Pricing Supplement shall be the Amortised Nominal Amount (calculated as provided below) of such *Obligation Foncière* unless otherwise specified in the relevant Pricing Supplement.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such *Obligation Foncière* shall be the scheduled Final Redemption Amount of such *Obligation Foncière* on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the *Obligations Foncières* if they were discounted back to their issue price on the Issue Date (the “**Amortisation Yield**”) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such *Obligation Foncière* upon its redemption pursuant to Condition 6(e) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such *Obligation Foncière* as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before 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 *Obligation Foncière* on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other *Obligations Foncières*: The Early Redemption Amount payable in respect of any *Obligation Foncière* (other than *Obligations Foncières* described in (i) above), upon redemption of such *Obligations Foncières* pursuant to Condition 6(e), if so provided in the relevant Pricing Supplement), shall be the Final Redemption Amount unless otherwise specified in the relevant Pricing Supplement.

(e) **No Redemption for Taxation Reasons:** If French law should require that payments of principal or interest in respect of any *Obligation Foncière* be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such *Obligation Foncière* will not, unless otherwise specified in the relevant Pricing Supplement, be redeemed early. If such early redemption is provided in the relevant Pricing Supplement, notice of such early redemption shall be given in accordance with Condition 14.

- (f) **Partly Paid *Obligations Foncières*:** Partly Paid *Obligations Foncières* will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Pricing Supplement.
- (g) **Purchases:** The Issuer shall have the right at all times to purchase *Obligations Foncières* (provided that, in the case of Materialised *Obligations Foncières*, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All *Obligations Foncières* purchased by or on behalf of the Issuer must be cancelled, in the case of Dematerialised *Obligations Foncières*, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Bearer Materialised *Obligations Foncières*, by surrendering Temporary Global Certificate or the definitive Bearer Materialised *Obligations Foncières* in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all *Obligations Foncières* redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised *Obligations Foncières*, all rights relating to payment of interest and other amounts relating to such Dematerialised *Obligations Foncières* and, in the case of Materialised *Obligations Foncières*, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any *Obligations Foncières* so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such *Obligations Foncières* shall be discharged.

7 Payments and Talons

- (a) **Dematerialised *Obligations Foncières*:** Payments of principal and interest in respect of Dematerialised *Obligations Foncières* shall (in the case of Dematerialised *Obligations Foncières* in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of *Obligations Foncières* and, (in the case of Dematerialised *Obligations Foncières* in fully registered form), to an account denominated in the relevant currency with a Bank designated by the holders of *Obligations Foncières*. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Bearer Materialised *Obligations Foncières*:** Payments of principal and interest in respect of Bearer Materialised *Obligations Foncières* shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative *Obligation Foncière*), Bearer Materialised *Obligations Foncières* (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Materialised *Obligations Foncières* are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have 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 *Obligations Foncières* in the manner provided above when due, (ii) 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 (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the holders of *Obligations Foncières* or Coupons in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Offering Circular relating to the Programme of *Obligations Foncières* of the Issuer. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any holder of *Obligation Foncière* or Coupon. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities provided that (A) so long as the *Obligations Foncières* are listed on the Luxembourg Stock Exchange and the rules applicable to that Stock Exchange so require, the Issuer will maintain a Paying Agent in Luxembourg, and (B) so long as the *Obligations Foncières* are listed on the Euronext Paris and the rules applicable to that Stock Exchange so require, the Issuer will maintain a Paying Agent in Paris (v) a Registration Agent, and (vi) such other agents as may be required by any other stock exchange on which the *Obligations Foncières* may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Materialised *Obligations Foncières* denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the *Obligations Foncières* of any Series pursuant to Condition 1(d) with a view to consolidating such *Obligations Foncières* with one or more other Series of *Obligations Foncières*, in accordance with Condition 13, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such *Obligations Foncières* and such other Series of *Obligations Foncières* to be so consolidated with such *Obligations Foncières*.

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

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Unless Bearer Materialised *Obligations Foncières* provide that the relative Coupons are to become void upon the due date for redemption of those *Obligations Foncières*, Bearer Materialised *Obligations Foncières* should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing

- unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If Bearer Materialised *Obligations Foncières* so provide, upon the due date for redemption of any such Bearer Materialised *Obligation Foncière*, unmatured Coupons relating to such *Obligation Foncière* (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Bearer Materialised *Obligation Foncière*, any unexchanged Talon relating to such *Obligation Foncière* (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Upon the due date for redemption of any Bearer Materialised *Obligation Foncière* that is redeemable in instalments, all Receipts relating to such Bearer Materialised *Obligation Foncière* having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (v) Where any Bearer Materialised *Obligation Foncière* that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those *Obligations Foncières* is presented for redemption without all unmatured Coupons, and where any Bearer *Obligation Foncière* is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (vi) If the due date for redemption of any Bearer Materialised *Obligation Foncière* is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant definitive Bearer Materialised *Obligation Foncière* Bearer Materialised. Interest accrued on a Bearer Materialised *Obligation Foncière* that only bears interest after its Maturity Date shall be payable on redemption of such *Obligation Foncière* against presentation of the relevant Bearer Materialised *Obligation Foncière*.
 - (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Materialised *Obligation Foncière*, 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 9).
 - (h) **Business Days for Payment:** If any date for payment in respect of any *Obligation Foncière*, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day, unless otherwise specified in the relevant Pricing Supplement (the "Adjusted Payment Date"), nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised *Obligations Foncières*, on which Euroclear

France is open for business or (ii) in the case of Materialised *Obligations Foncières*, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as “**Financial Centers**” in the relevant Pricing Supplement 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 relevant currency, 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 euro, which is a TARGET Business Day.

- (i) **Bank:** For the purpose of this Condition 7, “**Bank**” means a bank in the principal financial centre of the relevant currency or, in the case of euro, in a city in which banks have access to the TARGET System.

8 Taxation

- (a) **Tax exemption for *Obligations Foncières* issued or deemed to be issued outside France:** Interest and other revenues with respect to *Obligations Foncières* which, as may be specified in the relevant Pricing Supplement, are being issued or deemed to be issued outside the Republic of France benefit from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (general tax code) from deduction of tax at source. Accordingly such payments do not give the right to any tax credit from any French source.

As to the meaning of the expression “issued or deemed to be issued outside the Republic of France” see “Summary of the Programme - Taxation” above.

- (b) **No Additional Amounts:** If French law should require that payments of principal or interest in respect of any *Obligation Foncière*, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will not, unless otherwise provided in the relevant Pricing Supplement, be required to pay any additional amounts in respect of such deduction or withholding.
- (c) **Tax exemption for *Obligations Foncières* not issued or deemed to be issued outside France:** Interest and other revenues with respect to *Obligations Foncières* which, if so specified in the relevant Pricing Supplement, are not being issued or deemed to be issued outside the Republic of France only benefit from the exemption from deduction of tax at source provided by, and subject to the provisions of, Article 125 A III of the *Code Général des Impôts*, which requires *inter alia*, Certification of non-French residency.
- (d) **Certification of Non-Residency:** The holder of any *Obligation Foncière* shall be responsible for supplying certification of non-residency (a form of which shall be available at the specified offices of any of the Paying Agents or in such other form as may be required by the French tax authorities from time to time) to the Issuer or any Paying Agent in accordance with the provisions of Article 125 A III of the *Code Général des Impôts* and the Issuer shall not be responsible for any deduction or withholding in respect of any payment made under any *Obligation Foncière*, Receipt or Coupon resulting from the failure of such holder to submit such certification.

9 Prescription

Claims against the Issuer for payment in respect of the *Obligations Foncières*, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Representation of holders of Obligations Foncières

Except as otherwise provided by the relevant Pricing Supplement, holders of *Obligations Foncières* will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the “**Masse**”).

Except as otherwise provided by the relevant Pricing Supplement, the Masse will be governed by the provisions of the French Code of commerce with the exception of Articles L. 228-47, L. 228-48 and L. 228-59 and by the decree no. 67-236 of 23 March 1967, with the exception of Articles 218, 222 and 224 subject to the following provisions:

(a) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the holders of *Obligations Foncières* (the “**General Meeting**”).

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

(b) Representative

The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer;
- (ii) any entity holding at least 10 per cent. of the share capital of the Issuer or any entities at least 10 per cent. of the share capital of which is held by the Issuer;
- (iii) any entity guaranteeing all or part of the obligations of the Issuer;
- (iv) any member of the management board (*Directoire*) and supervisory board (*Conseil de Surveillance*), any Statutory Auditors, any employee, managers (*gérants*), general managers (*directeurs généraux*), members of the board of directors (*Conseil d'Administration*) (or their respective ascendants, descendants and spouses) of any entities referred to in (i), (ii) and (iii) above; and
- (v) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the Pricing Supplement. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the Representative of the single Masse of all Tranches in such Series.

The Representative will not be entitled to any remuneration in connection with its functions or duties.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting and except as provided by paragraph 1 of Article L. 515-31 of the French *Code monétaire et financier*,) have the power to take all acts of management necessary in order to defend the common interests of the holders of *Obligations Foncières*.

All legal proceedings against the holders of *Obligations Foncières* or initiated by them, must be brought by or against the Representative; except that, should judicial reorganisation or liquidation (*redressement ou liquidation judiciaire*) proceedings be commenced against the Issuer the Specific Controller shall file the proof of debt of all the creditors of the Issuer benefiting from the *Privilège* (including the holders of *Obligations Foncières*).

The Representative may not be involved in the management of the affairs of the Issuer.

(d) General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more holders of *Obligations Foncières*, holding together at least one-thirtieth of the principal amount of the *Obligations Foncières* outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the holders of *Obligations Foncières* may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 14.

Each holder of an *Obligation Foncière* has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify², videoconference or any other means of telecommunication allowing the identification of the participating holders of the *Obligations Foncières*. Each *Obligation Foncière* carries the right to one vote or, in the case of *Obligations Foncières* issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such *Obligation Foncière*.

(e) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the *Obligations Foncières*, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by holders of *Obligations Foncières*, nor authorise or accept a postponement of the date of payment of

² At the date of this Offering Circular the *statuts* of the Issuer do not contemplate the right for a holder of an *Obligation Foncière* to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating holders of the *Obligations Foncières*.

interest on or a modification of the terms of repayment of or the rate of interest on the *Obligations Foncières*, nor establish any unequal treatment between the holders of *Obligations Foncières*, nor decide to convert *Obligations Foncières* into shares.

General Meetings may deliberate validly on first convocation only if holders of *Obligations Foncières* present or represented hold at least a quarter of the principal amount of the *Obligations Foncières* then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by holders of *Obligations Foncières* attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.

(f) Information to holders of Obligations Foncières

Each holder of an *Obligation Foncière* or representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant holders of *Obligations Foncières* at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(g) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable on the *Obligations Foncières*.

(h) Single Masse

The holders of *Obligations Foncières* of the same Series, and the holders of *Obligations Foncières* of any other Series which have been assimilated with the *Obligations Foncières* of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the Representative of the single Masse of all Tranches in such Series.

11 Modifications

These Conditions may be amended, modified or varied in relation to any Series of *Obligations Foncières* by the terms of the relevant Pricing Supplement in relation to such Series.

12 Replacement of definitive Obligations Foncières, Receipts, Coupons and Talons

If, in the case of any Bearer Materialised *Obligations Foncières*, a definitive Bearer Materialised *Obligation Foncière*, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders of *Obligations Foncières*, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed definitive Bearer Materialised *Obligation Foncière*, Receipt, Coupon or Talon is subsequently presented for payment or, as the

case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such definitive Bearer Materialised *Obligations Foncières*, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced definitive Bearer Materialised *Obligations Foncières*, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the holders of *Obligations Foncières*, Receipts or Coupons create and issue further *Obligations Foncières* to be assimilated (*assimilées*) with the *Obligations Foncières* provided such *Obligations Foncières* and the further *Obligations Foncières* carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Pricing Supplement) and that the terms of such *Obligations Foncières* provide for such assimilation and references in these Conditions to “*Obligations Foncières*” shall be construed accordingly.
- (b) **Consolidation:** The Issuer may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the holders of *Obligations Foncières* in accordance with Condition 14, without the consent of the holders of *Obligations Foncières*, Receipts or Coupons, consolidate the *Obligations Foncières* of one Series with the *Obligations Foncières* of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other *Obligations Foncières* have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the *Obligations Foncières*.

14 Notices

- (a) Notices to the holders of Dematerialised *Obligations Foncières* in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) they are published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*). Provided that, so long as such *Obligations Foncières* are listed on any stock exchange(s) and the rules applicable to that stock exchange(s) require such publication, notices shall be valid if published in a daily newspaper with general circulation in the city(ies) where the stock exchange(s) on which such *Obligations Foncières* is/are listed which (x) in the case of Euronext Paris, is expected to be *La Tribune* (such notice shall be published in a leading economic and financial newspaper) and (y) in the case of the Luxembourg Stock Exchange, is expected to be *the Luxemburger Wort*.
- (b) Notices to the holders of Bearer Materialised *Obligations Foncières* and Dematerialised *Obligations Foncières* in bearer form shall be valid if published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*). Provided that, so long as such *Obligations Foncières* are listed on any stock exchange(s) and the rules applicable to that stock exchange(s) require such publication, notices shall be valid if published in a daily newspaper with general circulation in the city(ies) where the stock exchange(s) on which such *Obligations Foncières* is/are listed which (i) in the case of Euronext Paris, is expected to be *La Tribune* (such notice shall be published in a

leading economic and financial newspaper) and (ii) in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.

- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Materialised *Obligations Foncières* in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised *Obligations Foncières* (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the *Obligations Foncières* are for the time being cleared in substitution for the mailing and publication as required by Conditions 14(a), (b), (c) above; except that (i) so long as such *Obligations Foncières* are listed on any stock exchange(s) and the rules applicable to that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city(ies) where the stock exchange(s) on which such *Obligations Foncières* is/are listed and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published in a leading newspaper of general circulation in Europe

15 Governing Law and Jurisdiction

- (a) **Governing Law:** The *Obligations Foncières*, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any *Obligations Foncières*, Receipts, Coupons or Talons may be brought before any competent court in Paris.