



Final Terms dated 28 October 2011

**CADES
(CAISSE D'AMORTISSEMENT DE LA DETTE SOCIALE)
Issue of EUR 150,000,000 4.125 per cent. Notes due 2023 (the "Notes")
to be assimilated (*assimilées*) and form a single series with the existing
EUR 2,000,000,000 4.125 per cent. Notes due 2023 and
EUR 1,500,000,000 4.125 per cent. Notes due 2023
under the Euro 130,000,000,000 Debt Issuance Programme
of CADES (the "Issuer")**

SERIES NO: 301

TRANCHE NO: 3

Issue Price: 104.199 per cent. of the Aggregate Nominal Amount of the Tranche plus accrued interest at a rate of 2.23155738 per cent. of such Aggregate Nominal Amount for the period from, and including, 18 April 2011 to, but excluding, 2 November 2011

MANAGER

BNP PARIBAS

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 Base Prospectus dated 28 May 2010 which received from the *Autorité des marchés financiers* ("**AMF**") visa n°10-156 on 28 May 2010. This document constitutes the Final Terms of the Notes 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 30 May 2011 which received from the AMF visa n°11-193 on 30 May 2011 and the supplement to the Base Prospectus dated 13 October 2011 which received from the AMF visa n°11-452 on 13 October 2011, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated 28 May 2010 and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 30 May 2011 as supplemented. The Base Prospectus dated 30 May 2011 and the supplement dated 13 October 2011 are available for viewing on the AMF website and copies may be obtained from the Issuer.

1. Issuer: Caisse d'amortissement de la dette sociale
2. (i) Series Number: 301
(ii)Tranche Number: 3

The Notes will be assimilated (*assimilées*) and form a single series with the existing EUR 2,000,000,000 4.125 per cent. Notes due 2023 issued on 18 April 2011 and EUR 1,500,000,000 4.125 per cent. Notes due 2023 issued on 15 June 2011 (the "**Existing Notes**") as from the date of assimilation which is expected to be on or around the date which is 40 days after the Issue Date (*i.e.*, 12 December 2011) (the "**Assimilation Date**")
3. Specified Currency or Currencies: Euro ("**EUR**")
4. Aggregate Nominal Amount:
(i) Series: EUR 3,650,000,000
(ii) Tranche: EUR 150,000,000
5. Issue Price: 104.199 per cent. of the Aggregate Nominal Amount of the Tranche plus accrued interest at a rate of 2.23155738 per cent. of such Aggregate Nominal Amount for the period from, and including, 18 April 2011 to, but excluding, the Issue Date
6. Specified Denomination: EUR 1,000

7. (i) Issue Date: 2 November 2011
- (ii) Interest Commencement Date: 18 April 2011
8. Maturity Date: 25 April 2023
9. Interest Basis: 4.125 per cent. Fixed Rate
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. (i) Status of the Notes: Senior
- (ii) Date of Board approval for issuance of Notes obtained: Resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 28 April 2011 authorising the Issuer's borrowing programme and delegating all powers to issue notes to its *Président* and of the approval of the Issuer's borrowing programme by the Minister of the Economy, Finance and Industry dated 27 May 2011.
14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions Applicable
- (i) Rate of Interest: 4.125 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date: 25 April in each year commencing on 25 April 2012.
- There will be a first long coupon in respect of the first Interest Period, from, and including, the Interest Commencement Date up to, but excluding, 25 April 2012.
- (iii) Fixed Coupon Amount: EUR 41.25 per EUR 1,000 in nominal amount subject to the provisions of paragraph "Broken Amount(s)" below.
- (iv) Broken Amount(s): In respect of the first Interest Payment Date: EUR 42.04 per EUR 1,000 in nominal amount.
- (v) Day Count Fraction: Actual/Actual - ICMA
- (vi) Determination Dates: 25 April in each year
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

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|---|----------------|
| 16. Floating Rate Note Provisions | Not Applicable |
| 17. Zero Coupon Note Provisions | Not Applicable |
| 18. Index-Linked Interest
Note/other variable-linked
interest Note Provisions | Not Applicable |
| 19. Dual Currency Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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|---|--------------------------------------|
| 20. Call Option | Not Applicable |
| 21. Put Option | Not Applicable |
| 22. Final Redemption Amount of
each Note | EUR 1,000 per Specified Denomination |
| 23. Early Redemption Amount | Not Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. Form of Notes: | Dematerialised Notes |
| (i) Form of Dematerialised
Notes: | Bearer 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) or other
special provisions relating to
Payment Dates: | TARGET and Paris |
| 26. Talons for future Coupons or
Receipts to be attached to
Definitive Notes (and dates on
which such Talons mature): | No |
| 27. Details relating to Partly Paid
Notes: 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,
including any right of the Issuer
to forfeit the Notes and interest
due on late payment: | Not Applicable |

28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
29. Redenomination, renominatisation and reconventioning provisions: Not Applicable
30. Consolidation provisions: Not Applicable
31. *Masse*: Applicable
- The initial representative of the *Masse* is:
- Anne Besson-Imbert
c/o BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom
- The alternative representative of the *Masse* will be:
- Camille Munuera
c/o BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom
- The acting representative shall receive no remuneration.
32. Other final terms: Not Applicable
- DISTRIBUTION**
33. (i) If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
- (ii) Date of Subscription Agreement: 28 October 2011
- (iii) Stabilising Manager(s) (if any): Not Applicable
34. If non-syndicated, name and address of Dealer: **BNP Paribas**
10 Harewood Avenue
London NW1 6AA
United Kingdom
35. Total commission and concession: Not Applicable

36. Additional selling restrictions:

United States of America:

TEFRA rules are not applicable.

The Issuer is Category 2 for the purposes of Regulation S.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 130,000,000,000 Debt Issuance Programme of the Issuer.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: Patrice RACT MADOUX

Duly authorised



Patrice RACT MADOUX

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: Euronext Paris
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on Euronext Paris with effect from 2 November 2011.
- The Existing Notes are already listed and admitted to trading on Euronext Paris.
- (iii) Estimate of total expenses related to admission to trading: EUR 11,575 (listing fees)
- (iv) Regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading: Not Applicable

2. RATINGS

- Ratings: The Issuer has been rated:
S & P: AAA
Moody's: Aaa
Fitch: AAA
- Each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**") although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

- (i) Reasons for the offer: See "Use of Proceeds" in the Base Prospectus
- (ii) Estimated net proceeds: EUR 159,645,836.07
- (iii) Estimated total expenses: EUR 11,575

5. YIELD

Indication of yield: 3.668 per cent. per annum of the Aggregate Nominal Amount of the Tranche

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

6. OPERATIONAL INFORMATION

ISIN Code: FR0011138841 until the Assimilation Date and thereafter FR0011037001

Common Code: 069985106 until the Assimilation Date and thereafter 061882707

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *Société Anonyme* and the relevant identification number(s): Euroclear France S.A.

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Names and addresses of relevant Dealer(s): See § 34 of Part A.

Date of the Subscription Agreement: 28 October 2011

TERMS AND CONDITIONS OF THE NOTES

The Notes are the subject of an agency agreement dated 28 May 2010 between the Issuer, Citibank N.A, London, as, *inter alia*, fiscal agent and the other parties named in it (as amended and/or supplemented and/or restated as at the date of issue of the Notes (the "**Issue Date**"), the "**Agency Agreement**"). The fiscal agent, the paying agent(s), 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**", the "**Transfer Agent**", and the "**Calculation Agent(s)**". The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents. The material provisions of the Agency Agreement are incorporated in the Base Prospectus.

1. Form, Denomination, Title and Redenomination

- (a) *Form*: Notes may be issued either as Dematerialised Notes or Materialised Notes.
- (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-3 of the *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.
- Dematerialised Notes are issued, at the option of the Issuer, either (i) in bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France which shall credit the accounts of Account Holders, or (ii) in registered dematerialised form (*au nominatif*) and, in such case, at the option of the relevant Noteholders in either administered registered form (*au 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 the registration agent designated in the relevant Final Terms acting on behalf of the Issuer (the "**Registration Agent**").
- (ii) Materialised Notes are issued in bearer form. Materialised Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes 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 Notes are issued with one or more Receipts attached.
- (iii) In accordance with Article L.211-3 of the *Code monétaire et financier*, securities (such as the Notes) which are governed by French law and are in materialised form must be issued outside the French territory.
- (b) *Denomination(s)*: Notes shall be issued in Specified Denomination(s). Dematerialised Notes shall be issued in one Specified Denomination only.
- (c) *Title*:
- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of

Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.

- (ii) Title to Definitive Materialised Notes having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue 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 Note, 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 of Notes**", "**holder of any Note**" or "**Noteholder**" means (i) in the case of Dematerialised Notes, 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 Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Receipts, Coupons ("**Receiptholder**" and "**Couponholder**" being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) *Redenomination:*

The Issuer may (if so specified in the relevant Final Terms) without the consent of the holder of any Note, and, if applicable, Receipt, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 13, redenominate on any Interest Payment Date all, but not some only, of the Notes of any Series on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union ("**EMU**") in accordance with such arrangements as the Issuer may decide, after consultation with the Redenomination Agent, and the terms of which shall be included in any such notice given pursuant to Condition 13, or as more fully provided in the relevant Final Terms.

2. **Status**

The Notes and, if applicable, any Receipts and Coupons constitute (subject to Condition 3) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* among themselves and, save for those preferred by mandatory provisions of French law and subject to Condition 3, equally with all other present or future unsecured and unsubordinated obligations of the Issuer.

3. **Negative Pledge**

The Issuer undertakes that, so long as any of the Notes or, if applicable, Receipts or Coupons remain outstanding (as defined below), it shall not create on any of its present or future assets or revenues any mortgage, pledge or other encumbrance to secure any Publicly Issued External Financial Indebtedness of the Issuer unless the Issuer's obligations under the Notes or, if applicable, Receipts and Coupons shall also be secured by such mortgage, pledge or other encumbrance equally and rateably therewith.

"outstanding" means, in relation to Notes of any Series, all the Notes 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 Notes to the date for such redemption, and any interest payable after such date) have been duly paid as provided in Condition 6, (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 the Conditions, (e) in the case of Definitive Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

"Publicly Issued External Financial Indebtedness" is defined to mean any present or future marketable indebtedness represented by bonds, Notes or any other publicly issued debt securities (i) which are expressed or denominated in a currency other than euro or which are, at the option of the person entitled to payment thereof, payable in a currency other than euro and (ii) which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or other similar securities market.

4. Interest and Other Calculations

(a) Interest on Fixed Rate Notes:

Each Fixed Rate Note 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 (unless otherwise specified in the relevant Final Terms) on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, 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 Final Terms.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes:

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note 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 Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms 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 Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination, FBF Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.
 - (iv) *ISDA and FBF Definitions:* ISDA Definitions or FBF Definitions and *Additifs techniques* may be requested to the Calculation Agent, free of charge.
- (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms 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 Final Terms) 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:

1. the Floating Rate Option is as specified in the relevant Final Terms;
2. the Designated Maturity is a period specified in the relevant Final Terms; and
3. the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms 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 Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), "FBF Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a swap transaction (*Échange*) made pursuant to an FBF master agreement (*convention cadre FBF*) and the Interest and Currency Technical Annex (*Échange de conditions d'Intérêt ou de Devises – Additif Technique*) (the "**FBF Definitions**") and under which:

1. the Floating Rate is as specified in the relevant Final Terms, and
2. the Floating Rate Determination Date is as specified in the relevant Final Terms

For the purposes of this sub-paragraph (B), "Floating Rate", "Agent" and "Floating Rate Determination Date" are translations of the French terms "*Taux Variable*", "*Agent*" and "*Date de Détermination du Taux Variable*", respectively, which have the meanings given to those terms in the FBF *Additifs techniques*, and "FBF" means *the Fédération Bancaire Française*.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms 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:

1. if the source for the Floating Rate is a Screen Page, subject as provided below, the Rate of Interest shall be :
 - I. the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
 - II. the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date; or
 - III. if the source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Relevant Rates appear on the Screen 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 Business Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
2. if paragraph (x) above applies, 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 Reference Rate) 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.
3. Rate of Interest for Index Linked Interest Notes: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in

the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms

(c) *Rate of Interest on Zero Coupon Note*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)).

(d) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms or in a Supplement as the case may be.

(e) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

(f) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, 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 4 until, and including, whichever is the earlier of (i) the day on which all sums due in respect of the Notes are received by or on behalf of the relevant holder and (ii) the day of receipt by or on behalf of Euroclear France of all sums due in respect of the Notes (the "**Relevant Date**")

(g) *Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding*

- (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all 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 (b) 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 Final Terms, 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 countries of such currency.

(h) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note 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 Note 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.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Optional Redemption Amounts, Early Redemption Amounts, 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 quote or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain any 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, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules applicable to such exchange or other relevant authority so require, such exchange or the relevant authority 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 an 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 4(b), 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. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. 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.

(j) *Definitions*

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

"Amortised Face Amount" means the amount determined as described in paragraph 5 (b) of the Terms and Conditions of the Notes.

"Business Centre" means, with respect to any Floating Rate to be determined in accordance with a screen rate determination on an Interest Determination Date, the business centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected, (which, in the case of EURIBOR, shall be the Euro-zone).

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the Target System is operating (a "**TARGET Business Day**") and/or
- (iii) in the case of a currency and/or one Business Centre 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 or, if no currency is specified, generally in each of the Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note 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 Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (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/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- (iii) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 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

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 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)
- (vi) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (vii) if "**Actual/Actual-ISMA**" is specified in the relevant Final Terms,
 - (a) 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
 - (b) 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.

"Determination Date" means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

"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 Final Terms 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 Notes, 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 Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two TARGET Business Days for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (iii) the day falling two Business Days in the city specified in the relevant Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Euro.

"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.

"Specified Interest Payment Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

"Screen Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Markets 3000 ("Reuters") and Bridge/Telerate ("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.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

"Reference Banks" means the institutions specified as such in the relevant Final Terms 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 Reference Rate (which, if EURIBOR is the relevant Reference Rate, shall be the Euro-zone).

"Reference Rate" means the reference rate specified in the relevant Final Terms for the purposes of calculating the Relevant Rate in respect of Floating Rate Notes.

"Relevant Rate" means the Reference Rate for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Reference Rate) 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 Business Centre specified in the relevant Final Terms or, if none is specified, the local time in the Business 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 Business Centre and for this purpose "local time" means, with respect to Europe and the Euro-zone as a Business 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 Final Terms 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 Final Terms or, if none is specified, the currency in which the Notes are denominated.

"Specified Duration" means, with respect to any Floating Rate to be determined on in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b).

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

(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 Business Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 3 "Negative Pledge" above). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Business Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, 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 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).

5. **Redemption, Purchase and Options**

(a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified

in the relevant Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(c) or 5(d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(c) or 5(d), each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) *Early Redemption*

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note that does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Redemption Amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face 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 Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

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 in the relevant Final Terms.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms.

(c) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date at the relevant Optional Redemption Amount on the Issuer's giving not less than 5 nor more than 90 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date at the Optional Redemption Amount plus accrued interest (if any) to such date).

(i) In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Notes 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.

(ii) In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange requirements.

(d) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date specified in the relevant Put Option Notice at the relevant Optional Redemption Amount together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 5(d), the holder of a Note must, not less than 5 nor more than 30 days before the relevant Optional Redemption Date, in the case of Dematerialised Notes, transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Put Option Notice, in the case of a Materialised Note, deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto, and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited or transferred shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited or transferred, with a duly completed Put Option Notice in accordance with this Condition 5(d), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date, any such Note

becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing or transferring Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing or transferring Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 5(d), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(e) *Partly Paid Notes*

Partly Paid Notes 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 Final Terms.

(f) *Purchases*

The Issuer may, pursuant to the relevant rules, at any time purchase Notes (provided that, in the case of Materialised Notes, 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.

(g) *Cancellation*

All Notes purchased by or on behalf of the Issuer must be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France, and, in the case of Materialised Notes by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. Payments and Talons

(a) *Dematerialised Notes:*

Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes 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 Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a bank designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

(b) *Materialised Notes:*

(i) *Method of payment*

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese yen to a

non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is euro, shall be any country in the Euro-zone, and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively).

(ii) *Presentation and surrender of Definitive Materialised Notes and Coupons*

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Notes, and payments of interest in respect of Definitive Materialised Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon before 1 January of the fourth year following the date on which such amount fell due but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Materialised Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender (if appropriate) of the relevant Definitive Materialised Note.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Materialised Notes 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 Notes 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, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or, if applicable, Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Calculation Agent, the Redenomination Agent or the Consolidation Agent 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) a Paying Agent having a specified office in Paris for so long as the Notes are listed on the Euronext Paris S.A. and the rules applicable to such Exchange so require and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed.

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

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 13.

(f) *Non-Business Days*

If any date for payment in respect of any Note or, if applicable, Coupon is not a business day, the Noteholder or, if applicable, Couponholder shall not be entitled to payment until the next following business day unless otherwise specified in the relevant Final Terms, 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 Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the 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.

7. Taxation

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

2. Notes issued on or after 1 March 2010 (except Notes that are issued on or after 1 March 2010 and which are to be assimilated (*assimilées*) and form a single Series with Notes issued before 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code (the "**French General Tax Code**")) fall under the new French withholding tax regime pursuant to the French *loi de finances rectificative pour 2009 no. 3* (n°2009-1674 dated 30 December 2009), applicable as from 1 March 2010 (the "**Law**"). Payments of interest and other revenues made by the Issuer on such Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a noncooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 50% withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code.

Furthermore, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code, at a rate of 25% or 50%.

Notwithstanding the foregoing, the Law provides that neither the 50% withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the ruling (*rescrit*) No. 2010/11 (FP et FE) of the *Direction générale des impôts* published on 22 February 2010, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of

the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

3. Interest and other revenues on (i) Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code, prior to 1 March 2010 or (ii) Notes that are issued after 1 March 2010 and which are to be assimilated (*assimilées*) and form a single series with such Notes will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

Notes, issued prior to 1 March 2010, constituting, or considered by the French tax authorities as falling into a similar category to, *obligations* under French law will be issued (or deemed to be issued) outside France within the meaning of Article 131 *quater* of the French General Tax Code, as more fully set out in the circular of the *Direction Générale des Impôts* dated 30 September 1998 and the *Rescrit* No. 2007-59 FP dated 8 January 2008 as amended by the *Rescrit* No. 2009/23 FP dated 7 April 2009.

In addition, interest and other revenues paid by the Issuer on Notes issued before 1 March 2010 (or Notes issued after 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with such Notes) will not be subject to the withholding tax set out in Article 119 *bis* of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

8. **Prescription**

Claims against the Issuer for payment of principal, interest or any other amounts in respect of the Notes and, if applicable, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within four years after the 1 January following the appropriate Relevant Date in respect of them (in accordance with the Law n°68-1250 dated 31 December 1968).

9. **Events of Default**

If any of the following events (hereinafter referred to as an "Event of Default") shall occur and be continuing:

- (a) *there is a default in the payment of any principal or default for more than 30 days in the payment of any interest due and payable on or in respect of any Note; or*
- (b) the Issuer defaults in the due performance and observance of any other provision contained in the Notes and such default (if capable of remedy) remains unremedied for 90 days after written notice thereof shall have been given to the Issuer at the specified office of the Fiscal Agent by any Noteholder; or
- (c) the Issuer is dissolved or ceases to be an *établissement public* prior to the repayment in full of the Notes or the payment in full of all sums due under the Notes unless its activities and debts are validly transferred to another *établissement public* or assumed by the French State,

then the Representative (as defined in Condition 10), upon request of any Noteholder, or in the absence of a Representative, any Noteholder may, upon written notice to the Fiscal Agent, before all defaults shall have been remedied, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable, whereupon the Notes shall become immediately due and payable at their Early Redemption Amount, without any other formality.

10. Meeting of Noteholders and Modifications

Meetings of Noteholders:

Except as otherwise provided by the relevant Final Terms, Noteholders 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**").

The Masse will be governed by the provisions of the French Code of Commerce with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69 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 Noteholders (the "**General Meeting**").

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

(b) *Representative*

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

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iii) 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 relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another 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 initial 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) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

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 Noteholders, holding together at least one-thirtieth of the principal amount of the Notes 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 Noteholders 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, time, place and agenda of any General Meeting will be published as provided under Condition 13.

Each Noteholder has the right to participate in a General Meeting in person or by proxy. Each Note carries the right to one vote or, in the case of Notes 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 Note.

(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 Notes, 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 Noteholders, nor establish any unequal treatment between the Noteholders nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 13.

(f) *Information to Noteholders*

Each Noteholder 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 Noteholders 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 under the Notes.

(h) *Single Masse*

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 12, 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 Notes will be the Representative of the single Masse of all such Series.

Modification of Agency Agreement:

The Issuer shall only permit any modification (including for the purposes of giving effect to the provisions of Conditions 1(d) and 12) of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

11. Replacement of Definitive Materialised Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Notes, a Definitive Materialised Note, 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 this purpose and notice of whose designation is given to Noteholders, 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 Materialised Note, Receipts 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 Materialised Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues and Consolidation

The Issuer may from time to time without the consent of the Noteholders or, if applicable, Receiptholders or Couponholders create and issue further Notes ranking *pari passu* with the Notes and having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly. Such further Notes shall be consolidated (*assimilables*) with the Notes as regards their financial service.

The Issuer may also from time to time without the consent of the holders of the Notes or, if applicable, Receipts or Coupons of any Series, consolidate the Notes with the Notes of one or more other series issued by it provided that, in respect of all periods subsequent to such consolidation, the Notes of all such other Series are denominated in the same currency as such Notes (irrespective of the currency in which any Notes of such other series were originally issued) and otherwise have the same terms and conditions as such Notes. Notice of any such consolidation will be given to the Noteholders in accordance with Condition 13.

With effect from their consolidation, the Notes and the Notes of such other Series will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either such Notes or the Notes of such other Series were listed immediately prior to consolidation.

The Issuer shall in dealing with the holders of such Notes following a consolidation pursuant to this Condition 12 have regard to the interests of the holders and the holders of the Notes of such other Series, taken together as a class, and shall treat them alike.

13. Notices

1. Notices from the Issuer to the holders of Dematerialised Notes 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 Business Day (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading daily financial newspaper of general circulation in Europe (which is expected to be the Financial Times); provided that, so long as such Notes are listed on any stock exchange(s) and the rules applicable to such stock exchange so require, notices shall be valid if published in a daily financial newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed, which in the case of the Paris Stock Exchange, is expected to be *La Tribune* or *Les Echos*.
2. Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading financial newspaper of general circulation in Europe (which is expected to be the Financial Times) and so long as such Notes are listed on any stock exchange and the applicable rules to that stock exchange so require, in a leading daily financial newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed, which in the case of the Paris Stock Exchange, is expected to be *La Tribune* or *Les Echos*.
3. If any such publication is not practicable, notice shall be validly given if published in a leading daily financial 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. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
4. Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au porteur* or *au nominatif*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 13 (a), (b), (c), above; except that (i) so long as such Notes are listed on any stock exchange(s) and the applicable rules to that stock exchange so require, notices shall also be published in a daily financial newspaper with general circulation in the city/ies where the stock exchange(s) on which

such Notes 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 financial newspaper of general circulation in Europe.

14. **Method of publication of the Base Prospectus and the Final Terms**

The Base Prospectus and any Supplement related to Notes listed and admitted to trading on any regulated market will always be published on the websites of (a) the AMF (www.amf-france.org) and (b) CADES (www.cades.fr).

The Final Terms related to Notes listed and admitted to trading on any regulated market will always be published on the website of the AMF (www.amf-france.org).

In addition, should the Notes be listed and admitted trading on a regulated market other than Euronext Paris S.A., the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) such regulated market or (y) the competent authority of the Member State in the EEA where such regulated market is situated.

A copy of the Base Prospectus may be sent free of charge by CADES to any person who requests one.

15. **Governing Law and Jurisdiction**

(a) *Governing Law*

The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, French law.

(b) *French courts*

The courts of France have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Notes.

