



SEINE-ET-MARNE DEPARTMENT
€1,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME

Under the Euro Medium Term Note Programme (the "**Programme**") described in this offering circular (the "**Offering Circular**"), Seine-et-Marne Department (the "**Issuer**", the "**Department**", "**Seine et Marne**" or "**Seine-et-Marne Department**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any one time exceed €1,000,000,000 (or its equivalent in any other currency at the financial conditions determination date). The Notes will constitute *obligations* under French law.

This Offering Circular supersedes and replaces the base prospectus dated 31 May 2018. This Offering Circular is neither a base prospectus nor a prospectus within the meaning of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**"), the provisions of which do not apply to the Issuer and have therefore not been approved by the *Autorité des marchés financiers*. The Issuer undertakes to update the Offering Circular annually.

Under certain circumstances, an application for admission to trading of the Notes on the regulated market of Euronext in Paris ("**Euronext Paris**") may be presented. Euronext Paris is a regulated market for the purposes of the directive 2014/65/EU of European Parliament and of the Council dated 15 May 2014, relating to financial instruments markets, as amended, appearing on the list of regulated markets published by the European Securities and Markets Authority (such market being a "**Regulated Market**"). Notes issued may also be listed and admitted to trading on any other Regulated Market in such Member State of the European Economic Area ("**EEA**") or on a non-regulated market, or may be unlisted on any stock exchange. The relevant pricing supplement prepared in respect of any issue of Notes (the "**Pricing Supplement**", a form of which is included in this Offering Circular) will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant Regulated Market(s). Notes admitted to trading on a Regulated Market shall have a denomination of at least €100,000 (or its equivalent in any other currency at the financial conditions determination date).

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described in this Offering Circular.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier*. No physical documents of title will be delivered in respect of the Dematerialised Notes. Dematerialised Notes may be issued, at the option of the Issuer (a) in bearer form (*au porteur*) inscribed as from their issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, denomination and title") including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking, SA ("**Clearstream**"), or (b) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes - Form, denomination and title"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed in an account in the books of the Issuer or by a registration agent (appointed in the relevant Pricing Supplement) on behalf of the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holder designated by the relevant Noteholder.

Materialised Notes will be in bearer materialised form only and may only be issued outside the French territory. A temporary global certificate in bearer form without interest coupon attached (a "**Temporary Global Certificate**") will initially be issued in relation to Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes (the "**Definitive Materialised Notes**") with, where applicable, coupons for interest, at the earliest on, or after a date falling about, the fortieth (40th) calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificate in respect of Materialised Notes" section) upon certification as to non-U.S. beneficial ownership (*U.S. Persons*), in accordance with the U.S. Treasury regulations, as more fully described in this Offering Circular. Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Terms and Conditions of the Notes") intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository for Euroclear and Clearstream or (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer.

The Programme has a rating from Standard & Poor's Credit Market Services France S.A.S. ("**Standard & Poor's**"), which may be consulted on the website of the Issuer or at the following address: www.standardandpoors.com/en_US/web/guest/ratings/details/-/instrument-details/debtType/COMPAPER/entityId/119893. In addition, the long-term debt of the Issuer has been rated AA-, positive outlook.

As of the date of the Offering Circular, Standard & Poor's is a credit rating agency established in the European Union, registered under regulation (EC) No. 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ("**ESMA**") (www.esma.europa.eu) in accordance with the CRA Regulation. Notes issued under the Programme may, or may not, be rated. The rating of Notes (if any) will be specified in the relevant Pricing Supplement. It will not necessarily be the same as the rating assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency without prior notice.

This Offering Circular, as well as any Amendment (as defined in "Amendment to the Offering Circular" section) related thereto, if any, and as long as the Notes will be admitted to trading on a Regulated Market, the Pricing Supplement applicable to such Notes, shall be (a) published on the website of (a) the Issuer (www.seine-et-marne.fr) and (iii) as the case may be, any relevant competent authority and (b) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified offices of the Paying Agent(s).

Potential investors are invited to take into account risks described in the "Risk Factors" section before deciding to invest in the Notes.

ARRANGER
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

PERMANENT DEALERS

BRED BANQUE POPULAIRE	CREDIT AGRICOLE CORPORATE AND
CREDIT MUTUEL ARKEA	INVESTMENT BANK
NATIXIS	HSBC
	SOCIETE GENERALE CORPORATE &
	INVESTMENT BANKING

In accordance with Article 1.2 of the Prospectus Regulation, the Issuer, as a local authority of a Member State, is not subject to the requirements of the Prospectus Regulation. Consequently, this Offering Circular constitutes neither a base prospectus nor a prospectus within the meaning of the Prospectus Regulation, and therefore has not been subject to approval by the *Autorité des marchés financiers*.

This Offering Circular (together with any Amendment related thereto) constitutes an Offering Circular which contains or incorporates by reference all relevant information concerning the Issuer and the rights attached to the Notes necessary to enable prospective investors to make an informed assessment of the assets, activities, financial position, results and the prospects of the Issuer, as well as the rights attached to the Notes. Each Tranche (as defined in "General Description of the Programme") of Notes will be issued pursuant to the provisions contained in the "Terms and Conditions of the Notes" of this Offering Circular, as amended or completed by the provisions of the relevant Pricing Supplement determined by the Issuer and the relevant Dealers (as defined in the "General Description of the Programme" section) at the time of the issue of such Tranche. The Offering Circular (together with any Amendment related thereto) and the Pricing Supplement shall be read together.

The Issuer confirms that, after having taken all reasonable measures in this regard, all information contained or incorporated by reference in this Offering Circular are, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer assumes the responsibility thereto.

This Offering Circular does not constitute an invitation or an offer made by or on behalf of the Issuer, the Dealers or the Arranger to subscribe or purchase any Notes.

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the position (in particular, the financial position) of the Issuer since the date of this Offering Circular or since the date of the most recent Amendment to the Offering Circular or that any other information supplied in connection with this Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Neither the Issuer, the Arranger nor the Dealers give any warranty that this Offering Circular will be distributed in accordance with the laws or that the Notes will be offered in accordance with the law, in compliance with any applicable legislation or any other requirement in any jurisdiction or pursuant to any applicable exemption and they shall not be held liable for having facilitated any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealers which is intended to permit a public offering to investors other than qualified investors of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions.

For a description of these and certain further restrictions on offers, sales and transfers of Notes and on distribution of this Offering Circular, potential investors are advised to see "Subscription and Sale". In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States of America and in the EEA.

Neither the Arranger nor any of the Dealers has verified the information contained or incorporated by reference in this Offering Circular. Neither the Arranger nor any of the Dealers makes any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Offering Circular. Neither this Offering Circular nor any other information supplied in connection with the Programme is intended to provide the basis of any financial assessment or any other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Offering Circular should purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Arranger

nor any of the Dealers undertakes to review the financial or general condition of the Issuer during the validity period of this Offering Circular nor to pass on to any investor or prospective investor any information of which it becomes aware.

MIFID II – PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Tranche of Notes will include a legend entitled "MIFID II – Product Governance" which will outline the target market assessment in respect of the Notes and which distribution channels for the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment, taking into account the five (5) categories referred to in item 18 of the guidelines on product governance requirements published by ESMA. Any person offering, selling or subsequently recommending the Notes (a "distributor") should take into consideration the target market assessment. However, a distributor subject to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended ("MIFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to the issue of each Tranche of Notes about whether, for the purpose of the MIFID product governance rules under Commission Delegated Directive (EU) 2017/593 of 7 April 2016 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of that such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

TABLE OF CONTENTS

<u>GENERAL DESCRIPTION OF THE PROGRAMME</u>	6
<u>RISK FACTORS</u>	ERREUR ! SIGNET NON DEFINI.
<u>DOCUMENTS INCORPORATED BY REFERENCE</u>	ERREUR ! SIGNET NON DEFINI.
<u>SUPPLEMENT TO THE OFFERING CIRCULAR</u>	23
<u>TERMS AND CONDITIONS OF THE NOTES</u>	ERREUR ! SIGNET NON DEFINI.
<u>TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES</u>	ERREUR ! SIGNET NON DEFINI.
<u>FORM OF PRICING SUPPLEMENT</u>	ERREUR ! SIGNET NON DEFINI.
<u>SUBSCRIPTION AND SALE</u>	ERREUR ! SIGNET NON DEFINI.
<u>GENERAL INFORMATION</u>	ERREUR ! SIGNET NON DEFINI.
<u>RESPONSIBILITY FOR THE OFFERING CIRCULAR</u>	ERREUR ! SIGNET NON DEFINI.

1. GENERAL DESCRIPTION OF THE PROGRAMME

The following general description shall be read subject to the other information contained in this Offering Circular. The Notes will be issued according to the Terms and Conditions set out on pages 24 to 49 of this Offering Circular as amended or completed by the provisions of the relevant Pricing Supplement agreed between the Issuer and the relevant Dealer(s).

Terms and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this section. References below to "Conditions" refer, unless the context requires otherwise, to the numbered paragraphs in the "Terms and Conditions of the Notes" section.

Issuer:	Seine-et-Marne Department.
Arranger:	Crédit Agricole Corporate and Investment Bank
Dealers:	<p>BRED Banque Populaire, Crédit Agricole Corporate and Investment Bank, Crédit Mutuel Arkéa, HSBC France, Natixis and Société Générale.</p> <p>The Issuer may from time to time terminate the appointment of any Dealer (as defined below) under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated), and any reference to "Dealers" means any Permanent Dealers and any other person appointed as a Dealer in respect of one or more Tranches.</p>
Description:	Euro Medium Term Note Programme. The Notes issued will constitute <i>obligations</i> under French law.
Programme limit:	Up to €1,000,000,000 aggregate nominal amount of Notes outstanding at any one time (or its equivalent in any other currency calculated at the financial conditions determination date).
Fiscal Agent and Principal Paying Agent:	CACEIS Corporate Trust.
Calculation Agent:	Unless the relevant Pricing Supplement provide otherwise, CACEIS Corporate Trust.
Method of Issue:	<p>Notes may be issued on a syndicated or non-syndicated basis.</p> <p>The Notes will be issued in series (each a "Series"). Each Series may be issued in Tranches (each a "Tranche") on the same issue date or at different issue dates.</p> <p>The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Pricing Supplement.</p>
Currency:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euro, U.S. dollars, Japanese yen, Swiss francs, pounds sterling and in any other currency agreed between the Issuer and the relevant Dealer(s), as set out in the relevant Pricing Supplement.
Denomination:	Notes shall be issued in the specified denomination(s) set out in the relevant Pricing Supplement. Notes admitted to trading on a Regulated Market shall have a denomination of at least €100,000 (or its equivalent

in any other currency, calculated at the financial conditions determination date).

Dematerialised Notes shall be issued in one denomination only.

Status of the Notes:	The obligations of the Issuer under the Notes and, where applicable, any Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Issuer.
Negative pledge:	So long as any of the Notes or, if applicable, any Receipts or Coupons, remain outstanding (as defined below), the Issuer undertakes that it will not grant or permit that subsist any lien, mortgage, pledge or any other form of security interest upon any of its assets, rights or revenue, present or future, to secure any present or future indebtedness for borrowed money, subscribed or guaranteed by the Issuer, represented by <i>obligations</i> , securities or other notes which are (or are capable of being) admitted to trading on any stock exchange or any other securities market, unless the Issuer's obligations under the Notes, Receipts and Coupons are equally and rateably secured therewith.
Events of default (including cross default):	The terms and conditions of the Notes contain events of default in respect of the Notes as set out in Condition 9.
Redemption amount:	Subject to any applicable laws and regulations, the relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable chosen from among the options described in Condition 6.
Optional redemption:	The relevant Pricing Supplement will state whether Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders, and if so, the terms and conditions applicable to such redemption, among the options and terms and conditions described in Condition 6.
Redemption by instalments:	The relevant Pricing Supplement issued in respect of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Early redemption:	Except as provided in the "Optional Redemption" paragraph above, Notes will be redeemable at the option of the Issuer prior to their stated maturity only for taxation reasons. See Condition 6.
Withholding tax:	<p>All payments of principal, interest and other revenue attached to the Notes by or on behalf of the Issuer 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 becomes required by law.</p> <p>If French law should require that payments of principal, interest or other revenue in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer shall, to the fullest extent permitted by law,</p>

pay such additional amounts as will result in receipt by the Noteholders, Receiptholders and Couponholders of the amounts that would have been received by them had no such requirement to deduct or withhold been required, subject to some exceptions more fully described in Condition 8.

Interest Periods and Rates of Interest:

For each Series, the duration of Interest Periods of the Notes, the applicable Rate of Interest and the method of calculation may differ or be identical, depending on the Series. Notes may have a Maximum Rate of Interest, a Minimum Rate of Interest, or both. Notes may bear interest at different rates during the same Interest Period due to the use of Interest Accrual Periods. The relevant Pricing Supplement will specify all such information among the options and terms and conditions described in Condition 5.

Fixed Rate Notes:

Interest on Fixed Rate Notes will be payable in arrears on the date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows, as specified in the relevant Pricing Supplement:

- (i) on the same basis as the floating rate applicable under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2013 FBF Master Agreement; or
- (ii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, without limitation, EURIBOR (TIBEUR in French), or LIBOR),

in each case as adjusted by reference to any applicable margin and/or Rate Multiplier. Calculations and Interest Periods shall be specified in the applicable Pricing Supplement. Floating Rate Notes may also have a Maximum Rate of Interest, a Minimum Rate of Interest or both. Unless a higher Minimum Rate of Interest is specified in the relevant Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero per cent.

Fixed/Floating Rate Notes:

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

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to par and will not bear interest.

Form of Notes:

Notes may be issued as either Dematerialised Notes or as Materialised Notes.

Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical documents of title will be delivered in respect of Dematerialised Notes. See Condition 1.

Materialised Notes will be in bearer form only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside the French territory.

Governing law and jurisdiction:

French law.

Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons will be submitted to the jurisdiction of the competent court of the Paris Court of Appeals (subject to any applicable mandatory rules pertaining to the territorial jurisdiction of French courts).

Nevertheless, it is specified that the assets and properties of the Issuer, which is a public law legal entity, are not subject to legal process under private law or attachment in France.

Clearing systems:

Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream and Euroclear or any other clearing system that may the Issuer, the Fiscal Agent and the relevant Dealer agree to appoint. Notes admitted to trading on Euronext Paris will be cleared by Euroclear France.

Initial delivery of Dematerialised Notes:

One (1) Paris Business Day at least before the issue date of each Tranche of Dematerialised Notes, the *Lettre comptable* relating to such Tranche shall be submitted to Euroclear France as central depository.

Initial delivery of Materialised Notes:

On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be submitted to a common depository for Euroclear and Clearstream or with any other clearing system, or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s).

Issue Price:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Admission to trading:

The Notes may be admitted to trading on the Euronext regulated market in Paris and/or any other Regulated Market and/or on any other non-regulated market, as specified in the relevant Pricing Supplement. The relevant Pricing Supplement may also provide that a Series of Notes will not be admitted to trading.

Rating:

The Programme is rated by Standard & Poor's Credit Market Services France S.A.S. ("**Standard & Poor's**"). The rating may be viewed on the website of the Issuer or at www.standardandpoors.com/en_US/web/guest/ratings/details/-/instrument-details/debtType/COMMPAPER/entityId/119893.

As of the date of the Offering Circular, Standard & Poor's is a credit rating agency established in the European Union, registered under regulation (EC) No. 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu) in accordance with the CRA Regulation. Notes issued under the Programme may, or may not, be rated. The rating of Notes (if any) will be specified in the relevant Pricing

Supplement. The rating of the Notes will not necessarily be the same as the rating of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency, without prior notice.

Selling restrictions:

There are restrictions on the offer and sale of Notes and the distribution of offering materials in various jurisdictions. As part of the offer and sale of a given Tranche, additional sales restrictions may be imposed and will then be specified in the relevant Pricing Supplement. See "Subscription and Sale" section.

The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with *U.S. treasury regulations (U.S. Treasury Reg.) §1.163-5(c)(2)(i)(D)* (the "**D Rules**") unless (i) the relevant Pricing Supplement only provide that such Materialised Notes are issued in compliance with *U.S. Treasury regulations (U.S. Treasury Reg.) §1.163-5(c)(2)(i)(C)* (the "**C Rules**") or (ii) such Materialised Notes are not issued in compliance with the C Rules or the D Rules but in circumstances where these Materialised Notes will not constitute "registration required obligations" under the *United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA")*, in which case the relevant Pricing Supplement will specify that the TEFRA rules do not apply.

The TEFRA Rules do not apply to Dematerialised Notes.

RISK FACTORS

The Issuer believes that the risk factors described below are determining factors to make a decision to invest in the Notes and/or may affect its ability to fulfil its obligations under the Notes towards investors. These risks are uncertain and the Issuer is not in a position to comment on the possible occurrence of these risks.

The paragraphs that follow describe the main risk factors that the Issuer considers, on the date of this Offering Circular, to be relevant to the Notes issued under the Programme. However, these risk factors are not exhaustive. Other risks, which the Issuer is not currently aware of, or does not as of the date of this Offering Circular regard as being determining factors, may have a significant impact on an investment in the Notes. Prospective investors should also read the detailed information set out or incorporated in this Offering Circular and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated to the Notes and consult their own financial and legal advisers about risks associated with investments in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances. Investors are informed that they may lose some or all, as the case may be, of the value of their investment.

The Issuer believes that the Notes must be purchased only by investors who are financial institutions or other professional investors who are in position to measure the specific risks involved in investing in Notes or who act on the advice of financial institutions.

The order in which the following risk factors are presented, is not an indication of the likelihood of their occurrence.

All capitalised terms which are not defined in this chapter shall have the meaning assigned to them in "Terms and Conditions of the Notes".

The risk factors described below may be completed or supplemented in the Pricing Supplement of the relevant Notes for a particular issue of Notes.

Any reference hereinafter to Condition refers to the related article in the "Terms and Conditions of the Notes."

1. Risks relating to the Issuer

1.1 Legal risks of attachment

As a local authority, the Issuer is not exposed to the legal risks of common-law attachment proceedings. As a public law entity, the Issuer is not subject to private law seizure and its property cannot be attached, thereby reducing the possibilities of recourse of an investor seeking to have Notes redeemed, by comparison with a legal entity of private law. However, inscription and payment of mandatory expenses incurred by any final ruling by a court of law are governed by Article 1 of law No 80-539 of the 16 July 1980 and Articles L911-1 *et seq.* of the Administrative Justice Code.

1.2 Risks relating to the Issuer's activities, operations and assets

The Issuer's activities, operations and assets are subject to risks especially related to damage to the assets, chiefly involving its fleet of automotive vehicles or the actions of its employees and elected officials. These risks are covered by insurance subscribed via public contracts. More precisely, these policies cover the Issuer against the following risks:

- Damage to property and ancillary risks
- Civil liability and ancillary risks
- Automobile fleet
- Statutory risks
- Legal protection for the employees and elected officials of Seine-et-Marne Department
- All exposure risks.

The Department subscribes to Works Damage insurance that would cover the construction, extension and rehabilitation of buildings when the Department's need justify this.

1.3 Financial risks

Concerning financial risks, the legal borrowing framework of local authorities limits the risks of insolvency.

Article 2 of Act 82-213 of 2 March 1982 on the rights and freedoms of Towns, Departments and Regions rescinded any State oversight of the acts of local authorities. This recognised local authorities' full freedom to assess their finances, liberalising and spreading out the rules applicable to their loans. Local authorities can now borrow freely, and their relations with lenders are generally governed by private law and contractual freedom.

However, this freedom is structured by the following principles:

- The loans go exclusively to finance investments.
- The capital must be reimbursed by its own resources.

Moreover, Article L.1611-3-1 of the French General Code of Territorial Communities (*Code Général des Collectivités Territoriales*, heretofore the "CGCT"), created by Act 2013-672 of 26 July 2013, subjects the subscription of loans by the Department from credit institutions to certain caps related to the currency, the interest rate and the corresponding hedging instruments authorised. However, this article is not meant to apply to bond floats as stipulated by the parliamentary works (Report 1091 in the name of the Finance Commission of the French National Assembly, filed 29 May 2013, amendment 160 of 19 March 2013).

1.4 Risks related to non-redemption of the Issuer's debts

Furthermore, the service of the debt is a mandatory expenditure, whether it is a reimbursement or financial cost. Under Article L.3321-1 of the CGCT, the interest on the debt and the reimbursement of the principal are mandatory expenses for the community and must therefore be written into the community's budget. If it is not, there is a provision under Article L.1612-15 of the CGCT to allow the Prefect, upon request of the Regional Chamber of Accounts, to write this expense into the community's budget. Furthermore, the Prefect can even do this without being ordered to do so, under Article L.1612-16 of the CGCT.

1.5 Risks relating to financial contracts

Recourse to financial contracts (derivative products such as swaps, caps, tunnels, etc.) is authorised only in a logic of hedging the exchange rate risk. This legal context is framed by inter-ministerial circular NOR/IOCB1015077C of 25 June 2010 on financial products offered to local authorities and their public entities. It draws the attention of the territorial communities to the risks inherent in managing the debt and recalls the state of law on recourse to financial proceeds.

It specifies in particular that operations of a speculative nature are strictly forbidden.

The Issuer shows extreme vigilance on the nature of the risks of the proceeds it subscribes and refrains from contracting those offering pricing supplement that are abnormally disconnected from the market. The proceeds subscribed aim only at reducing or curbing the impact of the financial costs and neutralising totally or partially the exchange risk in the event of operations in currencies.

Furthermore, Decree 2014-984 of 28 August 2014, implementing the Act of 26 July 2013 mentioned above, organises in particular the conditions for local communities for concluding financial contracts.

1.6 Risks relating to changing resources

As a local authority, the Issuer is exposed to any change in its legal and regulatory environment that might modify its structure and volume of its resources. However, under Article 72-2 of the Constitution of 4 October 1958 states that "*the fiscal revenue and other specific resources of the local authorities are a decisive part of all their resources for each category of community.*"

The level of resources of the Issuer is therefore dependent on the revenue determined by the State in the context of the transfer of competence or successive tax reforms. In particular, the law No. 2015-991 of 7 August 2015 on new territorial organisation of the Republic decides a redefinition of competences of the departments, and transfers part of the tax resources ("CVAE") from the departments to the regions in return for an equivalent financial compensation.

Also, public financing programming Act 2018-32 of 22 January 2018 for the years 2018 to 2020 provides for involvement by territorial communities in reducing debt and managing public expenditure. To that end, a national target for maximum rises in actual operating expenses has been set at 1.2% *per annum* compared to 2017 as a base.

These provisions are implemented under a contract negotiated between the Seine-et-Marne Department and the French State, signed on 27 June 2018.

1.7 Risks related to the Issuer's off-balance sheet operations and current investments

The Issuer may grant loan guarantees under the terms of Article L.3231-4 of the CGCT. As of 31 December 2018, annuities on loans guaranteed by the Seine-et-Marne Department to elapse during 2018 came to €42,334,586.22, €34,406,603.28 of which for the benefit of social housing organisations, and €7,927,982.94 for the benefit of other organisations (essentially in the medical-social field).

As of 31 December 2018, the outstanding debt guaranteed came to €584,143,002.06, including €490,994,481.72 for the benefit of local authority landlords and €93,148,520.34 concerning the other sectors.

For 2018, the prudential ratio instituted by Article L.3231-4 of the CGCT came to 9.38% (versus 10.97% in 2017) for the Seine-et-Marne Department, for a cap set at 50%.

1.8 Risks related to financial statements

As a territorial community, the Issuer is not subject to the same accounting standards as a private-law issuer. Its financial statements (administrative accounts, budgets) are subject to specific accounting rules set down mainly by Decree 2012-1246 of 7 November 2012 and the CGCT, and more fully described on pages 73 *et seq.* of this Offering Circular. Financial assessment of the Issuer by investors requires taking into account these specific accounting rules.

The Issuer's accounts are subject to State audits: (i) legality audit, (ii) financial audits, carried out by the Department Prefect and the public accountant and (iii) periodic management examination carried out by the "Regional Chamber of Accounts". These audits are more fully described on pages 59 and 60 of this Offering Circular. The Issuer's accounts are not audited pursuant to the same processes as a private-law issuer, but they are subject to the State audit.

2. Risks relating to the Notes

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

Each prospective investor in the Notes must determine based on its personal assessment and with the help of any adviser he may find to be useful depending on the circumstances, the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and the risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable Amendment to this Offering Circular and in the relevant Pricing Supplement;
- (ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and sensitivity to the risk, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks relating to an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the Terms and Conditions of the relevant Notes and be familiar with the behaviour of any relevant rates and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to face the applicable risks; and
- (vi) have knowledge of the legal and regulatory restrictions which will be applicable in case of investment in the Notes generally, and in every Note in particular.

A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

2.2 Risks relating to the structure of a particular issue of Notes

A wide range of Notes may be issued under this Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features and associated risks:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. As a result, the yield at the time of redemption may be lower than anticipated by Noteholders and the value of the redemption amount of Notes may be lower than the Noteholder's purchase price. In addition, in case of early redemption of Notes, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates or inflation may adversely affect the value of the relevant Tranche of Notes.

While the nominal interest rate of Fixed Rate Notes is determined during the term of such Notes or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the Note varies in the opposite direction. If the Market Interest Rate increases, the price of the Fixed Rate Note decreases. If the Market Interest Rate decreases, the price of a Fixed Rate Note increases.

Holder of Fixed Rate Notes should be aware that movements of the market interest rate can adversely affect the price of the Notes, if they sell Notes during the period in which the market interest rate exceeds the fixed rate of the Notes.

In addition, the yield of Fixed Rate Notes (which is specified in the relevant Pricing Supplement) shall be calculated at the issue date of such Notes on the basis of the issue price. It shall not be an indication of future yield.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a Reference Rate and (ii) a Margin to be added or subtracted, as the case may be, from such Reference Rate. Typically, the relevant Margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Pricing Supplement) of the Reference Rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant Reference Rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant Reference Rate.

Besides, a key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed Interest Periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Floating Rate Notes with a Rate Multiplier or other leverage factor

Floating Rate Notes can be volatile investments. If they are structured to include Rate Multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that will automatically, or that the Issuer may elect to, convert from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate. The conversion (whether automatic or optional) will affect the secondary market and the market value of such Notes since it may lead to a lower overall cost of borrowing. If a Fixed Rate is converted to a Floating Rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same Reference Rate. In addition, the new Floating Rate at any time may be lower than the rates on other Notes. If a Floating Rate is converted to a Fixed Rate, the Fixed Rate may be lower than then prevailing rates on its Notes.

Zero Coupon Notes and Notes issued at a substantial discount or premium

The market values of Zero Coupon Notes and any other Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Potential Conflict of Interests

Each of the Dealers and their affiliates may have or may in the future, in the normal course of their activities, engage in commercial dealings with or act as a financial adviser to the Issuer in relation to financial securities issued by the Issuer. In the normal course of their activities, each of the Dealers and their affiliates may or may in the future (i) engage in investment banking, trading or hedging activities, including prime brokerage business or entry into derivatives transactions, (ii) act as underwriters in connection with the offering of securities issued by the Issuer or (iii) act as financial advisers of the Issuer. In the context of these transactions, each of the Dealers and their affiliates have or may hold securities issued by the Issuer, in which case they have or will receive customary fees and commissions for these transactions.

In addition, the Issuer and each of the Dealers may be engaged in transactions involving an index, or derivatives based on or relating to the Notes that can affect the market price, liquidity or value of Notes and that could have an adverse effect on the interests of the Noteholders.

The Issuer may name one of the Dealers as Calculation Agent in the framework of one or more Series of Notes. Such a Calculation Agent will probably be a member of an international financial group, which implies that there may be conflicts of interest in the normal course of its activity, in particular in light of the scope of banking activities exercised by such a group. Although information barriers or internal procedures, as the case may be, may be in place to prevent any conflict of interest, a Calculation Agent may be involved in other activities and in transactions impacting an index or derivatives based on or related to the Notes, which might affect the market price, the liquidity or the value of the Notes, and might have a negative effect on the Noteholders' interests.

2.3 Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally.

The Notes may be redeemed prior to the maturity date

If the Issuer would be required, on the next payment of principal or interest, to pay additional amounts pursuant to Condition 8(b), it may then, pursuant to Condition 6(f), redeem all of the Notes at their Early Redemption Amount together with, unless otherwise specified in the relevant Pricing Supplement, any interest accrued to the effective redemption date.

In the same way, if it would become unlawful for the Issuer to perform or comply with its obligations under the Notes, the Issuer will, pursuant to Condition 6(i), redeem all, and not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the effective redemption date.

In addition, the Pricing Supplement of an issue of Notes may include an early redemption option for the Issuer. In any case of early redemption, the yield at the time of redemption may be lower than expected and the value of the amount redeemed may be less than the purchase price on the market of the Notes paid by the Noteholder. Consequently, part of the capital invested by Noteholders in the Notes may be lost, resulting in the Noteholder receiving less than the full amount of capital invested. Furthermore, in the event of early redemption, investors who decide to reinvest the funds they receive may only be able to reinvest in securities that offer lower yields than the redeemed Notes.

Early partial redemption at the option of the Issuer or the Noteholders may have an impact on the liquidity of the Notes of a same Series in respect of which the option is not exercised

Depending on the number of Notes of the same Series in respect of which an early partial redemption of the Notes at the option of the Issuer or at the option of the Noteholders is made, those Notes in respect of which such option is not exercised may be subject to a loss of liquidity.

Modification of the Terms and Conditions

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse and a General Meeting could be held. The Terms and Conditions permit in certain cases defined majorities of Noteholders to bind all Noteholders including Noteholders who did not attend or vote at the relevant General Meeting and Noteholders who voted differently. In addition, the General Meeting may deliberate on any proposal relating to the modification of the Terms and Conditions including any proposal for settlement or transaction, relating to rights in controversy or which were the subject of judicial decisions, as

more fully described in Condition 11.

Change of law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to French law or administrative practice after the date of this Offering Circular, on the Notes.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial notes such as the Notes. Potential investors should seek their tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only their advisors are in a position to duly consider the specific situation of the potential investor.

Financial transactions tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") implementing a strengthened cooperation in the field of the financial transactions tax which, if adopted at present, could levied a tax on the financial transactions in respect of the Notes issued (the "**Tax**"). The Draft Directive was initially expected to enter into effect in eleven (11) EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia) (the "**Participating Member States**" and each a "**Participating Member State**").

In March 2016, Estonia officially indicated that it would no longer be a Participating Member State.

Pursuant to the Draft Directive, the Tax would apply on financial transactions provided at least one party to the financial transaction, or a person acting for his name is established or deemed established in a Participating Member State. The Tax shall, however, not apply to primary market transactions referred to in Article 5(c) of regulation (EC) No. 1287/2006 of the Commission of 10 August 2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. The Tax shall be payable by each financial institution established, or deemed established, in a Participating Member State provided it is a party to the financial transaction or is acting in the name of a party to the transaction or the transaction has been carried out in its own account. The rates of the Tax shall be fixed by each Participating Member State but shall amount for transactions involving financial instruments other than derivatives to at least 0.1 per cent. of the taxable amount.

Each prospective investor should therefore bear in mind that any sale, purchase or exchange of the Notes could be subject to the Tax at a minimum rate of 0.1 per cent. provided the above-mentioned prerequisites are met. The investor would either have to bear the Tax or reimburse the financial institution for the relevant charge. In addition, the Tax may affect the value of the Notes.

If the Draft Directive is adopted as it is and implemented in the local legislation, Noteholders may be exposed to increased transactional costs with respect to financial transactions carried out with respect to the Notes and the liquidity of the market for the Notes may be diminished.

The Draft Directive is still subject to negotiation between the Participating Member States. Therefore, it may be modified before the implementation which the schedule is uncertain.

Prospective holders of the Notes are advised to seek their own tax advice in relation to the Tax.

Loss of investment in the Notes

The Issuer reserves the right to purchase Notes, at any price, in the open market or otherwise, in accordance with applicable regulations. Such transactions shall have no impact on the normal redemptions schedule of the redemption of outstanding Notes, however they reduce return on the Notes which may be redeemed early. Similarly, in the event of change of the taxation rules applicable to the Notes, the Issuer may be obliged to redeem the Notes in full, at 100 per cent. of their denomination, together with, as the case may be, interest accrued to the effective redemption date. Any early redemption of the Notes may result in the Noteholders receiving a return significantly below their expectations.

In addition, there is a risk of non-redemption of the Notes on their maturity date if the Issuer is no longer solvent. Non-redemption or partial redemption of the Notes would *de facto* result in a loss of investment in the Notes.

Finally, capital loss may occur when the Notes are sold at a lower price than the price paid at the time of purchase. No capital protection or guarantee is offered to investors. The capital initially invested is exposed to market fluctuations and then, may not be redeemed in the event of adverse developments in the markets.

Verification of legality

The Prefect of the Seine-et-Marne Department has two months as from the date of notice at the *Préfecture* of any resolution of the Departmental Council (*Conseil Départemental*) of Seine-et-Marne Department and of any contracts entered into by it, to verify the legality of such resolution and/or decision to sign such contracts and, if he considers them to be illegal, to refer them to the relevant administrative court and, if appropriate, seek an order for them to be suspended. If such an action is preceded by an administrative claim or under certain other circumstances, this two-month period may be extended. Once the case has been referred, the relevant administrative court may then, if it considers the resolution and/or decision to sign such contracts to be illegal, order their suspension or annul them in whole or in part. In addition, depending on the nature of the illegality and any particular circumstances, the annulment of the relevant resolution and/or decision to enter into the relevant contracts may lead to the annulment of such contracts. The suspension or the partial or complete annulment of the relevant resolution and/or of decision to enter into the contracts with respect to which the Notes have been issued could question the rights of Noteholders.

Third-party claims

A third party, having legal standing, may bring an action for abuse of authority before the administrative courts against any resolution of the Departmental Council (*Conseil Départemental*) of Seine-et-Marne Department and/or any decision to sign contracts entered into by it, within a period of two months as from the date of its publication or notification and, if appropriate, seek an order for it to be suspended. If such an action is preceded by an administrative claim or in certain other circumstances, this two-month period may be extended. If such resolution and/or signing decision have not been duly published, such action may be brought by any third party, having legal standing, without any limitation period. Once the case has been referred, the competent administrative judge may then, if it considers that a rule of law has been breached, annul such resolution and/or signing decision or, if it considers the matter sufficiently urgent, suspend it. In addition, depending on the nature of the illegality and any particular circumstances, the annulment of the relevant resolution and/or decision to enter into the relevant contracts may lead to the annulment of such contracts. The suspension or the partial or complete annulment of the relevant resolution and/or of decision to enter into the contracts with respect to which the Notes have been issued could question the rights of Noteholders.

2.4 Risks related to the market generally

Set out below is a brief description of the principal market risks:

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency

may impose or amend exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes and/or to the Issuer's long-term debt. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this chapter, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised (upward or downward) or withdrawn by the rating agency at any time, without prior notice. Any downward revision or withdrawing may adversely affect the market value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Risks related to European regulation on Benchmarks

Interest rates and indices which are deemed to be Benchmarks (as defined in section "Terms and Conditions of the Notes") (such as EURIBOR, LIBOR or any other reference rate specified in the relevant Pricing Supplement) have been the subject of recent international, national and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past or disappear entirely, to be subject to revised calculation methods, or have other consequences that cannot be predicted. Any such consequence could have a material adverse effect on any Floating Rate Notes linked to or referencing such Benchmark.

The Benchmark Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") entered into force on 30 June 2016, with the majority of its provisions applying from 1 January 2018. The purpose of the Benchmark Regulation is to regulate the risk of manipulating the value of indices and to reduce the risk of conflicts of interests arising. It aims at improving the quality (integrity and accuracy) of the input data and the transparency of the methodologies used by administrators and at improving governance and controls of both "benchmark" administrators' and contributors' activities. The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the European Union ("EU"), and will, among other things, (i) require "benchmark" administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed).

The scope of the Benchmark Regulation is wide and is expected to apply, inter alia, to so-called "critical benchmark" indices and to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a systematic internaliser, financial contracts and investment funds.

The Benchmark Regulation could have a material impact on the Floating Rate Notes traded on a trading venue or via a "systematic internaliser" linked to or referencing a Benchmark, including in any of the following circumstances:

- an index which is a Benchmark could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the Benchmark.

Either of the above could potentially lead to the Floating Rate Notes being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular Benchmark and the applicable terms of the Floating Rate Notes or have other adverse effects or unforeseen consequences.

More broadly, any of the international, national or regulatory reforms, or any enhanced regulatory scrutiny of "benchmarks", or any further uncertainty in relation to the timing and manner of implementation of such changes, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect on certain Benchmarks (such as LIBOR, EURIBOR or any other reference rate specified in the relevant Pricing Supplement) of (i) discouraging market participants from continuing to administer or contribute to the Benchmark, (ii) triggering changes in the rules or the methodologies used in the Benchmark or (iii) leading to the disappearance of the Benchmark. Investors should be aware that, if a Benchmark were discontinued or otherwise unavailable, the rate of interest on Notes which are linked to or which reference such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes (it being specified that in case of discontinuation of the Relevant Rate or occurrence of an Administrator/Benchmark Event, a specific fall-back shall apply - please refer to the risk factor entitled "The discontinuance of the Relevant Rate or occurrence of an Administrator/Benchmark Event could have a material adverse effect on the value of and return on any such Note linked to or referencing such Benchmarks" below).

Investors should consult their own independent advisors and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Floating Rate Notes linked to or referencing a Benchmark.

Future discontinuance of LIBOR and other Benchmarks may adversely affect the value of Floating Rate Notes

On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, Andrew Bailey, Chief Executive Officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of LIBOR as a Benchmark, the establishment of alternative reference rates or changes in the manner of administration of any Benchmark could also require adjustments to the Terms and Conditions of the Notes and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if LIBOR as Benchmark was available in its current form.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and as a result may be discontinued or be subject to changes in their administration. Indeed, the European Money Markets Institute ("**EMMI**") which administers EURIBOR, has announced that EURIBOR does not comply with the Benchmark Regulation requirements, which will render it unusable in contracts concluded on or after 1 January 2020. A new EURIBOR methodology is being developed but there are doubts on its viability before the above-mentioned deadline.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Floating Rate Note linked to or referencing such IBOR. The development of alternatives to an IBOR may result in Floating Rate Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Floating Rate Notes linked to or referencing such IBOR.

To alleviate the consequences of the potential unavailability of those indices, working groups under the supervision of their respective central banks have been working on defining alternative overnight risk-free rates, based mainly on transactional data and therefore less prone to critics as to their calculation methodologies. These

new overnight risk-free rates are still however in very early stages of development and there can be no assurance that they will be widely adopted by market users.

The Sterling Overnight Index Average (SONIA) has been developed under the supervision of the Bank of England with the aim of replacing LIBOR GBP. Currently, the market continues to develop in relation to the adoption of SONIA. Investors should be aware that the market may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Floating Rate Notes with a floating rate of interest that reference a SONIA rate. Interest on Floating Rate Notes which reference a SONIA rate is only capable of being determined at the end of the relevant observation period and immediately prior to the relevant Interest Payment Date and it could be difficult for investors to estimate in advance the interest amount which will be payable on such Floating Rate Notes.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for LIBOR GBP) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

There can be no guarantee that the adoption of alternative overnight risk-free rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Floating Rate Notes.

The discontinuance of the Relevant Rate or occurrence of an Administrator/Benchmark Event could have a material adverse effect on the value of and return on any such Note linked to or referencing such Benchmarks

If the Relevant Rate is discontinued or an Administrator/Benchmark Event (as defined in Conditions 5 (c)(iii)(C)) has occurred, (a) the Rate of Interest on the affected Notes will be changed in ways that may be adverse to holders of such Notes, without any requirement that the consent of such holders be obtained and (b) Issuer will be required to appoint a Relevant Rate Determination Agent (which may be (i) a leading bank or a broker-dealer in the Relevant Financial Centre or the Principal Financial Centre, as the case may be, of the Specified Currency, (ii) an independent financial adviser, (iii) an affiliate of the Issuer and/or (iv) the Calculation Agent) who will determine a Replacement Relevant Rate, acting in good faith and in a commercially reasonable manner, as well as any necessary concomitant changes to the Business Day Convention, the definition of Business Day, the Interest Determination Date, the Day Count Fraction, the Adjustment Spread, and any method for obtaining the Replacement Relevant Rate, including any changes or adjustments necessary to make such Replacement Relevant Rate as comparable as possible to the previous Relevant Rate. Such Replacement Relevant Rate and any such other changes will (in the absence of manifest error) be final and binding on the Noteholders, the Issuer, the Calculation Agent, the Fiscal Agent and any other person and each Noteholders shall be deemed to have accepted the Replacement Relevant Rate and such related changes and adjustments which will thenceforth apply to the relevant Notes.

The Replacement Relevant Rate may have no or a very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, given the uncertainty concerning the availability of successor rates and the involvement of a Relevant Rate Determination Agent, the relevant fallback provisions may not operate as intended at the relevant time and the Replacement Relevant Rate may perform differently from the discontinued Benchmark.

There can be no assurance that any change or adjustment applied to any Series of Notes will adequately compensate for this impact. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. This could in turn impact the Rate of Interest on, and trading value of, the affected Notes. Moreover, any holders of such Notes that enter into hedging instruments based on the Relevant Rate may find their hedges to be ineffective, and they may incur costs in unwinding such hedges and replacing them with instruments tied to the Replacement Relevant Rate.

If the Relevant Rate Determination Agent is unable to determine an appropriate Replacement Relevant Rate for any Relevant Rate on or prior to the next following Interest Determination Date, then the provisions for the determination of the Rate of Interest on the affected Notes will not be changed. In such cases, the Terms and Conditions of the Notes provide that the Rate of Interest on such Notes shall be the Rate of Interest determined on the previous Interest Determination Date, as determined by the Calculation Agent. In such circumstances and a rising interest rate environment, holders of Notes will, consequently, not benefit from any increase in rates. The trading value of such Notes could therefore be adversely affected.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should note that, the Relevant Rate Determination Agent will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes.

DOCUMENTS INCORPORATED BY REFERENCE

1. Documents incorporated by reference on the date of this Offering Circular

This Offering Circular shall be read and construed in conjunction with the following documents which have been previously published. These documents are incorporated in this Offering Circular and shall be deemed to form part of it:

- the section "Terms and Conditions of the Notes" on pages 18 to 38 of the Base Prospectus dated 25 September 2012 (which received visa from the *Autorité des marchés financiers* (the "AMF") under number 12-463 on 25 September 2012) (the "**2012 Conditions**");
- the section "Terms and Conditions of the Notes" on pages 19 to 39 of the Base Prospectus dated 16 September 2013 (which received visa from the AMF under number 13-496 on 16 September 2013) (the "**2013 Conditions**");
- the section "Terms and Conditions of the Notes" on pages 20 to 42 of the Base Prospectus dated 18 September 2014 (which received visa from the AMF under number 14-507 on 18 September 2014) (the "**2014 Conditions**");
- the section "Terms and Conditions of the Notes" on pages 20 to 41 of the Base Prospectus dated 15 September 2015 (which received visa from the AMF under number 15-485 on 15 September 2015) (the "**2015 Conditions**");
- the section "Terms and Conditions of the Notes" on pages 21 to 42 of the Base Prospectus dated 20 February 2017 (which received visa from the AMF under number 17-063 on 20 February 2017) (the "**2017 Conditions**"); and
- the section "Terms and Conditions of the Notes" on pages 22 to 44 of the Base Prospectus dated 31 May 2018 (approved by the AMF under number 18-215 dated 31 May 2018) (the "**2018 Conditions**") and, with the 2012 Conditions, the 2013 Conditions, the 2014 Conditions, the 2015 Conditions and the 2018 Conditions, the "**EMTN Previous Conditions**").

The EMTN Previous Conditions are incorporated by reference in this Offering Circular for the purposes only of further issues of Notes to be assimilated (*assimilées*) and form a single Series with Notes already issued under the relevant EMTN Previous Conditions.

So long as any of the Notes are outstanding under the Programme, the EMTN Previous Conditions shall be (a) published on the website of the Issuer (www.seine-et-marne.fr/departement/vie-de-l-institution/finances-departementales/notation-financiere-et-outils-de-financement) and (b) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s).

2. Documents incorporated by reference after the date of this Offering Circular

The following documents, which will be published on the website of the Issuer (www.seine-et-marne.fr/Departement/Vie-de-l-Institution/Finances-departementales/Notation-financiere-et-outils-de-financement) after the date of this Offering Circular, will be deemed to be incorporated by reference and to form part of the Offering Circular as of their date of publication:

- the most recent updated version of the Issuer's administrative accounts;
- the most recent updated version of the initial budget and any related additional budget of the Issuer.

The investors are deemed to have reviewed all the information contained in the documents incorporated by reference (or deemed to be incorporated by reference) into this Offering Circular as if this information were included in this Offering Circular. Investors who have not reviewed this information should do so before they invest in the Notes insofar as it will have been published.

AMENDMENT TO THE OFFERING CIRCULAR

Subject to the above paragraph, any significant new factor, mistake or inaccuracy relating to the information included in this Offering Circular which is likely to have a significant impact on the assessment of the Notes and which would arise or be noted after the date of this Offering Circular, shall be mentioned, without unjustified delay, in an amendment or an update of the Offering Circular (an "**Amendment**") or in the Pricing Supplement applicable to these notes.

Notwithstanding the paragraph above, and for the avoidance of doubt, the information mentioned in paragraph 2 of the section "Documents incorporated by reference" will not be included in an Amendment, as it is deemed to be incorporated by reference and to form part of the Offering Circular as of its date of publication.

Any Amendment shall be (a) published on the website of the Issuer (www.seine-et-marne.fr) and (b) available for inspection and copy, without charges, during normal business days and hours at the office of the Issuer and at the specified office(s) of the Paying Agent(s).

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, as amended or completed by the provisions of the relevant Pricing Supplement (as defined below), shall be applicable to the Notes (the "**Terms and Conditions**"). In the case of Dematerialised Notes (as defined below), 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 amended or completed by the relevant Pricing Supplement. In the case of Materialised Notes (as defined below), either (i) the full text of these Terms and Conditions together with the relevant provisions of the Pricing Supplement or (ii) these amended or completed Terms and Conditions shall be endorsed on Definitive Materialised Notes.

The Pricing Supplement related to a tranche of Notes may stipulate other terms and conditions that may replace or amend one or more Conditions of the Terms and Conditions of the Notes below.

All terms beginning with a capital letter and not defined in these Terms and Conditions will have the meanings given to them in the relevant Pricing Supplement. References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below. References in the Terms and Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes issued by Seine-et-Marne Department (the "**Issuer**", the "**Department**" or "**Seine-et-Marne Department**") will constitute obligations under French law. They will be issued in series (each a "**Series**") on the same or at different issue dates. The Notes of the same Serie will be issued on terms otherwise identical (or identical save as to the first payment of interest), the Notes of the same Serie being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") having the same issue date or different issue dates and on terms identical to the terms of other Tranches of the same Series, save in respect of the issue price, the issue date, the first payment of interest and the nominal amount of the Tranche. Notes will be issued under the Terms and Conditions of this Offering Circular as amended or completed, by the relevant pricing supplement relating to the specific terms and conditions of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price, and interest, if any, payable under the Notes).

An amended and restated agency agreement in the French language related to the Notes (as amended from time to time, the "**Agency Agreement**") was entered into on 20 November 2019 between the Issuer and CACEIS Corporate Trust as fiscal agent, principal paying agent and calculation agent. The fiscal agent, the paying agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agent(s)**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**".

The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, the holders of talons for further Coupons (the "**Talons**") and the holders of the receipts for the payment of instalments of principal relating to Materialised Notes of which the principal is redeemable in instalments (the "**Receipts**") are respectively referred to below as the "**Couponholders**" and the "**Receiptholders**".

For the purposes of these Terms and Conditions, "**Regulated Market**" means any regulated market located in a member state (a "**Member State**") of the European Economic Area (the "**EEA**"), as defined in the directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended, appearing in the list of regulated markets published by the European Securities and Markets Authority.

1. Form, denomination and title

(a) Form

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

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* of the French *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 delivered in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, as set out in the relevant Pricing Supplement, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account

Holder designated by the relevant holder of Notes, or in fully registered form (*au nominatif pur*) inscribed in an account 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 securities accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, SA ("**Clearstream**").

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form ("**Definitive 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 Terms and Conditions are not applicable. "**Instalment Notes**" are issued with one or more Receipts attached.

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

The Notes may be "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Fixed/Floating Rate Notes**", "**Zero Coupon Notes**", or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in this Offering Circular, as amended or completed by the relevant Pricing Supplement.

(b) Denomination

Notes shall be issued in the specified denomination(s) as set out in the relevant Pricing Supplement (the "**Specified Denomination(s)**"), provided that the denomination of any Note admitted to trading on a Regulated Market shall have a denomination of at least €100,000 (or its equivalent in any other currency at the financial conditions determination date).

Dematerialised Notes shall be issued in one Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Notes in bearer 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 the 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 maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Notes, and where appropriate, Receipt(s), Coupons and/or a Talon attached thereto on issue, shall pass by delivery.
- (iii) Subject to a judicial or administrative decision ordered by a court of competent jurisdiction or as required by applicable legal or regulatory provisions, the holder of any Note (as defined below), Coupon, Receipt or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating such Noteholder.
- (iv) In these Conditions, "**Noteholder**" or, as the case may be, "**holder of any Note**" means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (b) in the case of Definitive Materialised Notes, the holder of any Definitive Materialised Note and the Coupons, Receipts or Talons relating to it, and (c) in the case of Materialised Notes for which a Temporary Global Certificate is issued and still outstanding, each person (other than the clearing institution) which appears as the holder of such Notes or of a specific nominal amount of such Notes in accordance with applicable laws and regulations and the rules and procedures of the relevant clearing institution, including, without limitation, Euroclear France, Euroclear, or Clearstream.

2. Conversions and exchanges of Notes

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer form (*au porteur*) may not be converted for Dematerialised Notes in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered form (*au nominatif*) may not be converted for Dematerialised Notes in bearer form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Notes, be converted into Notes 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 R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

3. Status of Notes

The obligations of the Issuer under the Notes and, where applicable, any Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Issuer.

4. Negative pledge

So long as any of the Notes or, if applicable, any Receipts or Coupons, remain outstanding (as defined below), the Issuer undertakes that it will not grant or permit that subsist any lien, mortgage, pledge or any other form of security interest upon any of its assets, rights or revenue, present or future, to secure any present or future indebtedness for borrowed money, subscribed or guaranteed by the Issuer, represented by *obligations*, securities or other notes and which are (or are capable of being) admitted to trading on any stock exchange or any other securities market, unless the Issuer's obligations under the Notes, Receipts and Coupons are equally and rateably secured therewith.

For the purposes of the Terms and Conditions:

"**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 Terms and Conditions, (b) those in respect of which the effective date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption, as the case may be, 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.

5. Interest and other calculations

(a) Definitions

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

"Benchmark" means the reference rate as set out in the relevant Pricing Supplement, which shall be either EURIBOR, LIBOR or any other reference rate as specified in the relevant Pricing Supplement.

"Business Day" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer System (TARGET 2) (the "**TARGET System**") or any successor thereto 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 additional business centre(s) specified in the relevant Pricing Supplement (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in currency of the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

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

- (i) if "**Actual/365**", "**Actual/365-FBF**" 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-ICMA**" is specified in the relevant Pricing Supplement:
 - (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 (1) 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,

in each case 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 in the relevant Pricing Supplement or, if none is so specified, the Interest Payment Date;
- (iii) if "**Actual/Actual-FBF**" is specified in the relevant Pricing Supplement, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
 - (x) the number of complete years shall be counted back from the last day of the Calculation Period;
 - (y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (iv) if "**Actual/365 (Fixed)**" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (v) if "**Actual/360**" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(vi) 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 twelve (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));

(vii) if "**30/360-FBF**" or "**Actual 30A/360 (American Bond Basis)**" is specified in the relevant Pricing Supplement, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception:

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

using the same abbreviations as for 30E/360-FBF, the fraction is:

If $dd2 = 31$ and $dd1 \neq (30,31)$

otherwise:

$$\frac{1}{360} \times [(aa2 - aa1) \times 360 + (mm2 - mm1) \times 30 + (jj2 - jj1)]$$

otherwise

$$\frac{1}{360} \times [(aa2 - aa1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(jj2, 30) - \text{Min}(jj1, 30)];$$

(viii) 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 twelve (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);

(ix) if "**30E/360-FBF**" is specified in the relevant Pricing Supplement, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following exception:

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

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

$$\frac{1}{360} \times [(aa2 - aa1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(jj2, 30) - \text{Min}(jj1, 30)].$$

"**Effective Date**" means, with respect to any Floating Rate to be determined according to the Screen Rate Determination 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.

"**Euroclear France**" means the central depository of French notes located 66, rue de la Victoire, 75009 Paris.

"**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.

"FBF Definitions" means the definitions set out in the 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* and as amended from time to time, in their updated version applicable at the date of issue of the first Tranche of the relevant Series (together the **"FBF Master Agreement"**).

"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 these terms are defined in paragraph (b) below), as the case may be, as indicated in the relevant Pricing Supplement.

"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 (2) 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 (2) Business Days in the city specified in the Pricing Supplement 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.

"Issue Date" means for each relevant Tranche the closing date of the Notes for such Tranche.

"Margin" means, for an Accrual Interest Period, the percentage or number for the applicable Accrual Interest Period, as indicated in the relevant Pricing Supplement, being underlined that such margin may have a positive value, a negative value or equal zero.

"Rate of Interest" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions of these Terms and Conditions as amended or completed by 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 or swap market) that is most closely connected with the Benchmark (which, if EURIBOR (TIBEUR in French) is the relevant Benchmark, shall be the Euro-zone, and, if LIBOR is the relevant Benchmark, shall be London).

"Relevant Financial Centre" 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 (TIBEUR in French), shall be the Euro-zone and, in the case of LIBOR, shall be London) or, if none is so connected, Paris.

"Relevant Date" means, in respect of any Note, 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 Notes if earlier) the date seven (7) calendar days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note, 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 a.m. (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.

"Screen Page" means such page, section, caption, column or other part of a particular information service (including, Thomson Reuters) 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, as set out in the relevant Pricing Supplement.

"Specified Currency" means the currency specified as such in the relevant Pricing Supplement.

"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 relevant Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

(b) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount, from the Interest Commencement Date (included), at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable annually, semi-annually, quarterly or monthly (unless provided otherwise in the relevant Pricing Supplement) in arrear, on each Interest Payment Date, all as indicated in the relevant Pricing Supplement.

If a fixed amount of interest ("**Fixed Coupon Amount**") or a broken amount of interest ("**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 Notes

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount, from the Interest Commencement Date (included), at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable annually, semi-annually, quarterly or monthly (unless provided otherwise in the relevant Pricing Supplement), 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; 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 any 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 "**Amended 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, unless otherwise specified in the relevant Pricing Supplement. Notwithstanding the foregoing, where the applicable Pricing Supplement specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of the relevant Business Day Convention.

(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 accordance with the provisions below (unless otherwise specified in the relevant Pricing Supplement) relating to either FBF Determination or Screen Rate Determination, depending upon the option which is specified in the relevant Pricing Supplement.

(A) FBF Determination for Floating Rate Notes

Where FBF 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 Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a notional interest rate swap transaction (*Echange*) in the Specified Currency incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Pricing Supplement; and
- (b) the Floating Rate Determination Date is as specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (A), "**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 Definitions.

Where FBF Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, unless a higher Minimum Rate of Interest is specified in the relevant Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

If the paragraph "Floating Rate" in the relevant Pricing Supplement provides that the interest rate will be determined by linear interpolation in respect of an Interest Period, the Interest Rate applicable to such Interest Period will be calculated by the Calculation Agent by linear interpolation between two (2) interest rates based on the applicable Floating Rate, provided that the first interest rate corresponds to a maturity immediately inferior or equal to the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately superior or equal to the same Interest Period.

(B) Screen Rate Determination for Floating Rate Notes

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 applicable to 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 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 as set out in the relevant Pricing Supplement, plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any);

- (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 Screen 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 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 Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any); 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 in 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 such Specified Currency or, if the Specified Currency is Euro, of any country 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 as indicated, as the case may be, in the relevant Pricing Supplement).

If the paragraph "Benchmark" in the relevant Pricing Supplement provides that the interest rate will be determined by linear interpolation in respect of an Interest Period, the Interest Rate applicable to this Interest Period will be calculated by the Calculation Agent by linear interpolation between two (2) interest rates based on the relevant Benchmark, provided that the first rate corresponds to a maturity immediately inferior or equal to the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately superior or equal to the same Interest Period.

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, unless a higher Minimum Rate of Interest is specified in the relevant Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(C) Events affecting the determination of the Benchmark

With respect to FBF Determination, the relevant Pricing Supplement will specify if the provisions of this paragraph (C) (as potentially amended or completed by the relevant Pricing Supplement) shall apply.

For the purpose of Screen Rate Determination, the provisions of this paragraph (C) shall apply notwithstanding the provisions mentioned in paragraphs (a) to (c) of paragraph (B) (unless specified otherwise in the relevant Pricing Supplement) above.

If at any time prior to or on any Relevant Floating Rate Determination Date, the Issuer in consultation with the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, that the Relevant Rate has been discontinued or that an Administrator/Benchmark Event has occurred:

- (a) the Issuer will as soon as reasonably practicable appoint an agent (the "**Relevant Rate Determination Agent**") that shall determine, acting in good faith and in a commercially reasonable manner, whether, for the purposes of determining the Relevant Rate on each following Relevant Floating Rate Determination Date, a Successor Rate or failing which, an Alternative Rate is available. If the Relevant Rate Determination Agent determines that there is an industry-accepted Successor Rate or Alternative Rate, the Relevant Rate Determination Agent will use such Replacement Relevant Rate. The Relevant Rate Determination Agent may be (i) a leading bank or a broker-dealer in the Relevant Financial Centre or the Principal Financial Centre, as the case may be, of the Specified Currency, (ii) an independent financial adviser and/or (iii) the Calculation Agent;
- (b) if the Relevant Rate Determination Agent has determined a Replacement Relevant Rate in accordance with the foregoing, the Relevant Rate Determination Agent will also determine concomitant changes (if any) to the Business Day Convention, the definition of Business Day, the Relevant Floating Rate Determination Date, the Day Count Fraction, the Adjustment Spread, and any method for obtaining the Replacement Relevant Rate, and such other changes or adjustments necessary to make such Replacement Relevant Rate as comparable as possible to the Relevant Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Relevant Rate and such guidance promulgated by associations involved in the establishment of market standards and/or protocols in the international financial and/or debt capital markets as the Relevant Rate Determination Agent may consider relevant for such Replacement Relevant Rate;
- (c) references to the "Relevant Rate" in these Conditions will henceforth be deemed to be references to the Replacement Relevant Rate, including any concomitant changes and adjustments determined in accordance with paragraph (b) above. The determination of the Replacement Relevant Rate and such concomitant changes and adjustments by the Relevant Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Fiscal Agent, the Noteholders and any other person and each Noteholder shall be deemed to have accepted the Replacement Relevant Rate and such related changes and adjustments pursuant to this paragraph (C); and
- (d) as soon as reasonably practicable, the Relevant Rate Determination Agent will notify the Issuer of the foregoing and the Issuer will give notice to the Noteholders (in accordance with Condition 14) and the Fiscal Agent specifying the Replacement Relevant Rate, as well as the concomitant changes and adjustments determined in accordance with paragraph (b) above.

If the Relevant Rate Determination Agent has determined that the Relevant Rate has been discontinued and/or an Administrator/Benchmark Event has occurred, and for any reason a Replacement Relevant Rate has not been or cannot be determined on or prior to the next following Relevant Floating Rate Determination Date, then no Replacement Relevant Rate will be adopted, and in such case, the Rate of Interest shall be the Rate of Interest determined on the previous Relevant Floating Rate Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

Where:

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

- (i) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference

Rate with the Successor Rate by any Relevant Nominating Body; or

- (ii) if no recommendation required under the subparagraph (i) above has been made or in the case of an Alternative Rate, the Relevant Rate Determination Agent determines and which is recognised or acknowledged as being a customary market usage in the international debt capital market for transactions or, if not, the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be; or
- (iii) if no such recommendation or option has been made (or made available), or the Relevant Rate Determination Agent determines there is no such spread, formula or methodology in customary market usage, the Relevant Rate Determination Agent, acting in good faith, determines to be appropriate.

"Administrator/Benchmark Event" means, in relation to any Floating Rate Notes and a Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event.

"Alternative Rate" means an alternative benchmark or screen rate which the Relevant Rate Determination Agent determines in accordance with this Condition 5 (c)(iii)(C) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Floating Rate Notes.

"Benchmark Modification or Cessation Event" means, in respect of any Floating Rate Notes and a Benchmark:

- (a) any material changes in such Benchmark;
- (b) the permanent or indefinite cancellation or cessation in the provision of such Benchmark;
- (c) a relevant regulator or other official sector entity prohibits the use of such Benchmark.

"Benchmark Regulation" means the Benchmark Regulation (Regulation (EU) 2016/1011) (as may be amended from time to time).

"Non-Approval Event" means, in respect of the Benchmark:

- (a) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be obtained; or
- (b) the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be included in an official register; or
- (c) the Benchmark or the administrator or sponsor of the Benchmark does not or will not fulfil any legal or regulatory requirement applicable to the Floating Rate Notes, the Issuer, the Calculation Agent or the Benchmark,

in each case, as required under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Floating Rate Notes. For the avoidance of doubt, a Non-Approval Event shall not occur if, notwithstanding that the Benchmark or the administrator or sponsor of the Benchmark is not or will not be included in an official register because its authorisation, registration, recognition, endorsement, equivalence or approval is suspended, at the time of such suspension the continued provision and use of the Benchmark is nevertheless permitted in respect of the Floating Rate Notes under applicable law or regulation during the period of such suspension.

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

"Rejection Event" means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses or will reject or refuse any application for authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in

any official register which, in each case, is required in relation to the Floating Rate Notes, the Benchmark or the administrator or sponsor of the Benchmark under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Floating Rate Notes.

"Relevant Floating Rate Determination Date" means, as the case may be, (i) the Floating Rate Determination Date, when Determination FBF is specified as "Applicable" in the relevant Pricing Supplement or (ii) the Interest Determination Date, when Screen Rate Determination is specified as "Applicable" in the relevant Pricing Supplement.

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

- (a) the central bank, reserve bank, monetary authority or any other similar institution (as applicable) for the currency to which the benchmark or screen rate (as applicable) relates; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank, reserve bank, monetary authority or any other similar institution (as applicable) for the currency to which the benchmark or screen rate (as applicable) relates, (ii) a group of the aforementioned institutions or (iv) the Financial Stability Board or any part thereof.

"Replacement Relevant Rate" means the Successor Rate or the Reference Rate as determined by the Relevant Rate Determination Agent for the purpose of determining the Relevant Rate, as the case may be.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"Suspension/Withdrawal Event" means, in respect of the Benchmark:

- (a) the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator or sponsor of the Benchmark which is required under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Floating Rate Notes; or
- (b) the Benchmark or the administrator or sponsor of the Benchmark is or will be removed from any official register where inclusion in such register is or will be required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Floating Rate Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is or will be suspended or where inclusion in any official register is or will be withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Floating Rate Notes under applicable law or regulation during the period of such suspension or withdrawal.

(d) Interest on Fixed/Floating Rate Notes

Where a Change of Interest Basis in the relevant Pricing Supplement is specified to be Applicable, unless otherwise specified in the relevant Pricing Supplement, each Note shall bear interest on its outstanding nominal amount at a rate that:

- (a) the Issuer may decide to convert on the switch date specified in the relevant Pricing Supplement (the **"Switch Date"**) from Fixed Rate (as calculated in accordance with Condition 5(b), amended or completed in the relevant Pricing Supplement) to Floating Rate (as calculated in accordance with Condition 5(c), amended or completed in the relevant Pricing Supplement) or from Floating Rate to Fixed Rate (an **"Issuer Change of Interest Basis"**), it being specified that any Issuer Change of Interest Basis shall be notified by the Issuer to the Noteholders within the period specified in the relevant Pricing Supplement and in accordance with Condition 14 to be applicable; or

- (b) automatically changes from Fixed Rate to Floating Rate or from Floating Rate to Fixed Rate on the Switch Date specified in the relevant Pricing Supplement (an "**Automatic Change of Interest Basis**").

(e) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon and, if so specified in the relevant Pricing Supplement, is repayable prior to the Maturity Date pursuant to an Issuer's call option or a Noteholders' put option, in accordance with the provisions of Condition 6(c) or 6(d), pursuant to Condition 6(e) or otherwise specified in these Terms and Conditions or in the relevant Pricing Supplement, and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Optional Redemption Amount or the Early Redemption Amount, as the case may be. As from the Maturity Date, the 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 6(e)(i)).

(f) Accrual of interest

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

(g) Margin, Rate Multiplier, Maximum or Minimum Rate of Interest, Instalment Amounts, Maximum or Minimum Redemption Amounts and Rounding

- (a) 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 to the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or by multiplying the Rate of Interest by the Rate Multiplier, subject always to the next paragraph.
- (b) If a Minimum Rate of Interest, a Maximum Rate of Interest, a Minimum Instalment Amount, a Maximum Instalment Amount, a Minimum Redemption Amount or a Maximum 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.
- (c) For the purposes of any calculations required pursuant to these Terms and Conditions, unless otherwise specified in the relevant Pricing Supplement, (w) if FBF Determination is specified in the relevant Pricing Supplement, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) otherwise all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up) and (y) all figures shall be rounded to seven 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 the purposes of this Condition, "**unit**" means the lowest amount of such currency that is available as legal tender in the country 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 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. 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 Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

The Calculation Agent, as soon as practicable on such date after the Relevant Time as it may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine

such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period. The Calculation Agent shall also calculate the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be. Then, the Calculation Agent shall 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, the Early Redemption Amount, the Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of Notes, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information. If the Notes are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, the Calculation Agent shall also notify such Regulated Market of such information 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 Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where the Interest Payment Date or the 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.

(j) 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 Note is outstanding (as defined 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 Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Terms and Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Terms and 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 or swap 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. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 14.

6. Redemption, purchase and options

(a) Final redemption

Unless previously redeemed or purchased and cancelled as provided below, any Noteholders' option in accordance with Condition 6(d), each Note shall be redeemed on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) specified in the relevant Pricing Supplement or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.

(b) Redemption by Instalments

Unless previously redeemed or purchased and cancelled as provided in this Condition 6 each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Pricing Supplement. 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 (i) in the case of Dematerialised Notes, on the due date for such payment

or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Reference Date relating to such Instalment Amount.

(c) Redemption at the option of the Issuer, exercise of Issuer's options and partial redemption

If a call option is specified in the relevant Pricing Supplement, the Issuer may, subject to compliance of all the relevant laws, regulations and directives applicable to the Issuer and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 14 to the holders of Notes (or such other notice period as may be specified in the relevant Pricing Supplement) redeem all or, if so provided, some of the Notes on any Optional Redemption Date, as indicated in the relevant Pricing Supplement. Any such redemption of Notes shall be at their Optional Redemption Amount indicated in the relevant Pricing Supplement, together with interest accrued to the effective date for redemption. Any partial redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Pricing Supplement.

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

In the case of a partial redemption 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.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption will be effected by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published (i) as long as such Notes are admitted to trading on Euronext Paris and the rules of such Regulated Market so permit, on its website (www.seine-et-marne.fr) or (ii) in a leading newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of the Euronext Paris is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

In the event of partial redemption, the Specified Denomination, the Final Redemption Amount, the Early Redemption Amount, Optional Redemption Amount, Instalment Amount and the principal on the Notes must be adjusted to take the partial redemption into account.

(d) Redemption at the option of Noteholders and exercise of Noteholders' options

If a put option is specified in the relevant Pricing Supplement, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Issuer (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Note on the Optional Redemption Date(s), as indicated in the relevant Pricing Supplement, at its Optional Redemption Amount indicated in the relevant Pricing Supplement, together with interest accrued to the effective date for redemption.

To exercise such option the Noteholder shall deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during normal business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(e) Early redemption

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(f) or 6(i) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Zero Coupon 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 Pricing Supplement, shall be such rate as would produce an Amortised Nominal 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 Amortised Nominal Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or 6(i) or 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 Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note 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 (both before and after judgement) 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 until the effective date for redemption in accordance with Condition 5(e).

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction as provided in the relevant Pricing Supplement.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f) or 6(i) or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the effective date for redemption.

(f) Redemption for taxation reasons

- (i) If, by reason of any change in French law or regulation, or any change in the official application or interpretation of such law or regulation by competent French authorities, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Pricing Supplement, at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Pricing Supplement, any interest accrued to the effective date for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent. The Issuer shall upon giving not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding (as defined above) at their Early Redemption Amount together with, unless otherwise specified in the Pricing Supplement, any interest accrued to the date set for redemption from (A) the latest practicable Interest Payment Date on which the Issuer could make

payment of the full amount then due and payable in respect of the Notes, provided that if such notice referred to above would expire after such Interest Payment Date the date for redemption of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Pricing Supplement, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(g) Purchases

The Issuer shall have the right at all times to 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 (including by tender offer) at any price, subject to the applicable laws and regulations.

The Pricing Supplement will specify whether the Notes so purchased by the Issuer may be purchased and held in accordance applicable French laws and regulations.

(h) Cancellation

All Notes redeemed or purchased by or on behalf of the Issuer for cancellation, will 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 the relevant Temporary Global Certificate or the Definitive Materialised Notes in question, together with all unmatured Receipts and Coupons and all unexchanged Talons, if applicable, to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Definitive Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes 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 Notes shall be discharged.

(i) Illegality

If, by reason of any coming into effect of a new law or regulation in France, a change in French law or any mandatory French provision, or any change in the official judicial or administrative application or interpretation of such law by any competent authority, becoming effective after the Issue Date, it would become unlawful for the Issuer to perform or comply with its obligations under the Notes, the Issuer will redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the effective date for redemption in a notice to Noteholders, which shall be published in accordance with Condition 14 not more than forty-five (45) nor less than thirty (30) calendar days' prior to such payment (which notice shall be irrevocable).

7. Payments and Talons

(a) Dematerialised Notes

Payments of principal and interest in respect of Dematerialised Notes shall (i) 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 holders of Notes and, (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank (as defined below) designated by the relevant holder of Notes. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

(b) Definitive Materialised Notes

(i) Method of payment

Subject as provided below, any payment in a Specified Currency will be made by credit, or transfer to, an account denominated in the Specified Currency, or an account 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, or at the option of the payee, by a cheque in the 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, Receipts and Coupons*

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (i) 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 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)).

Payments of instalments of principal (if any) in respect of Definitive Materialised Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (i) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (i) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Materialised Note to which it appertains. Receipts presented without the Definitive Materialised Note to which they appertain do not constitute valid obligations of the Issuer.

Upon the date upon which any Definitive Materialised Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment will be made in respect thereof.

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 at any time before 1 January of the fourth year following the due date for such amount, 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 prior to its Maturity Date, 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 Condition 8. No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Offering Circular. The Fiscal Agent, the Paying Agent(s) and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent expert(s) and, in each case such, may not be considered as agents in respect of any Noteholder or Couponholder (unless otherwise stated). The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Terms and Conditions so require, (iii) Paying Agent having specified offices in at least one major European city (and ensuring the financial services of the Notes in France so long as the Notes are admitted to trading on Euronext Paris and in such other city where the Notes are admitted to trading on any other Regulated Market, so long as the Notes are admitted to trading on such Regulated Market) (iv) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (v) such other agents as may be required by the rules of any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated 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 holders of Notes in accordance with Condition 14.

(f) Talons

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

(g) Business Days for payment

If any date for payment in respect of any Note, Receipt or Coupon is not a business day (as defined below), the Noteholder, the Receiptholder or the Couponholder shall not be entitled to payment until the following business day nor to any interest or other sum in respect of such postponed payment (subject to the application of Condition 5(c)(ii)). 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 financial place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "**Financial Centre(s)**" 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 Specified Currency, on which foreign exchange transactions may be carried on in such Specified 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.

(h) Bank

For the purpose of this Condition 7, "**Bank**" means a bank in the principal financial centre of the Specified Currency or, in the case of payments in Euro, in a city in which banks have access to the TARGET System.

8. Taxation

(a) Withholding tax

All payments of principal, interest and other revenue 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 comes to be required by law.

(b) Additional amounts

If French law should require that payments of principal, interest or other revenue in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be in the following events:

(i) *Other connection*

a Noteholder or Couponholder, or a third party on his behalf, is liable to such taxes or duties in France by any reason other than the mere holding of the Note, Receipt or Coupon; or

(ii) *More than thirty (30) calendar days after the Relevant Date*

in the case of Definitive Materialised Notes, more than thirty (30) calendar days have elapsed after the Relevant Date except to the extent that the Noteholder, Receiptholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(iii) *Payment by another Paying Agent*

in the case of Definitive Materialised Notes presented for payment, such withholding or deduction is made by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or

References in these Terms and Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, all Final Redemption Amounts, all Early Redemption Amounts, all Optional Redemption Amounts, all Amortised Nominal Amounts and any other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) "**interest**" are deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" are deemed to include any additional amounts that may be payable under this Condition.

9. Events of Default

The Representative (as defined in Condition 11), by itself or upon request of any Noteholder may, upon written notice to the Issuer (with copy to the Fiscal Agent) given before all defaults shall have been cured, cause all the Notes (but not some only) to become immediately due and payable at their Early Redemption Amount, together with any accrued interest on such Notes, until the actual redemption date, if any of the following events (each, an "**Event of Default**") shall occur:

- (i) default in the payment of principal of, or interest on, any amount due by the Issuer in respect of any Note, Receipt or Coupon for more than thirty (30) calendar days from the due date for such payment; or
- (ii) default in the due performance of any other obligation of the Issuer in respect of the Notes, if such default, manifestly capable of remedy, shall not have been remedied within thirty (30) calendar days from receipt by the Issuer of a written notice of such default given by the Representative or a Noteholder; or
- (iii) the Issuer is no longer able to meet its mandatory expenditures as defined in Article L.3321-1 of the French *Code général des collectivités territoriales*; or
- (iv) (a) any bank or bond indebtedness for borrowed money of the Issuer is not paid by the Issuer, in whole or in part, when it becomes due or prematurely redeemable or, as the case may be, at the expiry of any applicable grace period expressly granted under such indebtedness agreements, provided that the outstanding principal amount due under such indebtedness is in excess of fifty million (50,000,000) euros (or its equivalent in any other currency); or any guarantee(s) granted by the Issuer in respect of any bank or bond indebtedness for borrowed money of third parties is not paid by the Issuer, in whole or in part, when such guarantee(s) is (are) due and called upon, provided that the amount of such guarantee(s) is in excess of fifty million (50,000,000) euros (or its equivalent in any other currency); or
- (v) loss by the Issuer of the status of local authority (*collectivité territoriale*),

provided that any event contemplated in paragraphs (iii) and (iv) above shall not constitute an Event of Default and the periods referred to in paragraphs (i) and (ii) above shall be suspended, in the event that the Issuer notifies the Noteholders (in accordance with Condition 14), before the expiry of the relevant period of the need, in order to cure such defaults, to adopt a budgetary deliberation for the payment of unforeseen or additional budget expenses in relation to debt service, until (and including) the date on which such budgetary deliberation is enforceable (*exécutoire*), from which the suspension periods referred to above will end.

The Issuer shall notify the Noteholders (in accordance with Condition 14) the date on which such deliberation becomes enforceable (*exécutoire*).

In the event that such deliberation has not been adopted and is not enforceable (*exécutoire*) within the four-month period beginning on the notice regarding the requirement to adopt such deliberation given by the Issuer to the Noteholders, the events referred to in paragraphs (iii) and (iv) above shall constitute an Event of Default and the periods specified in paragraphs (i) and (ii) shall continue to run upon expiry of such four (4)-month period.

10. Prescription

Claims against the Issuer for payment in respect of any amount due under the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed within four (4) years from 1 January of the year following the date on which such amount fell due.

11. Representation of Noteholders

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically in a *masse* (the "**Masse**") for the defence of their common interests.

The Masse will be governed by the provisions of Articles L.228-46 *et seq.* of the French Commercial Code (*Code de commerce*) as completed by this Condition.

(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 collective decisions (the "**Collective Decisions**").

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 not be conferred on the following persons:

- (i) the Issuer, the members of its Departmental Council (*Conseil Départemental*), its employees and their ascendants, descendants and spouses; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of directors (*Conseil d'administration*), executive board (*directoire*) or supervisory board (*conseil de surveillance*), their statutory auditors, employees and their ascendants, descendants and spouse; 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 and its alternate will be set out in the relevant Pricing Supplement.

The Representative will be entitled to such remuneration in connection with its function or duties, if any, as set out in the relevant Pricing Supplement. The Representative appointed in respect of the first Tranche or Series of Notes will be the Representative of the single Masse of all such Series.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement, dissolution 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 office(s) of any of the Paying Agents.

(c) **Powers of the Representative**

The Representative shall (in the absence of any contrary Collective Decision) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

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) **Collective Decisions**

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**") or (ii) by unanimous consent of the Noteholders following a written consultation (the "**Written Unanimous Decision**").

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any Noteholder.

Collective Decisions must be published in accordance with the provisions set forth in Condition 14.

(i) **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 (as defined above), may address to the Issuer and the Representative a request for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such request, the Noteholders may commission one of themselves to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

In accordance with the provisions of Article R.228-67 first paragraph of the French *Code de commerce*, notice of the date, hour, place and agenda of any General Meeting will be published in accordance with Condition 14, not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

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.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding (as defined above). On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Noteholders attending such General Meetings or represented thereat.

In accordance with the provisions of Article L.228-61 of the French *Code de commerce*, each Noteholder has the right to participate in General Meetings in person, by proxy, by correspondence, by videoconference, or by any other means of telecommunication allowing the identification of participating Noteholders.

Each Noteholder or representative thereof will have the right 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 and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

The General Meeting is chaired by the Representative. In the event of the absence of the Representative at the start of a General Meeting and if no Noteholder is present or represented, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

(ii) Written Unanimous Decision

In accordance with the provisions of Article L.228-46-1 of the French *Code de commerce*, Collective Decisions may also be taken by a Written Unanimous Decision, at the initiative of the Issuer or the Representative.

Such Written Unanimous Decisions shall be signed by or on behalf of all the Noteholders without having to comply with formalities and time limits referred to in Condition 11(d)(i). Any Written Unanimous Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Subject to the following sentence, a Written Unanimous Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of such Noteholders. Approval of a Written Unanimous Resolution may also be given by way of electronic communication allowing the identification of Noteholders.

(e) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the adoption of Collective Decisions and, more generally, all administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(f) Single Masse

The holders of Notes of the same Series, including the holders of Notes of any other Tranches which have been assimilated with the previously issued Notes of such first mentioned Tranches 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 or Series of Notes will be the Representative of the single Masse of all such Series.

(g) Sole Noteholder

If and for so long as the Notes of any Series are held by a sole Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all powers, rights and obligations entrusted to the Representative and to the Noteholders acting through Collective Decisions by the provisions of the Terms and Conditions of the Notes.

From the date of appointment of the Representative in relation to any Series, if and for so long as the Notes of such Series are held by a sole Noteholder, such Noteholder shall exercise all powers, rights and obligations entrusted to the Noteholders acting through Collective Decisions by the provisions of the Terms and Conditions of the Notes.

The Sole Noteholder shall hold (or cause its authorised agent to hold) a register of the decisions taken by him in this capacity and shall make it available, upon request, to any subsequent Noteholder. Unless appointed in the relevant Pricing Supplement, a Representative will have to be appointed from the moment that the Notes of any Series are held by more than one Noteholder.

(h) Notices to Noteholders

Any notice to be given to Noteholders in accordance with this Condition 11 shall be given in accordance with Condition 14.

For the avoidance of doubt in this Condition 11, the term "outstanding" shall not include the Notes purchased by the Issuer pursuant to Article L. 213-0-1 of the French *Code monétaire et financier*, which are held by the Issuer and not cancelled.

12. 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. Such replacement shall be made 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, 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 Materialised Notes, Receipts, Coupons or further Coupons). Partially mutilated or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further issues

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes to be assimilated (*assimilées*) with the Notes already issued to form a single Serie, provided such Notes already issued and the further notes carry to their holders rights identical in all respects (or identical in all respects save as to the issue date, the issue price and the first payment of interest defined in the relevant Pricing Supplement) and that the terms and conditions of such Notes provide for such assimilation, and references in these Terms and Conditions to "Notes" shall be construed accordingly.

14. Notices

- (a) Notices 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 postal addresses, in which case they will be deemed to have been given on the fourth (4th) Business Day after the mailing, and (ii) they are published in a newspaper of general circulation in Europe (which is expected to be the *Financial Times*). It is specified that so long as such Notes will be admitted to trading on a Regulated Market and that the rules applicable to this Regulated Market so require, notices will only be deemed valid if they are published on the website of any relevant regulatory authority, in a daily leading financial newspaper with general circulation in the city/ies where such Notes is/are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (i) in a daily leading financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and (ii) so long as such Notes are admitted to trading on any Regulated Market(s) and that the rules applicable to this Regulated Market so require, notices will be published in a daily leading financial newspaper with general circulation in the city/ies where such Notes are admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.
- (c) If any such publication is not practicable, notice shall be validly given if published in another daily leading financial newspaper with general circulation in Europe, provided that so long as the Notes are admitted to trading on any Regulated Market, notices shall be published in any other manner which is required, as the case may be, by the rules applicable to this Regulated Market. Noteholders shall be deemed to be informed of the contents of such notices 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.
- (d) 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 Terms and Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publications as required by Conditions 14(a), (b) and (c) above; provided that so long as such Notes will be admitted to trading on a Regulated Market and the rules applicable to that Regulated Market so require, notices shall also be published in a daily leading financial newspaper with general circulation in the city/ies where such Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.

15. Amendments

These Terms and Conditions may be amended or completed through any amendment to or update of the offering circular relating to the Issuer's EMTN programme dated 20 November 2019 or, in respect of a relevant Tranche, through the relevant Pricing Supplement.

The parties to the Agency Agreement may, without the consent of the Noteholders, Receiptholders or Couponholders, amend this agreement or waive some of its stipulations for the purpose of resolving any ambiguity or rectifying, correcting or completing any inadequate stipulation of the Agency Agreement, or in any

other way the parties to the Agency Agreement may deem necessary or desirable and insofar as, based on the reasonable opinion of these parties, it has not harmed the interests of the Noteholders, Receiptholders or Couponholders.

16. Governing law, language and jurisdiction

(a) Governing law

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

(b) Language

This Offering Circular has been prepared in the French language and the English language but only the French version shall be regarded as binding.

(c) Jurisdiction

Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons will be submitted to the jurisdiction of the competent court of the *Cour d'appel de Paris* (subject to any applicable mandatory rules pertaining to the territorial jurisdiction of French courts).

Nevertheless it is specified that the assets and properties of the Issuer are not subject to legal process (*voie d'exécution*) under private law or attachment in France.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

Temporary Global Certificates

A temporary global certificate without interest coupons (a "**Temporary Global Certificate**") will initially be issued in connection with each Tranche of Materialised Notes, which will be delivered on or prior to the issue date of the Tranche with a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and for Clearstream Banking, SA ("**Clearstream**"). Upon the delivery of such Temporary Global Certificate with a Common Depository, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with such principal amount of Notes the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, a principal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Materialised Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Pricing Supplement indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "General Description of the Programme-Selling Restrictions"), in whole, but not in part, for Definitive Materialised Notes and
- (ii) otherwise, in whole but not in part, upon certification if required under U.S. Treasury regulation section 1.163-5(c)(2)(i)(D)(3) as to non-U.S. beneficial ownership (a form of which shall be available at the specified office(s) of any of the Paying Agents) for Definitive Materialised Notes.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to, or to the order of, the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Offering Circular, "**Definitive Materialised Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Materialised Notes shall be available at the specified office(s) of any of the Paying Agents.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of forty (40) calendar days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 13, the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) calendar days after the issue date of such further Materialised Notes.

In the case of Materialised Notes with an initial maturity of more than 365 days (and that are not relying on the C Rules), the Temporary Global Certificate shall bear the following legend:

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES FEDERAL INCOME TAX LAWS INCLUDING THE LIMITATION PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

DESCRIPTION OF THE ISSUER

1. Entities responsible for the information in the Offering Circular

Issuer

The Issuer is the Seine-et-Marne Department, a local authority.

Person responsible

Patrick SEPTIERS

President of the Departmental Council of Seine-et-Marne

Phone: +33 (0)1 64 14 70 00

Patrick.septiers@departement77.fr

2. General information about the Seine-et-Marne Department

2.1 Institutional and political organisation

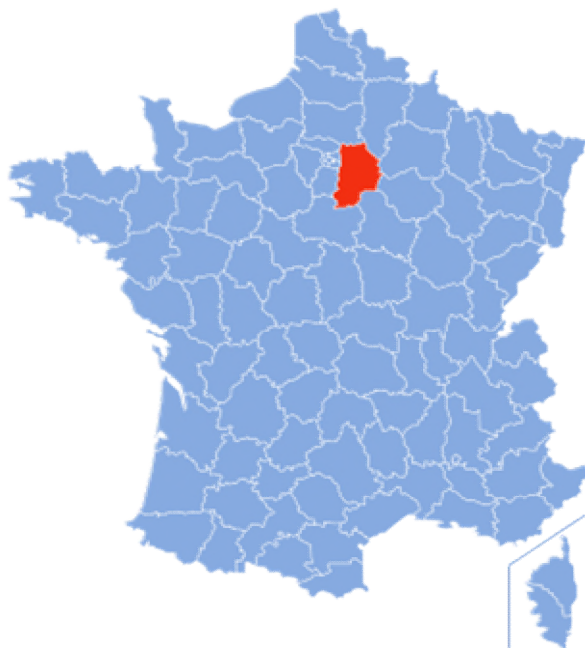
2.1.1 Head office

The Issuer is the Seine-et-Marne Department, a local authority.

Its head office is located at Hôtel du Department, 12 Rue des Saints Pères, 77000 Melun, France.

Its phone number is +33 (0)1 64 14 77 77.

2.1.2 Geographical location



The Seine-et-Marne Department is part of the Ile-de-France region. Located to the east of Paris, and covering 5,915 km², it represents **49%** of the total surface area of Ile-de-France, making it the largest department in Ile-de-France. It has borders with 10 other departments (Val-d'Oise, Seine-Saint-Denis, Val-de-Marne and Essonne to the west, Loiret and Yonne to the south, Aube and Marne to the east and Aisne and Oise to the north).

The Seine-et-Marne Department has 23 cantons and 510 communes. On 1st January 2019, the Seine-et-Marne Department had 24 inter-authorities with taxation powers (9 groupings of conurbations and 15 groupings of communes), 2 of which have their headquarters outside the Department. Melun is the administrative centre of the Department.

Diversity plays a role in the Seine-et-Marne Department, with a city ring road to the west and rural land to the east.



2.1.3 Legal form, organisation and powers

a) Legal form

The Seine-et-Marne Department is one of the Republic's local authorities (with the Communes, Regions, Communities with special status and Overseas Communities) under articles 34 and 72 of the French Constitution of 4 October 1958, modified.

Created by the Acts of 22 December 1789 and 26 February 1790, the Seine-et-Marne Department was organised into a local authority by the Act of 10 August 1871.

Local authorities are legal entities under public law that are distinct from the State and have a certain legal autonomy. They have their own resources and powers that are exercised in the framework of the law.

They are governed by constitutional, legislative and regulatory provisions.

Since the decentralisation act of 2 March 1982, the State's financial and administrative supervision via the Prefect was rescinded and the President of the General Council becomes the Department's executive. The Prefect is still the holder of State authority in the Department.

Today, after Mayotte was transformed into an overseas department on 31 March 2011, there are 101 departments (96 in continental France and five overseas).

The Seine-et-Marne Department took its name on 4 March 1790 from the names of the two rivers that flow through it. On 28 May 1790, Melun was chosen as the Department seat because of its location on the Seine.

b) Organisation and operation

The organisation and operations of Seine-et-Marne Department is based on political organs and administrative organs.

The legal framework determining the organisation is laid down by the Constitution of the Fifth Republic (Section XII) and the French *Code général des collectivités territoriales* (CGCT).

The by-laws of the Departmental Council and of the permanent commission set forth these rules and specify the operations of the Department's organs.

▪ Political organisation

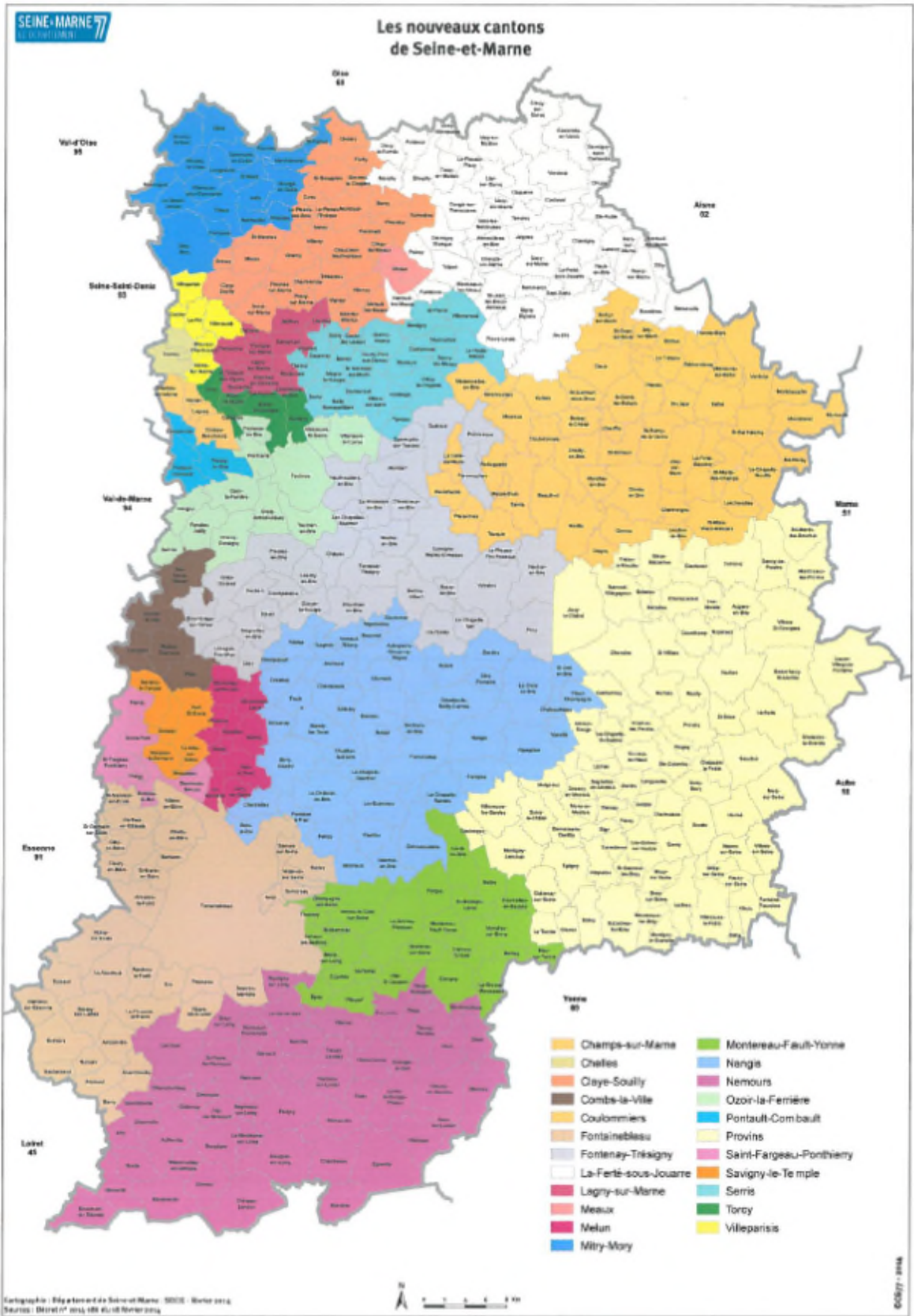
The Seine-et-Marne Department's political and institutional foundations are its deliberative bodies (the Departmental Council and the permanent commission) and the executive entities (the President of the Departmental Council and the Bureau).

(i) Deliberative bodies: Departmental Council and permanent commission

❖ Departmental Council

Under organic law 2013-402 of 17 May 2013 and Act 2013-403 of 17 May 2013, as from the renewal of the Departmental Assemblies in March 2015, the former General Councillors are replaced by departmental councillors. Departmental councillors are elected by direct universal suffrage in the scope of new cantons entirely every six years. Each pair of winners represents a canton and must consist of one woman and one man. Once elected, the pair of winners will exercise their powers independently of each other.

The delineation of new cantons of the Seine-et-Marne Department was conducted by Decree No. 2014-186 dated 18 February 2014. This decree corrects demographic inequalities between cantons to ensure the principle of population balance. Under this decree, the Seine-et-Marne Department includes now 23 cantons. 46 departmental councillors have therefore been elected during the departmental elections held on 22 and 29 March 2015.



The Departmental Council of Seine-et-Marne comprises 46 departmental councillors that meet in plenary Assembly (public session at least once per quarter) in order to examine, under the President's authority, the major future issues facing the Department.

The Departmental Council is the Department's common-law authority. Its powers cover all the Department's prerogatives that have not been expressly entrusted to other authorities (chiefly its President). There are some powers that the Departmental Council cannot delegate to other formations or authorities. For example, it is the only entity that can adopt the budget and vote taxation rates and taxes authorised by law to the Department's benefit.

The Departmental Council can delegate some of its powers to its President or to the permanent commission.

The following members constitute the Departmental Council:

President	Patrick SEPTIERS
1 st Vice President responsible for planning, contractual policies and agriculture	Olivier LAVENKA
2 nd Vice President responsible for finance, education and secondary schools	Daisy LUCZAK
3 rd Vice President responsible for roads transport and mobility	Xavier VANDERBISE
4 th Vice President responsible higher education, vocational training and medical care	Geneviève SERT
5 th Vice President responsible for solidarity	Bernard COZIC
6 th Vice President responsible for sport and youth	Martine BULLOT
7 th Vice President responsible for the environment and quality of life	Yves JAUNAUX
8 th Vice President responsible for Departmental buildings	Anne-Laure FONTBONNE
9 th Vice President responsible for housing, accommodation, urban renewal and urban policy	Denis JULLEMIER
10 th Vice President responsible for human resources	Andrée ZAIDI
11 th Vice President responsible for educational success and learning innovation	Sarah LACROIX
12 th Vice President responsible for general administration	Isoline GARREAU MILLOT
13 th Vice President responsible for culture and heritage, delegated to Grand Roissy	Olivier MORIN

Delegated Councillors (6):

Jérôme GUYARD	President's delegate responsible for territorial appeal and tourism
Sandrine SOSINSKI	President's delegate responsible for international outreach and Xavier Vanderbise's delegate responsible for school transport and transport for disabled people
Véronique VEAU	Olivier Morin's delegate, responsible for music, dance, theatre, plastic and visual arts and live performance; and Daisy Luczak's delegate, responsible for education and secondary schools
Cathy BISSONNIER	Olivier Morin's delegate responsible for public reading
Béatrice RUCHETON	Olivier Morin's delegate responsible for Departmental museums
Jérôme TISSERAND	Xavier Vanderbise's delegate responsible for mobility

Departmental Councillors (26):

- Pierre BACQUE,
- Nathalie BEAULNES-SERENI,
- Ludovic BOUTILLIER,
- Jean-Marc CHANUSSOT,
- Bernard CORNEILLE,
- Monique DELESSARD,
- Arnaud DE BELENET
- Smail DJEBARA,
- Martine DUVERNOIS,
- Vincent ÉBLÉ,
- Julie GOBERT,
- Jean LAVIOLETTE,
- Nolwenn LE BOUTER,
- Marianne MARGATÉ,
- Céline NETTHAVONGS,
- Jean-François ONETO,
- Véronique PASQUIER,
- Ugo PEZZETTA,
- Laurence PICARD,
- Valérie POTTIEZ-HUSSON,
- Brice RABASTE,
- Isabelle RECIO,
- Jean-Louis THIEROT
- Virginie THOBOR,
- Franck VERNIN,
- Sinclair VOURIOT.

To study the business submitted to it and prepare the decisions and opinions incumbent upon it, the Departmental Council divides into permanent technical and finance commissions or specialised commissions with a specific purpose and of definite or indefinite term.

The sectorial commissions (the composition of which is in proportion to the number of officials of each political group):

- **1st commission:** Land planning, contractual policies, environment and agriculture
- **2nd commission:** Human resources and general administration
- **3rd commission:** Roads, transport and mobility
- **4th commission:** Solidarity
- **5th commission:** Education, community life, youth and sport
- **6th commission:** Culture and heritage
- **7th commission:** Finance
- **8th commission:** Internal regulations

❖ The permanent commission

Created by the Act of 6 February 1992 on the territorial administration of the Republic, the permanent commission is an internal deliberative structure of the Departmental Council. The council sets the number of Vice presidents and other members of the permanent commission.

For the Seine-et-Marne Department, this permanent commission seats 46 members, that is, members of the Bureau and of all the other departmental Councillors. By its deliberations, it settles the business within the powers delegated to it and ensures the continuity of Departmental Council operation between Council meetings. The Departmental Council may delegate part of its powers to the permanent commission, except those concerning the budget, modifying decisions, vote of the administrative account and mandatory expenses.

During its meeting of 13 July 2018, the Departmental Council (decision no. CD-2018/07/13-0/04) delegated a portion of its authorities to the Permanent Commission. The Permanent Commission has no authority when it comes to debt or cash management.

(ii) **Executive entities: the President of the Departmental Council and the Bureau**

❖ **The President of the Departmental Council**

Pursuant to the deliberation of the Departmental Council n° CD-2018/07/13-0/04 dated 13 July 2018, Mr Patrick SEPTIERS was elected President of the Departmental Council of Seine-et-Marne and as such is the executive head of the Department (article L.3221-1 of the CGCT) and head of the Departmental services (article L.3221-3 of the CGCT).

The President leads the Assembly's works, prepares the decisions and supervises their execution. For this, he relies on the Departmental services and is assisted by the Bureau and the permanent commission.

The President has specific powers and powers delegated by the Departmental Council.

Main enumerated powers	<ul style="list-style-type: none">- he prepares and executes the Council's deliberations. He calls the Departmental Council meetings and sets the session agenda and presides over the session. He reports to the Council each year on the Seine-et-Marne Department's situation;- he organizes the Department's expenditures and prescribes the execution of Seine-et-Marne Department revenue;- he is the sole responsible for the administration and is the chief of the Seine-et-Marne Department's services;- he administers the Seine-et-Marne Department's domain, so he has special police powers;- he signs contracts and agreements in the Seine-et-Marne Department's name by virtue of his specific power to execute deliberations;- as the State's interlocutor in the Seine-et-Marne Department, especially with the Prefect, he shares coordination with the Prefect between the actions of the Seine-et-Marne Departmental services and those of the State services in the Department. If need be, he can use the State's de-concentrated services to prepare and execute the Seine-et-Marne Departmental Council's deliberations; and- he exercises, in matters of social action, the powers devolving upon him by the French <i>Code de l'action sociale et des familles</i>.
Main delegated powers	<p><u>He must report to the Departmental Council on the powers that the Departmental Council confers upon him, mainly:</u></p> <ul style="list-style-type: none">- in financial matters: to procure and manage borrowings and obtaining overdraft facilities, updating and implementing EMTN programmes and short or medium-term credit securities up to an amount authorised by the Departmental Council,- investing funds; and- to make any decisions concerning the preparation, signing, performance or payment of contracts and framework agreements (including the awarding to prime contractors of public contracts) as well as decision with regards to their addendum.

❖ **The Bureau**

In addition to the President, the Bureau includes all Vice-Presidents of the Seine-et-Marne Department. It lays down the broad outlines of departmental policy and organises, under the President's authority, the Departmental Council's work.

(iii) **Administrative bodies: Departmental services**

❖ **Departmental administration**

The Departmental administration implements the policy defined by the Departmental Assembly.

Placed under the responsibility of the General Department of Services, the Departmental services are organised around four hubs:

- General Department Assistant for solidarity;
- General Department Assistant for the environment, travel and land development;
- General Department Assistant for education, culture, tourism, youth and sports;
- General Department Assistant for administration and resources.

The General Services Department, to which certain services are directly attached (in particular the Finance Department), coordinates all of these activities.

As of 1 January 2019, the headcount of Seine-et-Marne Department was 4,339 civil servants, 84% of whom are tenured, which represents 45 more civil servants than in January 2018.

In addition, the Seine-et-Marne Department employs 580 foster families.

This increase is due largely to the creation of:

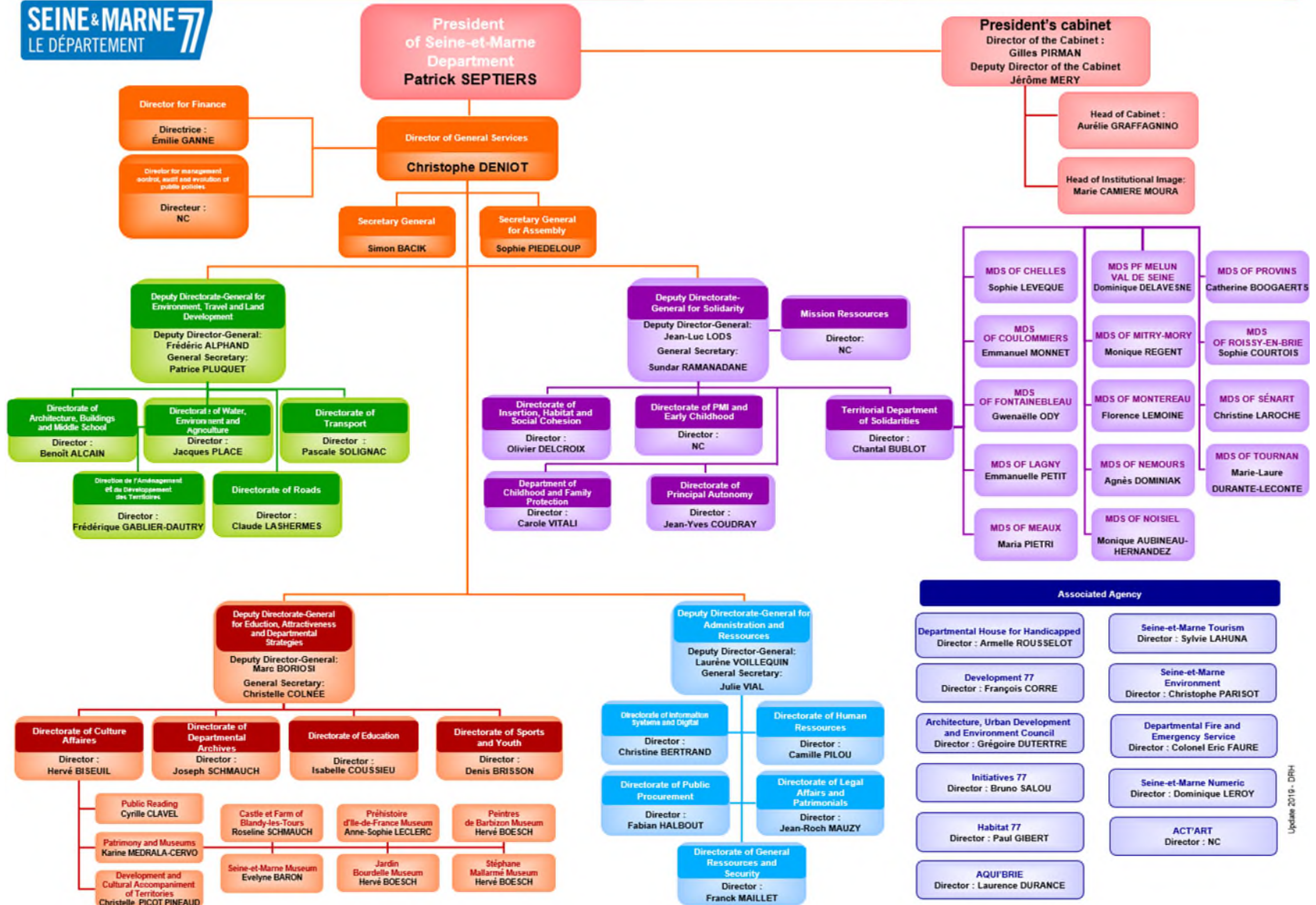
- 18 departmental positions to be provided to the MDPH (departmental homes for people with disabilities), which until then had handled direct hiring;
- 14 new positions following the opening of two new secondary schools for the recruitment of technical officers.

5 positions for the Departmental Solidarity Homes

As of the same date, the non-tenured jobs were the following:

Non-tenured jobs	
Occasional needs	32
Seasonal workers	12
Assistant contracts	265
Apprentices	25

Departmental Services Diagram



Update 2016 - DRH

▪ **State audits of local authorities**

State audits of local authorities via the Prefect, meet a constitutional requirement: "*In the local authorities of the Republic, the State representative [...] is in charge of national interests, administrative control and compliance with laws*" (article 72, last paragraph of the French Constitution of 4 October 1958, as amended).

Before 1982, State oversight of the communities allowed the representative of the State to intervene upstream of the entry into effect of community acts and to have the power to cancel (including for reasons of opportunity), approve or substitute them.

With the suppression of oversight, new checks were instituted to meet the constitutional requirement mentioned above.

Legality check:

Legality is checked after the fact, *i.e.* once the act is adopted, and authorises no check of opportunity. The Prefect is in charge of making sure the community's acts are legal. They are transmitted to the Prefect under article L.3131-2 of the CGCT. When an act is illegal, the Prefect has two months after the act's publication or notification to sue before the administrative court (the administrative court of Melun for Seine-et-Marne Department), two months as from the transmission of the acts, unless they are appealed first or special circumstances arise.

Financial checks:

The Seine-et-Marne Department's budgets are subject both to the legality check and to the audits conducted by the Prefect of Seine-et-Marne, the public accountant (Departmental Paymaster) and the Regional Chamber of Accounts ("**CRC**") of the Ile-de-France Region.

The **Department Prefect**, as State representative, checks that the department's budget as adopted follows the real balance rule. He may defer any disputable budgetary documents to the CRC. The Regional Chamber of Accounts issues opinions and the Prefect takes corrective measures accordingly, providing an explicit justification for any deviation from the opinions issued by the CRC. This check is exercised in five cases: (i) when the budget is voted outside the legal time period, (ii) if it lacks the real balance, (iii) compulsory expenditures not listed (in which case the relevant public accountant or any interested party may also refer the matter to the CRC), (iv) no transmission of the administrative account or (v) the deficit of the administrative account beyond the authorised limits.

The **public accountant (Departmental Paymaster)** pays expenditures and collects the revenue. This results from the principle of separation of ordering parties and accountants. The public accountant is thus the only one in charge of handling the Department's public funds and collecting the receipt notes issued by the ordering party. He is also obliged to exercise a check of the external legality of each payment order and of the receipt Notes issued by the ordering party.

The public accountant, named by the Minister of Finances, is financially and personally responsible for the operations in his charge (article 17 of decree 2012-1246 of 7 November 2012). The public accountant's role is thus a guarantee of the regularity of the Departmental institution's accounting operations.

At the same time as the administrative account drawn up by the President of the Departmental Council, the public accountant establishes a management account that logs all the accounting items passed by the Department. Each year, the Departmental Council is called upon to check the concordance of the items and results, between those from the accounts as held by the ordering party (the President of the Departmental Council) and those of the public accountant (the Departmental Paymaster).

The Seine-et-Marne Department is moreover subject to a periodical management examination by the CRC. Instituted by the Act of 2 March 1982, the CRC oversee the compliance of local budgets with laws and regulations. In the framework of their audit operations, the CRCs examine the management of the communities after the fact: They make observations on the regularity and quality of management of the ordering parties. These audits also concern the financial situation (risk analysis) of the community and one or more of the community's major functions. After an adversarial process, the CRC adopts a report of final observations that is sent with the ordering party's answers to the deliberative assembly (article L.243-5 of the *Code des juridictions financières*). This examination concerns the entire period elapsed since the previous check.

The latest report of the Ile-de-France CRC dates from 8 April 2011 and concerns 2006 and the following years. It can be consulted at: <https://www.ccomptes.fr/fr/publications/departement-seine-et-marne-seine-et-marne>.

c) **Powers:**

▪ **A scope of powers established by law**

The Seine-et-Marne Department has powers attributed to it by law. These powers may be specific or shared with other territorial communities. Article L.3211-1 of the CGCT says "*The Departmental Council, by its deliberations, settles the Department's affairs in the fields of powers that the law attributes to it. It has power to implement any assistance or action pertaining to the prevention or takeover of situations of fragility, social development, the hosting of young children and the independence of persons. It also has power to facilitate the access to the rights and services of the public of which*

it is responsible. It has power to promote solidarities and the territorial cohesion on the Departmental territory, in accordance with the integrity, the autonomy and the attributions of the regions and the communes." Also, article L.1111-4, fourth paragraph of the CGCT poses the following principle according to which "the communes, the departments and the regions finance as a priority those projects pertaining to the fields of competence devolved upon them by law..."

"MAPTAM" Act 2014-58 of 27 January 2014 to "modernise public territorial action and affirm metropolitan areas" designates the Seine-et-Marne Department as "leader" in matters of social assistance, independence of persons and solidarity of territories.

"NOTRe" Act 2015-991 of 7 August 2015 on the "New territorial organisation of the Republic" instituted the principle of specialisation of the departments and regions (with the deletion of the general competence clause for these two levels) and entailed a clarification of the powers of the Seine-et-Marne Department, which nonetheless conserved its emblematic powers such as social action, management of social assistance, that of departmental roads, construction and the maintenance of middle schools.

▪ **Departmental policies**

The main missions and actions of the Seine-et-Marne Department pertain to:

○ **Sanitary and social action:**

The solidarity mission conducted by the Seine-et-Marne Department is the first item of operating expenses (58.1% of the allotted funds in 2018). These actions result in the policies appearing in the following table:

	Main powers
Childhood	<ul style="list-style-type: none"> - monitoring of pregnant women and young mothers; - approval, monitoring and training of mothers' assistants; - authorisation to open and tracking of infant hosting structures; - prevention of risk of danger, protection of children in danger; - departmental establishments of Child care; - approval of candidates for adoption and follow-up on adopted children; - child abuse prevention; and - care of unaccompanied minors.
Family	<ul style="list-style-type: none"> - upbringing assistance with home visits by family workers, youth workers, social assistants, etc.; and - financial assistance (emergency help and monthly allowances).
Seniors and Handicapped Adults	<ul style="list-style-type: none"> - handicapped Adult: "Disability compensation benefits" ("PCH"), home assistance and lodging assistance in institutions or host family and approval of these lodging modes and approval of these types of accommodation; and - seniors: help support for assumption of "autonomy loss" ("Personalised Allocation of Autonomy" or "APA"), home assistance (house work, remote alarms, etc.), approval of host families and assistance for renovation of institutions.
Health Prevention	<ul style="list-style-type: none"> - kindergarten health check-ups; and - vaccinations free of charge (schools, city hall, etc.).
Insertion	<ul style="list-style-type: none"> - payment of the "Active solidarity income" ("RSA"), professional and social insertion of RSA beneficiaries, young people and people with particular social difficulties.

Source: Seine-et-Marne Department

○ **Education, sports, culture and heritage**

The law endows the Seine-et-Marne Department with jurisdiction in the socio-educational, cultural and sports development field. These expenditures, grouped within a "socio-educational, cultural and sports development" mission, account for nearly **4.4%** of operating expenses in 2018.

Building and maintaining public middle schools is a major jurisdiction for the Department, due to the size of its youthful population. At the end of 2017, the Seine-et-Marne Department has 128 public middle schools that it owns. Expenditures in this field constitute the leading investment expenditure item, with €34.2 M in operating payment funds and €66.9 M in equipment expenditures in 2018 (38.8% of equipment expenditures).

The cultural competence is clearly defined by the terms of the NOTRe act. According to these provisions, it is a competence shared amongst the communes, the departments, the regions and the communities on this particular status, as well as the powers in matters of sports, tourism, promotion of regional languages and popular education (article 103 of the NOTRe act and Article L.1111-4 of the CGCT).

	Main powers
Education	<ul style="list-style-type: none"> - middle schools: construction, renovation, maintenance, extension and equipment, assistance by the territorial technical officers of educational institutions (ATTEE), mass catering, educational assistance; and - Information Technology and Communication for Education ("TICE"): set up of digital workspace (Espace Numérique de Travail) and broadband internet connection for middle schools.
Sports	<ul style="list-style-type: none"> - assistance for creation and renovation of sports facilities; - participation to functioning of sports complexes used by middle schools; - subsidies to associations; and - organisation of events.
Heritage and culture	<ul style="list-style-type: none"> - departmental museums; - assistance in restoration enhancement of the historical heritage of Seine-et-Marne and museums in Seine-et-Marne; and - departmental Archives: collection, protection and enhancement of the collections of local archives.

Source: Seine-et-Marne Department

○ **Equipment, environment and territorial development:**

Under the powers attributed by law to the Seine-et-Marne Department, the "Equipment and development of the territory" mission that groups together the policies related to territorial development, environmental protection, departmental roads, safety and transports, account in 2018, for 16.9% of the operating funds and 53.6% of equipment expenses. The departmental road network is more than 4,300 kilometers.

	Main powers
Equipment	- roads: the Departmental Council owns and is responsible for the departmental roads (including former national roads transferred at decentralisation).
Environment	- sensitive natural spaces; - technical assistance to communities in matters of water and sewage; - wastewater treatment, maintaining and development of rivers; and - agenda Plan 21.
Territorial development and agriculture	- support for agriculture, trades and commerce; - rural equipment; - promotion of the Department of Seine-et-Marne; - the Development Agency; - assistance to health professionals; and - territorial solidarity.
Transport	- school transport for disabled pupils and students and transport on special circuits (by delegation of Ile-de-France Mobilités, formerly "Ile-de-France Transport Association (STIF)"); - development of transport taking into account the needs of disabled people; - development of departmental bus lines or bus demand for elderly and disabled people; and - the NOTRe act has no effect on this field for the Seine-et-Marne Department. In the Ile-de-France region, the Ile-de-France Mobilités was already competent in the matter and the Seine-et-Marne Department acts in the field of transport on delegation.

Source: The Seine-et-Marne Department

2.2 Solvency of the Seine-et-Marne Department

2.2.1 Loan legal framework lets local authorities reduce the risks of insolvency

Article 2 of the Act of 2 March 1982 on the rights and freedoms of towns (*communes*), departments and regions rescinded any State oversight of the acts of local authorities. This change led to the recognition of full freedom of local authorities to fully assess financing, and to liberalise and generalise the rules applicable to their loans. Now, local authorities can borrow freely and their relations with lenders are generally governed by private law and contractual freedom.

However, this freedom is structured by the following principles:

- The loans go exclusively to finance investments; and
- The debt's capital must be reimbursed by the community's own resources.

Furthermore, the interests on the debt and the reimbursement of the capital are by law (article L.3321-1 of the CGCT) mandatory expenditures for the community. These expenses must therefore be written into the community's budget. Otherwise, the law provides for a procedure (article L.1612-15 of the CGCT) by which the Prefect, after the opinion of the Regional Chamber of Accounts, writes the expenditure into the community's budget and, lacking this mandatory expense mandate, the law also provides a procedure (article L.1612-16 of the CGCT) allowing the Prefect to proceed on his own.

The mandatory character of the debt reimbursement is thus a strong legal protection for the lenders.

Moreover, article L.1611-3-1 of the CGCT, established in act 2013-672 of 26 July 2013, places certain restrictions on loans that the departments obtain from lending institutions other than bonds with regard to the currency, interest rate and hedging instruments permitted for those loans.

Lastly, the use of loans and financial instruments (derivative products such as swaps, caps, tunnels, etc.) is structured by inter-ministerial circular NOR/IOCB1015077C of 25 June 2010 relative to the financial products offered to local authorities and to their public institutions. This circular specifies the risks inherent in debt management by local

authorities and recalls the state of the law on recourse to financial products and financial risk hedging instruments. Recourse to financial instruments is authorised only in an exchange rate risk hedging logic and operations of a speculative nature are strictly proscribed.

The Departmental Council delegates each year to the President the power to make loans and renegotiate them within a specific framework limited to the annual funding requirement.

2.2.2 Rating of the Seine-et-Marne Department

The Seine-et-Marne Department's long-term debt is rated by Standard & Poor's. The rating for this programme may be verified at the following website:

https://www.standardandpoors.com/en_US/web/guest/ratings/details/-/instrument-details/debtType/COMMPAPER/entityId/119893

2.3 Demographic and economic environment of the Seine-et-Marne Department

2.3.1 Demography of the Seine-et-Marne Department

With an official population of 1,397,665 inhabitants, the Seine-et-Marne Department is the tenth most populous department in France, and the fifth most populous department in Ile-de-France (11.5% of the Ile-de-France population), just behind the Yvelines and before Val de Marne, Val-d'Oise and Essonne (*source: INSEE RP 2016*). In relation to the 5,915km² Departmental area, the average population density is 236 inhabitants/km²; a density more than four times less than that for the Ile-de-France region (1,008 inhabitants/km²), but above the average for all of France (104 inhabitants/km²).

However, the population of Seine-et-Marne is rather heterogeneous at the scale of the departmental territory, due to the "metropolitan" population to the west and a historic population along the two rivers structuring the department: the Marne to the north and the Seine to the south. More than half of the departmental population is spread across the 34 municipalities with more than 10,000 inhabitants. The other half occupies the 473 remaining municipalities.

A high population growth

With an increase of 4.4% in the population between 2011 and 2016, Seine-et-Marne has a demographic growth higher than that of the Ile-de-France or Metropolitan France, whose growth rates are 2.2%. Over the period 1999-2011, the population of the Seine-et-Marne Department grew by +12% (144,660 additional people); by comparison, over the same period, the national population grew 8% and the regional population 8.2%.

The population growth over the period 2011-2016 was mainly due to natural balance, which explains more than 92% of the Department's demographic growth. In fact of the 59,238 additional people in Seine-et-Marne between 2011 and 2016, 54,666 are due to the difference between the number of births and the number of deaths over this period (*source: INSEE – RP 2016 and 2011*)

A young population

The Seine-et-Marne Department stands out by the youth of its population. Those under 25 account for more than one-third (33.4%), and the 25-59 age bracket is nearly half (46.6%). By comparison, at the national level, these proportions are 29.7% and 44.2%, respectively.

There are fewer elderly (75 and over) in the entire territory since 6.2% of the population of Seine-et-Marne fall within this age bracket while the same group accounts for 6.8% in Ile-de-France as a whole, and 9.3% for mainland France.

Both at national level and departmental level, the trend is toward progressive ageing of the population. Increased life expectancy and ageing of generations from the baby boom (births between 1946 and 1973) that represent a large share of the population lead to a "mechanical" ageing. The ageing index (ratio between those over 60 and those under 20¹) thus went from 34.6 in 1999 to 48.6 in 2016, or an increase of 12 points for Seine-et-Marne Department. This data should be put in perspective with the French population as a whole, for which this index went from 61.8 to 78 over this same period, corresponding to an increase of nearly 16.2 points. One notes that the Seine-et-Marne population is younger than the French average and is ageing less quickly. It has indeed the third lowest ageing index of all departments in mainland France.

¹ An ageing index equal to 100 would indicate that those aged 60 and over and those under 20 would be in equal proportions.

INSEE projections indicate a strong growth of the Seine-et-Marne population, which should reach about 1.62 million inhabitants in 2050, which is equivalent to a rate of about 0.47% growth per annum. This rate is significantly higher than the 0.26% average for Île-de-France (*source: INSEE – OMPHALE demographic projection*).

Population largely made up of employees and intermediate professions

By socio-professional categories, the working population of Seine-et-Marne is distributed as follows:

	2016	%	2011	%
Overall	686,660	100%	669,973	100%
Farm executives	2,510	0.4%	2,757	0.4%
Tradesmen, merchants, heads of companies	34,042	5%	31,546	5%
Managers and higher intellectual professions	112,746	16%	104,705	16%
Intermediate professions	195,550	28%	189,461	28%
Employees	212,928	31%	207,940	31%
Workers	128,884	19%	133,564	20%

Sources: *Insee, RP 2011 and RP2016*.

Considering only the working population (686,660 individuals) in 2016, it emerges that employees (31%) and people working in an intermediate profession (28%) are a majority amongst the Seine-et-Marne Ile-de-France working population, followed by workers (19%) and managers (16%).

The over-representation of workers in the Seine-et-Marne Department compared with the Ile-de-France region (14%) is related to the specific industrial features of Seine-et-Marne.

A rather high stability of the population distribution by socio-professional category can also be noted between 2011 and 2016, since the category that varied the most is workers, coming to -1.2 points.

Families with children

Compared with those of Ile-de-France, Seine-et-Marne households are characterised by their very familial structure insofar as, in 2016, 45.9% of the 546,425 Seine-et-Marne households were families with children (one or two parents) versus 39.3% of Ile-de-France households.

The share of single-parent families amongst all the families with children² (16.5%) was lower, though, than at regional level (18.4%), but it witnessed a slight hike between 2011 (14.6%) and 2016 (16.5%) (+ 2.1 points).

A rather high-income level

In 2016, the median available income came to €22,579³, which places the Seine-et-Marne sixth in the departmental ranks, well above the national level (€20,809). It should be noted, though, that there are some large disparities in income between the different components of Seine-et-Marne's territory. The highest levels of income are mainly in the West.

In 2016, 62.1% of the Seine-et-Marne population were owners of their main place of residence, which situates the Department very sharply above the national (57.6%) and regional (47.2%) averages.

A level of training in progress

In 2016, with 72% of the Seine-et-Marne population 15 and over having a diploma, a 4 point increase since 2011 and is above the French average (71%). However, the proportion of residents of the Seine-et-Marne Department aged 15 and over with a diploma was still slightly below the regional rate of 75%. It should be noted that this figure is still the highest among all the French regions.

² Children aged 25 or less.

³ Median available income corresponds to the median standard of living

There were 28,145 registered in higher education at the beginning of the 2017 school year in the Seine-et-Marne Department, which represents 12.7% of 18-30 year olds. This rate was 32.8% in Île-de-France and 26.7% in France (sources: source of student population – French Ministry of Higher Education, Research and Innovation / INSEE).

A sharp increase in the number of beneficiaries of RSA but poverty rates remain low

In March 2019, the Seine-et-Marne Department recorded 28,475 beneficiaries of the Active Solidarity Income (RSA), all types combined, which was 454 more beneficiaries since March 2018, a 1.6% increase. Over the same period at the national level, the number of beneficiaries rose by 10,076 (up 0.55%), to 1,837,951 in March 2019 (source: data.CAF.fr).

The share of the population covered by this social minimum remains relatively low: 7% of Seine-et-Marne residents (less than 65 years old) as compared to 9% at a regional level and 10% average at the national level.

The poverty level⁴ in the Seine-et-Marne Department is also well below that observed in Ile-de-France and metropolitan France: in 2016, 11.6% of the population lived below the poverty line as compared to 15.7% in Ile-de-France and 14.7% average nationally (Source: INSEE, file social and tax localised).

2.3.2 Economy of the Seine-et-Marne Department

a) Gross Domestic Product and sources of added value

A department having regional dynamism

As a department in the greater Paris area (Ile-de-France), Seine-et-Marne benefits from the attractiveness and the dynamism of the Ile-de-France region.

In 2015, the region recorded economic growth of 2.6% (France as a whole: +2.2%). In comparison, the Ile-de-France region was, in 2009, in a recession with GDP declining by 3%. In total, the region's GDP in 2015 amounted to €669 billion, with a per capita GDP of more than €55,000, that is to say more than 30% of France's GDP and 4.6% of the European Union's GDP, ahead of "Greater London" and Lombardy (sources: Key data 2019 of the CCI Paris – Ile-de-France/INSEE – GDP by region 2014-2015).

Major national and multinational corporations of French, European and international scope choose the Ile-de-France region for their head offices and/or their research and developments units. Like the region, the Seine-et-Marne Department is also a job basin **in the heart of a market of more than 12 million consumers**.

Dynamism of the Ile-de-France region working with the economic dynamics of the Seine-et-Marne Department

By its geographical position, and driven by three major development hubs (the Roissy airport platform, Marne la Vallée with the urban zone of Val d'Europe, Melun Sénart, Fontainebleau), the Seine-et-Marne Department has the following advantages:

its transport network connected to the different levels (Roissy Charles De Gaulle international airport (the largest in France and Europe's second largest for passenger traffic), TGV network with an interconnection station, four regional rail (RER) lines, the regional SNCF network servicing the Seine-et-Marne Department, six superhighways running through the Department, etc.). As part of the "Grand Paris" project, Seine-et-Marne will also benefit. It should also be noted that from 2028 to 2037, the new Terminal 4 of Roissy airport is expected to open in phases. Built in large part in Seine-et-Marne, this new facility is expected to be able to accommodate an additional 35–40 million passengers per year (source: website of the Roissy Terminal 4 project: terminal4-cdg.groupeadp.fr);

- ;
- its real property and its land value (availability, prices, lifestyle) favourable to company locations; and
- its "grey matter" resources with the presence of Institut Européen d'Administration des Affaires, École Nationale Supérieure des Mines de Paris, École des Ponts, etc.), 68 research teams comprising 1,100 researchers working with companies on innovative projects (transformation of the Cité Descartes into a hub of excellence devoted to the sustainable city) and four competitiveness hubs (*Cap Digital Paris Region* specialised information and communication technologies, *Advancity* specialised in engineering and services, *Astech* specialised in aeronautics and space, and *Mov'eo* specialised in transport).

The proximity of large research centres and educational institutions also explain its specialisation in cutting-edge sectors, including Information and Communication Technologies ("ITC"), aerospace and eco-activities. The territory is betting today on sustainable development, eco-mobility, virtual development and digital content.

⁴ The poverty rate is calculated at the threshold of 60% of the median standard of living (all income including social benefits)

b) Business Demographics

Small businesses predominate in Seine-et-Marne. Companies with under 10 employees accounted for 94% of all businesses in the Seine-et-Marne Department at end-2017. However, the Seine-et-Marne Department had 33 companies with over 500 employees, including one with over 10,000 employees.

Breakdown of establishments by number of employees at 31/12/2017

In Seine-et-Marne and in Ile-de-France

No. of employees	Seine et Marne Department		Ile-de-France Region	
	No. of entities	Cumulative %	No. of entities	Cumulative %
0	66,503	70.74%	964,599	75.08%
1 to 9	22,062	94.21%	259,430	95.27%
10 to 19	2,715	97.10%	30,485	97.64%
20 to 49	1,750	98.96%	18,480	99.08%
50 to 199	818	99.83%	9,183	99.79%
200 to 499	128	99.96%	1,892	99.94%
500 or more	33	100.00%	759	100.00%
Total	94,009		1,284,828	

Source: Register of Enterprises and Establishments – INSEE – 2017

In 2017, the number of establishments created in the Seine-et-Marne Department came to 13,721, bringing the total number of active establishments to 94,009⁵, ie a creation rate⁶ of 14.6% (versus 15.2% at the regional level)

Since 2011, the number of establishments increased in Seine-et-Marne Department by 20,267, or nearly 27.5% in six years. Part of this rise is related to the creation of the status of "self-employed person" that lets people with projects to start realising them. Between 2011 and 2017, the creation of self-employed persons accounts for 65% of all business start-ups in the Department.

Change in the number of establishments by sector of activity (excluding agriculture) between 2016 and 2017 in Seine-et-Marne

	2016	2017	Change 2016/2017
Financial and insurance activities	3,146	3,301	+4.9%
Real estate activities	3,238	3,387	+4.6%
Specialised scientific and technical activities and administrative and support services	14,704	15,733	+6.9%
Administration, education, health, social action	14,061	11,379	-19.1%
Other service activities	8,638	7,720	-10.6%
Wholesale and retail commerce, transport, lodging and restaurants	27,908	29,761	+6.6%
Construction	13,034	13,774	+5.6%
Manufacturing industries, extractive industries and other	5,187	5,361	+3.3%
Information and communication	3,280	3,593	+9.5%
TOTAL	93,196	94,009	+0.8%

⁵ Non-agricultural merchant field.

⁶ The creation rate corresponds to the number of entities created with respect to the existing total.

It is essentially the information and communication sectors, specialised scientific and technical activities, administrative and support services as well as commerce, transport, lodging and restaurants which are experienced a sharp increase in the number of establishments between 2016 and 2017. .

c) **Main areas of economic activity**

The breakdown of jobs by sector of activity was the following in Seine-et-Marne in 2011 and 2016:

	2011		2016	
	Number of jobs	%	Number of jobs	%
Agriculture	4,799	1.1%	4,680	1.0%
Industry	52,399	11.7%	48,329	10.6%
Construction	32,973	7.4%	32,358	7.1%
Commerce, transport, other services	219,289	49.1%	228,380	50.1%
Public administration, education, health, social action	136,968	30.7%	141,888	31.1%
Total	446,428	100.0%	455,635	100.0%

Source : INSEE – RP 2011 and 2016

The tertiary sector:

In Seine-et-Marne, the services sector is preponderant because it represents more than 81% of all salaried jobs in the department at end-2017 (source: INSEE / Estimates of localised jobs; updated in "Key data 2019" of DIRECCTE). The main areas of activities are:

- Transport and Logistics

The transport and logistics industry has experienced strong growth since the 2000s. The number of employees in these sectors increased between 2011 and 2016 by 6.3% in Seine-et-Marne (against an increase of 0.05% regionally). This dynamic is particularly marked for logistics activities .

Seine-et-Marne benefits in these areas from a significant available land offer along major roads and major infrastructure (Roissy, Francilienne, A4, A5 and A6).

- Tourism

Tourism generated 39,683 jobs in 2014, i.e. 13.5% of the total jobs in the Department with staff increasing over the last six years. With a diversified clientele (from international to national, regional and departmental clientele), Seine-et-Marne in 2019 has the second highest hotel capacity of Ile-de-France (146 hotels – 15,187 rooms – 50 campsites, 7,366 pitches), about 10% of the Ile-de-France hotel supply and more than 50% of the open air lodging supply in the region. source: Detailed tourism figures – INSEE – 2019)..

In 2018, Seine-et-Marne hotel operators recorded 10,167,000 overnight stays (up 10.2% from 2016), which makes the Department the second most visited in the Île-de-France region after Paris (source: Chronological series on tourism frequency – INSEE – 2016–2018).

Seine-et-Marne has a quality offer of culture and tourism: castles, museums, villages with character and artists all bear witness to the wealth of its cultural and artistic past. Drawing upon the strong attractiveness of Paris, Seine-et-Marne has a major tourist potential with 632 protected heritage monuments, 231 of which are classified and more than 400 listed in the additional inventory of historic monuments. Moreover, this heritage is recognised worldwide thanks to sites such as Fontainebleau, Vaux-le-Vicomte and Blandy-les-Tours, which drew more than 850,000 tourists in 2017. Two sites are listed as World Heritage Sites: Fontainebleau castle and the medieval city of Provins (source: Seine-et-Marne Tourism Observatory, updated in "2018 Key Figures" of the Seine-et-Marne Chamber of Commerce and Industry).

Seine-et-Marne also has five departmental museums. Among them, three are devoted to artists: Stéphane Mallarmé, Antoine Bourdelle and the Barbizon School. The Seine-et-Marne Department has a regional museum: the Prehistory museum of Ile-de-France located in Nemours.

As a high point of tourism in Seine-et-Marne, Disneyland® Resort Paris has logged more than 320 million visits since it opened on 12 April 1992. It thus constitutes Europe's prime tourist destination with 14.9 million visitors in 2017 and has posted turnover of €1.28 billion in 2016.

A joint creation between Euro Disney SCA and the Pierre et Vacances Center Parcs Group, "Villages Nature Paris" opened in Seine-et-Marne in September 2016 comprising 1,730 accommodation units and is an unprecedented European holiday destination close to Paris. The Seine-et-Marne Department is committed, alongside the State, the Region and State Employment Centre, to supporting this tourism venture which has created 1,000 direct jobs. In 2017, the site drew 5.8 million visitors (*source: Seine-et-Marne Tourism Observatory, updated in "2018 Key Figures" of the Seine-et-Marne Chamber of Commerce and Industry*).

- Retail and wholesaling activities

The Seine-et-Marne Department has the largest retail space per capita in the Ile-de-France Region: with more than 1,500 m²/1,000 inhabitants in 2018, the Department far exceeds the regional average (434 m² / 1 000 inhabitants) (*sources: "Key data 2018" of the CCI of Seine-et-Marne / "Key data 2019" of the CCI Paris – Ile-de-France*). This ratio has further increased in recent years, the Seine-et-Marne Department being the first in Ile-de-France in terms of authorised surface area: 900,000 m² between 2005 and 2014, ie 25% of the authorised surface area in the region over this period (*source: DRIEA – 2018*). Major shopping facilities in the west of the territory (*Val d'Europe, Carré Sénart*) attract far beyond the Seine-et-Marne.

- The non-profit tertiary

This area concerns mainly the home of elderly or disabled people, with or without accommodation, and private health activities. With a growing population and a large selection of properties, the Seine-et-Marne is a major department at the Ile-de-France regional level in this sector, with capabilities far exceeding the exclusive needs of people from Seine-et-Marne.

The secondary sector

Due to its specific features (territory, population...), the secondary sector is more important within the territory than at the regional level.

Compared to other departments in the Ile-de-France region, the industrial sector is large in Seine-et-Marne (10% of the salaried employment in the Department against 7% at regional level at end-2017). (*source: INSEE / Estimated of localised job; updated in "Key data 2019" of the DIRECCTE*). The main industrial sectors are aerospace, metallurgy, metal working, food processing, machinery manufacturing, non-metallic mineral products, publishing and printing. The Department is also specialised in the manufacturing of rubber and plastic.

The primary sector: agriculture

In 2017, according to AGRESTE (the Ministry of Agriculture's research and statistical service), 59% of the agricultural area of the Ile-de-France Region is located in the Seine-et-Marne Department. There were 2,420 farms, ie 51% of all the farms in Ile-de-France in 2013. In 2016, there were 4,860 jobs in the agricultural sector in the Department, representing 40% of the agricultural sector jobs in Ile-de-France (*source: INSEE – RP 2016*).

The Seine-et-Marne Department has a significant diversity of agricultural production given that 65% of the Utilised Agricultural Land (SAU) of the Department is used for cereals (*source: AGRESTE – Agricultural Statistics 2016; updated in "Key data 2018" of the CCI of Seine-et-Marne*):

- Wheat: 139,885 hectares (41% of the SAU of the Department in 2016);
- Barley: 50,520 hectares (15% of the SAU);
- Rape: 44,300 hectares (13% of the SAU);
- Sugarbeet: 29,455 hectares (8% of the SAU); and
- Corn: 23,760 hectares (7% of the SAU).

This diversification of production is combined in recent years with the set-up of multiple business models in the Department, for example with the development of market gardening or production of agro-materials and agro-energy. These new production models require more labour than the "classic" models and thus develop local employment (*source: AGRESTE 2014-DRIAAF-organic agency*).

d) Employment

High levels of participation and employment⁷ rates

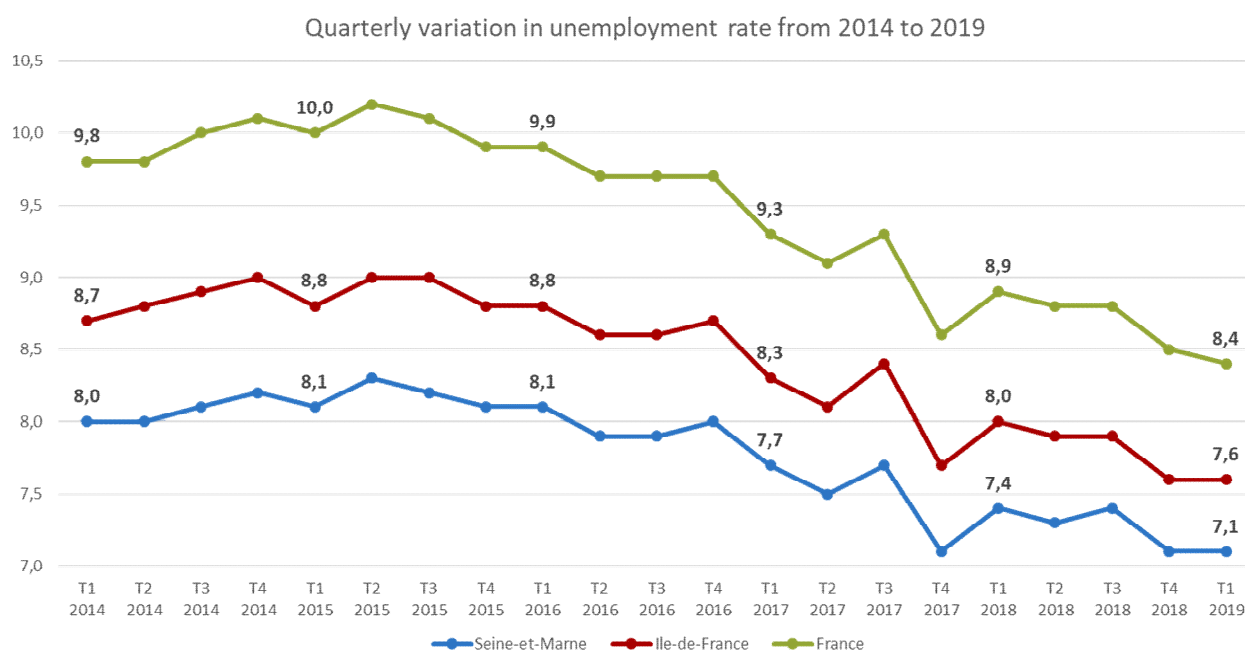
Compared to all French departments, the participation rate and the employment rate in the Seine-et-Marne Department are relatively high. In 2016, according to INSEE, the participation rate of the 15-64 year olds stood at 76.5% (against 76% for the Ile-de-France Region and 73% nationally). In detail, the participation rate of women is higher than the national average (74% at the departmental level, against 71% nationally).

The employment rate follows the same trend: it stood at 67.6% in Seine-et-Marne against 66.6% for the region and 63.4% nationally.

The main employers of the Seine-et-Marne Department (excluding temporary and public sphere) are in 2018 (*sources: Seine-et-Marne Chamber of Commerce and Industry [Company Database] and INSEE [Fichier Sirene], July 2018; updated in "2018 Key Figures" of the Seine-et-Marne Chamber of Commerce and Industry*):

:

- Euro Disney: 16,200 jobs;
- Air France: 6,800 jobs;
- Safran Aircraft Engines: 5,900 jobs;
- Carrefour Hypermarchés: 3,100 jobs;
- Auchan France: 1,600 jobs; and
- Silec Cable: 1,200 jobs.



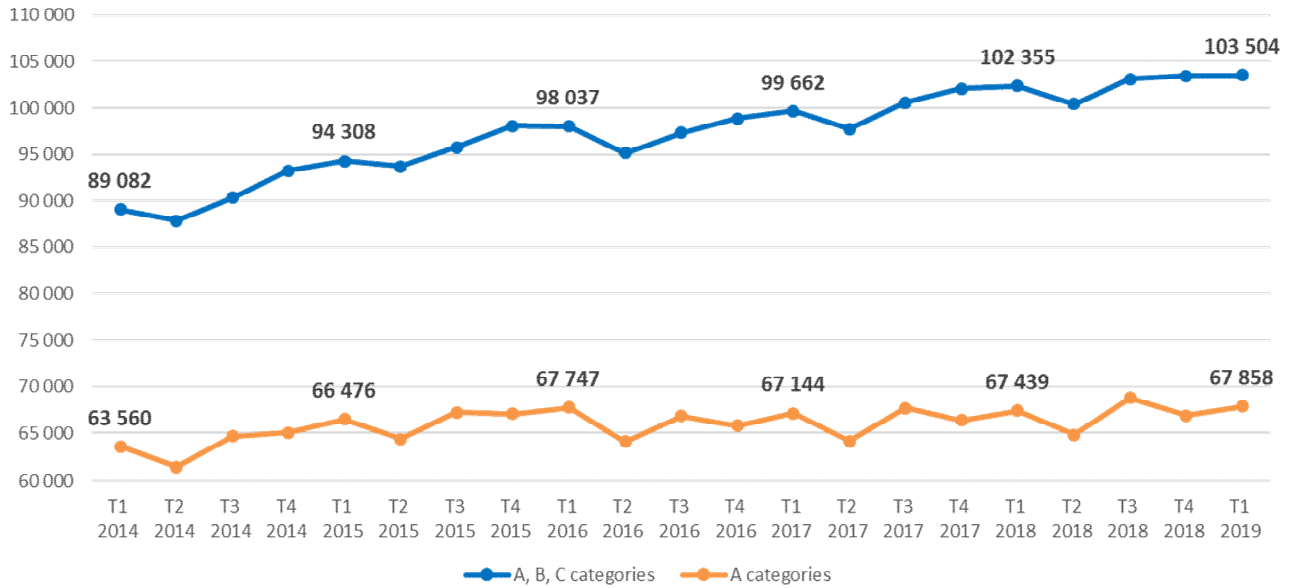
Source: INSEE – Local unemployment rates

The unemployment rate in the Seine-et-Marne Department has in these past years witnessed a variation similar to that observed at national and regional levels. After a period of increase since the end of the 2000s, essentially during the post-crisis economic period of 2008, the unemployment rate of the Seine-et-Marne Department has stabilised around 8% since 2013. Since 2015, this rate declined almost continuously except in 2017. This trend was also seen at the regional and national level. In the first quarter of 2019, the unemployment rate in Seine-et-Marne was 7.1%, ie a lower level than the regional rate (7.6%) and the national rate (8.4%). This is a long-term trend since, for more than 30 years, the Seine-et-Marne Department's unemployment rate is less than that of the Ile-de-France region.

⁷ According to INSEE, the participation rate is the share of 15-64 year olds (who have a job or are recognised as unemployed), while the employment rate is the share of 15-64 year olds actively working (therefore only those with a job are counted here).

Variation in the number of job-seekers of category A⁸, B⁹ and C¹⁰

Number of A and A,B,C category job-seekers in Seine-et-Marne between 2014 and 2019



Source: DARES

Below, the one-year change in the number of job seekers listed in category A:

Number of job seekers in Category A:

	Q1 2018	Q1 2019	Annual change
Seine-et-Marne	67,439	67,858	+0.6%
Ile-de-France	675,331	669,694	-0.8%
France	3,808,117	3,752,861	-1.4%

Source: DARES

In the first quarter of 2019, there were 67,858 category A job-seekers in the Seine-et-Marne Department, i.e. a 0.6% increase from the first quarter of 2018. Of these, 9,703 are under 25 (up 1.5% from the first quarter of 2018). This number is still high when compared with the Ile-de-France region. In fact, those under 25 represent 14.3% of the Seine-et-Marne Category A job-seekers, whereas they are only 10.2% of the Ile-de-France region total.

The bulk of category A job-seekers in the Seine-et-Marne Department are nonetheless from those 25 to 49 years of age (60.7%, ahead of those 50 and over (25%).

For all categories A, B and C together, 43.3% of those registered in the Seine-et-Marne Department have been so for a year or more. This is true of 46.5% of those registered in the Ile-de-France region and 47.7% at the national level.

3. Financial information

3.1 Introduction

- Budget framework setting the terms for exercise of Departmental management

The main accounting rules applicable to all public organisations are defined by Decree 2012-1246 of 7 November 2012 pertaining to budget management and the public accountant.

The provisions pertaining to the territorial communities are specified mainly by the CGCT and by the specific budgetary and accounting instructions (instruction M52 for the departments).

⁸ Job-seekers obligated to take positive steps to find work, without employment.

⁹ Job-seekers obligated to take positive steps to find work, having exercised short reduced activity (78 hours or less during the month).

¹⁰ Job-seekers obligated to take positive steps to find work, having exercised long reduced activity (more than 78 hours during the month).

The accounting of public organisations is kept according to the procedures inspired by the general accounting plan, in particular as it concerns the presentation of the accounts.

These provisions common to private law structures are, however, adjusted by rules coming under French budgetary law specific to the public sector, which are prior to them.

The specific nature of public budgetary law is based on two fundamental principles:

- Prior authorisation of revenue and expenditures by the deliberating Assembly; and
- Separation of the instructing party from the accountant.

These principles of budgetary law govern the procedures of adoption, execution and auditing of public accounts as well as the role of the various participants in the budgetary and accounting procedures.

The budget is the act by which the revenue and expenditures of public organisations are planned and authorised. While its development is incumbent upon the executive, its adoption is exclusively within the powers of an elected assembly. This deliberative competence cannot be delegated.

The Departmental Council thus has to make several budgetary decisions in the course of a financial year. The original budget is usually the first and most important of these decisions due to the mainly fiscal provisions that may accompany it. It may be adjusted during the year by amending decisions (or "DM1" or "DM2" as the case may be), adopted in the same terms. Of these amending decisions, a supplementary budget may be made up to take up the accounting results and any credits carried forward acknowledged at the close of the previous year.

The budgetary decisions of the deliberating Assembly are imposed on the authorities in charge of implementing them.

The adoption of the budget authorises the community's executive authority to collect the revenue and make the expenditures. The budgets of the territorial authorities must follow four principles:

- **budgetary unity:** This principle stipulates that all revenue and expenditures must be grouped into a single document.
- **annuality:** The authorisation given to the community's Executive to collect the revenue and make the expenditures is given for one year, from 1 January to 31 December.
- **universality:** All the revenue and expenditures appear in the year's budget without compensation or affectation.
- **balance:** This principle means that, considering a truthful assessment of revenue and expenditures; the revenue must be equal to the expenditures. This principle applies to each section of the budget: The operations section, which includes current and on-going operations (including financial costs), must be balanced without recourse to borrowing. The investment section, which traces expenditures for the purpose of making capital assets, may be balanced by recourse to loans as long as the reimbursement of the debt capital appearing in it is ensured by its own revenue. The principle of balanced local budgets is thus a guarantee of stability of local public finances since it prohibits them from financing financial expenses by loans (financial costs and debt annuity in capital) (Article L.1612-4 of the CGCT).

The administrative account (**CA**) examined before 30 June of the following year retraces the operations conducted during the year in expenditures and revenue, and closed as of 31 December of year *n*. This account, established by the community (the ordering body), must comply with the management account established by the public accountant who pays out the expenses and collects all the revenue of the community.

This mode of operation common to all territorial authorities, and which results from the principle of separation or ordering entities and accountants stemming from the general laws governing the public accounting rules in France, has the effect of reserving the handling of public funds to the public accountant and organising an external audit of the validity of payment orders and revenue headings issued each year by the community. The role of this public accountant is thus a guarantee of the community's financial and accounting security. This security is also ensured by the administrative or legality audit of the acts of territorial authorities exercised after the fact by the Prefect. Indeed, this State representative in the department makes sure the budget principles are followed, and chiefly that of balance. If the budget principles are not followed, the Prefect addresses the Regional Chamber of Accounts, which proposes the necessary measures to return the budget to balance. If the territorial authorities say nothing or take inadequate measures, then the budget is settled and made enforceable by the State representative in the Department.

3.2 Departmental revenue over the period 2009 – 2018

- Description, characteristics and margins

This period is characterised by a very great change in the "basket" of departments' fiscal revenue, with the abolition of the professional tax in 2010, which was a transition year in the application of this reform that came into full force starting in 2011.

Besides the removal of the professional tax, the Seine-et-Marne Department did not collect, since 2011, any habitation tax or real estate tax on unconstructed properties, which were both transferred to the communal bloc.

As compensation, the Seine-et-Marne Department collects the following new revenue:

- In direct taxation revenue:
 - o A 48.5% share of the Contribution on the added value of companies (**CVAE**);
 - o A share of the lump sum tax on network companies (**IFER**);
 - o The regional constructed property rate and management expenses on real property sold by the State;
 - o The National fund of individual guarantee of resources (**FNGIR**).
- In indirect taxation revenue:
 - o The remaining share of the State on "Property transfer duties with consideration" (droits de mutation à titre onéreux, or "**DMTO**");
 - o The remaining share of the State of the Tax on Insurance agreements (**TSCA**).
- And in provisions and compensations of the State:
 - o The Compensation provision of the Professional tax reform (**DCRTP**).

The impact of the local tax reform on the Seine-et-Marne's Department's revenue can be summarised as follows:

2009 tax receipt basket	2010 receipt basket (transition year)	Receipt basket since 2011
Departmental share of the Professional Tax (TP) Capped depending on the Added Value (PVA) paid back in expenses	<i>Relay compensation with PVA paid back in expenses</i>	<i>Contribution on the Added Value of companies (CVAE) until 2016 and suppression of the PVA</i> <i>Lump-sum taxation of network companies (IFER)</i>
Departmental share of the Habitation Tax (TH)	Departmental share of TH	<i>Regional share and State management costs of the TFPB</i>
Departmental share of the Real property tax on unconstructed properties (TFPNB)	Departmental share of TFPNB	<i>State share of property transfer duties (droits de mutation à titre gratuit)</i> <i>State share of the Tax on Insurance agreements (TSCA)</i> <i>Compensation provision of the reform of Professional tax (DCRTP)</i> <i>National fund of individual guarantee of resources (FNGIR)</i>
Departmental share of the Real Property tax on Constructed properties (TFPB)	Departmental share of TFPB	Departmental share of TFPB

(The new revenue is in italics)

After this reform, the Seine-et-Marne Department votes a single direct tax rate – that of the real property tax on constructed properties – while before the reform, the Seine-et-Marne Department voted four direct taxation rates.

In 2014 the Department's revenue basket is characterised by, on one hand, the introduction of new departmental revenue which aim to ensure a better funding of individual solidarity benefits (allocation of equalised compensation and additional revenue from the increase in the DMTO ceiling rate) and, on the other hand, by the increase of the equalisation between departments (creation of the Solidarity Funds of the Departments of the Île-de-France Region and DMTO solidarity fund).

Starting in 2017, the departmental share of the CVAE was reduced from 48.5% to 23.5% to the benefit of the regional share, which rose from 25% to 50%. This new distribution of the CVAE among regions and departments aims to compensate the regions for new expenses resulting from the transfer of authority over inter-city road transport for travellers and school transport enacted by Article 15 of the 7 August 2015 French act on the new territorial organisation of the Republic. In Île-de-France, as these authorities already devolve to the region through the Île-de-France Transport Association (STIF), the Île-de-France Region annually repays a financial compensation allocation equal to 51.5% of the amount of the CVAE received in 2016. This allocation is fixed in time, so the department loses the variability of this share of the tax to the benefit of the region.

At the same time, from 2014 to 2017, the Department brought down its successive contributions to public finance recovery which reduced its DGF by €79.2 M.

In 2018, after four successive years of contributions by local authorities to public finance recovery, the strategy of decreasing local authority contributions was abandoned in favour of achieving operating cost savings by local authorities of €13 billion euros instead of their natural evolution over the next five years. Law No. 2018-32 of 22 January 2018 on public finance planning for 2018 to 2022 sets out two objectives:

- the first, to manage rises in operating expenses, their increase in value (including inflation) must be limited to 1.2% each year over the period,
- the other, to reduce the financing requirement by €13 billion, i.e. €2.6 billion per year.
 - Change in operating revenue from 2009 CA to 2018 CA

Structure of operating revenue over the period (in €M).

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Budgetary chapters / accounts	Actual operating income (excl. surplus)	995.0	086.6	131.6	169.0	138.8	198.3	198.3	249.2	1,269.1	1,284.08
731	Direct payments	472.8	485.2	401.7	419.7	441.0	476.3	476.3	551.6	542.7	550.7
73111	Direct contributions (including relay compensation)	472.8	291.5	381.0					0.0	0.0	0.0
73111	Property tax on built property				255.1	261.3	275.9	275.9	322.6	327.9	337.3
73112	Contribution on the Added value of Companies (CVAE)				143.7	159.1	158.3	158.3	166.2	83.7	82.2
73114	Lump-Sum Taxation of Network Companies (IFER)				2.6	2.7	2.8	2.8	2.9	3.1	3.2
7318	Other local or related tax (relay compensation)		191.7	2.4					0.0	2.1	1.5
73121	National Individual Resources Guarantee Fund (FNIGR)			18	18	17.9	17.9	17.9	17.9	17.9	17.9
73123	CVAE compensation allocations			.3	.3		0.0	0.0	0.0	85.7	85.7
73124	Solidarity Fund for the departments of the IDF region						11.2	11.2	11.3	10.9	11.0
73125	Administrative costs of the property tax						10.0	10.0	10.6	11.4	12.0
73	Tax - Indirect Taxation	265.8	327.8	412.8	424.5	378.2	441.4	441.4	459.2	502.4	514.2
7325	Department Property Transfer Duties (DMTO)	121.2	170.6	188.2	196.8	149.9	209.8	209.8	217.5	254.2	259.4
7323	Departmental Tax on Sensitive Outdoor Spaces (TDENS)	6.5	5.9	9.8	9.7	9.6	0.1	0.1	0.0	0.0	0.0
7324	Urbanism and Environment Architecture Council (CAUE)	2.0	1.6	2.0	0.9	0.6	0.0	0.0	0.0	0.0	0.0
7326	DMTO equalisation payouts			6.9	7.0	6.0	5.5	5.5	10.9	12.6	12.1
7327	Development tax					0.3	13.6	13.6	13.6	16.8	18.4
7342	Special tax on Insurance Agreements (TSCA)	59.1	61.1	112.7	118.4	119.0	120.2	120.2	122.1	125.0	129.3
7351	Electricity Tax	12.1	12.4	13.3	13.3	14.8	14.0	14.0	14.1	14.3	14.2
7352	Domestic Petrol Products Tax (TIPP)	62.8	74.1	77.6	76.0	76.1	75.6	75.6	73.8	73.9	73.7
7353	Mining royalty	1.6	1.6	1.7	1.6	1.4	2.0	2.0	2.3	2.3	2.8
7362	Residence tax	0.5	0.5	0.6	0.6	0.5	0.6	0.6	0.7	1.0	1.1
74	Provisions and investments	215.6	229.7	239.6	270.0	272.3	244.6	244.8	226.7	199.8	198.5
7411-74122-74123	Overall Operating Provision (DGF)	158.2	159.7	161.5	161.3	161.6	131.8	131.8	109.5	87.5	88.6
741744	Value-added tax Compensation Fund (FCI VA)									1.6	1.6
7461	General Decentralisation Provision (DGD)	4.2	4.2	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1
	Compensatory Allowances	9.1	8.4	32.9	32.8	30.7	29.0	29.0	29.0	23.8	23.8
74832	(Compensation of the Reform of the Professional Tax Provision (DCRTP))			23.8	24.4	23.1	23.1	23.1	23.1	19.5	19.5
74833-74834-74835-74888	(Compensatory Allowances)			9.1	8.4	7.6	5.8	5.8	5.9	4.3	4.3
74783	Investment Departmental Insertion Funds (FMDI)	7.3	8.6	8.8	9.1	9.0	9.0	9.0	9.0	9.1	8.7
747125	Other State Investments	3.0	2.8	2.0	3.5	3.1	3.2	3.2	3.2	8.2	4.2
74718	CNSA* Investments (Personal Autonomy Aid)	10.3	13.2	12.3	12.9	14.3	16.9	16.9	22.9	22.3	23.2
747812	CNSA Investments (Handicap Compensation Services)	9.8	9.8	9.1	10.9	10.4	10.7	10.7	10.9	11.4	11.6
747813	CNSA Investments (MDPH77)	1.0	1.1	1.1	1.1	1.1	1.3	1.3	1.3	1.3	1.3
747814	CNSA Investments (Conference of Funders)									2.1	0.9
7478142											
7472-7474-7475-7476-	Other investments (other public-private organisations)	10.6	21.9	27.9	34.3	38.4	38.9	38.9	38.7	28.1	30.4

74788- 74881- 74 77												
013- 015- 016- 017-70- 75-76 77-78 (sauf 7478 11)	Other income (revenue from services and the domain. miscellaneous sales. financial income. extraordinary income. etc...)	42.8	45.8	57.5	54.8	47.1	35.7	35.7	29.7	24.1	21.4	

The above table shows the variation of actual operating revenue (that is, excluding order entries) over the period 2009-2018, such as they are found in the administrative accounts approved by the Departmental Assembly.

Between 2009 and 2018, actual operating revenue have generally increased from €995 M in 2009 to €1,284.8 M in 2018 (an increase of 29%). Revenue grew continuously between 2009 and 2012 (+17.5%) followed by a slight decline in 2013 (-2.6%) to increase starting in 2014. The growth in revenue is thus contrasted, however, depending on the lines.

2018 marked the end of the contribution to public finance recovery incurred by the regional authorities between 2014 and 2017 on the general operating provision. This strategy of decreasing local authority contributions was abandoned in favour of achieving operating cost savings by local authorities of €13 billion instead of their natural progression. Unlike in 2017, in 2018 the Department did not receive any emergency funds disbursed to departments experiencing hardship.

Thus, despite the lack of allocation of emergency funds, which reduced the provisions item by- €5.5 million compared to 2017, actual operating income increased by €15.8 million overall between 2017 and 2018. This increase was driven mainly by the €9 million increase between 2017 and 2018 of the income from the real property tax on constructed properties and by the increase in income from indirect taxation such as the income from transfer taxes (up €5.2 million) and that from the special tax on insurance agreements (up €4.3 million).

Income from provisions and contributions fell by 1.4% between 2017 and 2018. It was €199.4 million in 2018, down from €202.2 million in 2017, a €2.8 million decrease compared to the €27.5 million decrease from 2016 to 2017.

After four successive years of contributions by local authorities to public finance recovery, reducing the DGF, the strategy of decreasing local authority contributions was abandoned in favour of achieving operating cost savings by local authorities of €13 billion instead of their natural progression over the next five years. Law No. 2018-32 of 22 January 2018 on public finance planning for 2018 to 2022 sets out two objectives:

- the first, to manage rises in operating expenses, their increase in value (including inflation) must be limited to 1.2% each year over the period on average for the regional authorities;
- the other, to reduce the financing requirement by €13 billion, i.e. €2.6 billion per year.

In 2018, the total amount of the Seine-et-Marne Department's general operating grant rose by 1.2%, after four consecutive years of decline due to the contributions to public finance recovery applied from 2014 to 2017. The Department's DGF fell by €79.2 million over the period.

This slight increase of the DGF in 2018 stemmed from the €0.9 million increase from the growth in population and the €0.2 million increase in the urban alignment allocation. The total amount of the DGF was thus €87.6 million in 2018, compared to €87.5 million in 2017 (i.e. up €1.2 million between 2017 and 2018).

- Variation in investment revenue from CA 2009 to CA 2018

At €35.2 million (down from €35.4 million in 2017), 2018 investment income broke down as follows over the period (in € millions):

		CA 2009	CA 2010	CA 2011	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018
Budgetary chapters / accounts	Final investment income (excl. Loan)	66.6	46.8	40.4	43.8	45.3	35.1	44.2	31.6	35.4	35.2
10222	VAT Compensation Fund (FCTVA)	42.8	20.4	20.0	16.2	15.7	14.6	17.6	17.8	17.8	17.6
1332	High Schools Equipment Fund (DDEC)	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
1341	Overall Equipment Fund (DGE)	1.9	2.1	2.2	2.7	3.6	2.9	2.2	2.2	3.1	3.1
Other articles (excl. 1345)	Subsidies and investments	13.3	14.4	8.6	14.8	14.5	8.0	6.4	3.4	6.1	5.7
103	FCTVA pre-financing							8.0	0.0	0.0	0.0
20.204.21.23.45. balance 10.1345	Other revenue	0.9	1.8	1.4	2.6	1.8	2.1	2.3	0.9	1.0	1.0
27	Financial income	0.8	1.3	1.3	0.6	2.8	0.6	0.8	0.5	0.5	0.0

This table tracks the variation of definitive investment revenue, that is, without considering the loan.

More than half of this revenue comes from the VAT Compensation Fund ("FCTVA"). This fund allows the local authorities to "recover" the VAT paid for equipment expenditures, is related to the volume of the community's eligible investments the previous year. We must put aside 2009, during which the Department received exceptionally FCTVA in view of its investments from 2007 to 2008, under a measure introduced by the government to support the Local Government Investment. The FCTVA for €17.6 M in 2018 is based on the eligible investment expenditures achieved in 2017, the amount of which was stable compared to those of 2017 (€110.4 M in 2016 and €112 M in 2017).

The investment subsidies received by the Seine-et-Marne Department vary depending on the realisation of transactions. Standing at €5.7 M in 2018 versus €6.1 M in 2017, the subsidies received are dropping. In 2018, most of the grants were claimed for road investments for €4.6 M and for investments in education for €0.6 M.

Under other final investment revenue enjoyed by the Seine-et-Marne Department, there are the "Global equipment grant" (*Dotation globale d'Equipement* or "**DGE**") and the "Departmental middle school equipment grant" (*Dotation Departementale d'Equipement des Collèges* or "**DDEC**"). While the DDEC is frozen at €6.9 M, the DGE slightly increased (€3.1 M, ie +1.3%).

Other income was €2 million in 2018, versus €1.5 million in 2017. It mainly included income from radar fines (€0.7 million), the repayment of advances on construction work (€0.5 million), claims held for advances as loan guarantees (€0.3 million), and the continuation of repayments received on loans (€0.2 million).

3.3 Changes in operating expenses excluding financial expenses from 2009 revenue to 2018 revenue

- Operating expenses excluding financial costs (figures in €M)

		CA 2009	CA 2010	CA 2011	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018
Budgetary chapters / accounts	Actual operating expenses (exclu. Financial expenses)	870.5	944.7	977.2	980.9	1007.9	1045.4	1045.4	1057.8	1068.5	1057.8
11	General expenses	55.9	55.7	68.1	77.4	81.5	79.1	79.1	82.4	84.8	82.4
12	Salaries and related expenses	198.5	201.2	209.1	215.7	214.0	221.5	221.5	220.8	225.1	224.0
14	Income mitigation	17.5	16.7	17.8	16.8	15.8	20.9	20.9	27.6	30.5	34.0
15	Welfare	47.7	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
16	APA	44.8	49.9	51.9	55.5	58.4	61.8	61.8	64.4	67.2	67.8
17	Active Solidarity Payments	46.6	111.6	122.0	127.9	143.2	176.1	176.1	181.6	177.4	181.2
65	Other actual management expenses	458.5	486.5	481.1	480.1	488.0	485.7	485.7	479.8	475.6	475.3
65111	Of which family and child payments	16.8	15.6	16.0	7.1	6.6	5.0	5.0	1.7	1.7	1.7
651121-6511211	Of which Handicap Compensation Service (PCH)	13.1	18.3	19.9	20.4	22.1	26.0	26.0	29.5	29.7	32.3
651122	Of which Third Parties Compensation Grant (ACTP)	10.3	9.7	9.6	8.8	8.5	7.7	7.7	7.3	6.5	6.6
6522/6524	Of which housing expenses	191.9	209.1	204.3	213.3	218.0	220.9	220.9	230.7	238.4	239.0
6531-65312	Of which high school operating grant	22.0	21.5	22.2	22.6	23.1	21.7	21.7	19.3	17.4	17.6
6533	Of which fire service	104.8	106.7	108.2	108.2	108.7	108.2	108.2	108.5	108.2	107.2
67	Extraordinary expenses	0.5	1.9	1.7	4.4	0.9	2.4	2.4	0.9	0.2	0.5
68	Provision allocations	1.2	21.1	25.4	3.0	7.5	0.0	0.0	0.3	7.6	1.1

This table shows the accounting structure of the administrative account with the various chapters voted by the Departmental Assembly. It is thus a presentation by nature rather than by function.

The period 2009-2018 is characterised by strong growth in operating expenses (aside from financial costs). They increased from €870.5 M in 2009 to €1,068.7 M in 2018.

In 2018, expenses stabilised compared to 2017 despite the increase in personal solidarity allowances paid ("Active Solidarity Income" or "RSA", "Disability Compensation" or "PCH", and "Personalised Independence Allocation" or "APA"), which are fixed expenses that change in line with the number of beneficiaries and decisions taken by the Government as to their amount. This stability was mostly offset by other expense items decreasing or remaining stable such as personnel expenses and other day-to-day operating expenses.

- Investment except for debt (figures in €M)

		CA 2009	CA 2010	CA 2011	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018
Budgetary chapters / accounts	Equipment expenses (excl. Loan)	203.4	192.7	169.3	167.0	166.7	168.9	153.9	152.5	154.4	172.2
204-13	Equipment grants paid	58.5	48.0	60.3	54.8	55.1	49.0	41.3	39.7	38.7	41.4
20	Intangible assets	9.0	7.3	7.1	7.0	8.5	8.4	7.8	7.7	7.9	7.9
21	Tangible assets	10.7	7.7	11.1	10.7	11.5	9.9	10.3	11.6	13.7	11.1
23	Work in progress	125.0	129.2	90.6	93.8	90.5	101.4	94.1	93.2	93.8	101.1
26-27	Investments and other financial assets	0.1	0.4	0.1	0.6	0.2	0.1	0.3	0.3	0.0	0.0
45	Consolidation work	0.1	0.1	0.2	0.1	0.9	0.3	0.0	0.1	0.1	0.1

This table tracks the variation of the Seine-et-Marne Department's investment expenditures (except reimbursement of the debt capital) over 2009-2018.

To cope with pressure on the departmental budget (rise in social security expenses and fall in assistance from the State), these expenses have fallen since 2009 and until the 2013 revenues, with a slight increase in 2014, to reach €168.9 million (+1.3%). Capital expenditures are still low in 2016, as in 2015, at €152.5 M. The spur to capital expenditures desired by the Departmental Executive will be seen only gradually in the administrative accounts because the procedures are cumbersome (studies, public surveys, calls for tenders).

Capital expenditures in 2018 increased by 11.7% from 2017. This volume continued to be driven by the "Education and training" and "Departmental roads" policies.

In 2018, capital expenditures on education and training represented 38.8% of the total capital expenditures, followed by investment in departmental roads (31.1%). The third sector was regional development, accounting for 15.6% of total expenditure.

The renewed increase in capital expenditure will benefit from the rise in cash flow thus avoiding heavy reliance on borrowing

- Debt (figures in €M)

Variation in financial charges over 2009-2018:

		CA 2009	CA 2010	CA 2011	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018
Budgetary chapters / accounts											
66	Financial expenses	23.5	22.3	27.4	25.0	27.2	24.0	22.1	20.0	19.8	19.8
66111	Interest paid at maturity	25.7	22.3	23.8	26.0	23.6	21.6	20.7	19.2	17.5	17.5
66112	Interest - Not expired Attachment Accrual (ICNE)	-4.8	-2.2	1.2	-2.6	-1.0	-0.2	-0.6	-1.1	-0.6	-0.6
6615	Interest on current accounts and deposits payable	2.3	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6618	Interest on other debts	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
668	Other financial expenses	0.2	1.5	1.9	1.6	4.6	2.6	0.0	1.8	2.9	2.9

Over the period 2014-2018, financial expenses have substantially declined on one hand due to the continued low levels of interest rates which have benefited the Seine-et-Marne Department through its active debt management and on the other hand due to a reduction in debt outstanding.

In 2013, the increase compared to 2012 in financial expenses (+€2.2 M) was mainly due to the payment of an early redemption indemnity of a loan which was then refinanced at more favourable terms and conditions.

The €2.9 M decrease in financial costs between CA 2017 and CA 2018 was made possible by the financial context of 2018, which was characterised by very low or even negative short-term interest rate levels and by the reduction in Departmental debt outstanding.

- Debt transactions (expenses and revenue) over CA 2009 - CA 2018

In revenue (figures in €M)

	CA 2009	CA 2010	CA 2011	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018

Budgetary chapters / accounts											
16	Departmental debt	252.2	298.2	329.0	151.6	140.5	158.3	150.4	77.7	53.0	73.0
163	Bond issues				30.0	60.0	66.0	37.0	0.0	15.0	10.0
1641	Loans in euro	15.0		84.6	48.0	10.0	0.0	20.5	32.0	18.5	0.0
16441	Loans with an option to draw on cash - Transactions related borrowing	118.2	106.0	5.8		10.7	25.2	15.0	0.0	16.0	30.0
16449	Loan with an option to draw on cash - Transactions related to the option of draw cash	118.9	132.2	203.6	73.6	39.9	57.9	77.9		3.6	27.0
166	Debt refinancing		60.0	35.0		19.9	9.2	0.0	5.2	0.0	6.0
10	103 FCIVA prefinancing	0.0	0.0	0.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0

In expenses (figures in €M)

Budgetary chapters / accounts	CA 2009	CA 2010	CA 2011	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018	
16	Departmental debt	216.9	263.1	313.0	184.7	130.6	140.2	149.8	137.9	121.1	133.0
1641	Loans in euro	47.9	49.0	50.4	57.1	51.4	51.8	51.89	68.27	66.0	56.0
16441	Loans with an option to draw on cash - Transactions	48.9	19.1	21.5	11.1	13.8	13.8	19.75	19.83	17.6	13.0
16449	Loans with an option to draw on cash - Transactions	118.9	134.0	205.5	116.1	45.0	65.1	77.89		33.6	57.0
166	Debt refinancing		60.0	35.0		19.9	9.2	0.00	40.37	5.25	6.0
	Departmental debt subtotal	215.7	262.1	312.4	184.3	130.1	139.9	149.54	133.73	117.1	133.0
168/4	Debts to communities and intercommunity structures	0.8	0.7	0.5	0.5	0.4	0.3	0.25	0.16	0.0	0.0
168/5	Debts to other community groups							0.00	0.00	0.0	0.00
168/6	Debts to other public entities	0.5	0.3	0.1	0.1	0.1	0	0.00	0.16	0.0	0.0
	Grants in annuities subtotal	1.2	1.0	0.6	0.6	0.5	0.3	0.25	4.0	4.0	0.0

These two tables reflect the transactions that affected the outstanding debt over 2009-2018.

After its indebtedness stabilised in 2015, the Seine-et-Marne Department's outstanding debt decreased 5.9% in 2018 (-€59.4 million) while the volume of capital expenditure increased. This situation was made possible through increased cash flow in 2018.

3.4 Financial balances (figures in €M) over 2009 – 2018

	CA 2009	CA 2010	CA 2011	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017
Actual management income	990.4	1079.6	1105.5	1148.1	1122.5	1143.2	1181.1	1237.5	1263.0
Actual management expenses	869.0	921.7	950.2	973.4	999.5	1019.2	1043.0	1056.6	1060.0
Profit	121.4	157.9	155.3	174.7	123.0	124.0	138.1	180.9	203.0
Financial income	1.3	1.6	1.3	0.6	0.6	0.6	0.6	0.5	0.0
Financial expenses	23.5	22.2	27.4	25.0	27.2	24.0	22.1	20.0	19.0
Financial results	-22.2	-20.6	-26.1	-24.4	-26.6	-23.4	-21.5	-19.5	-19.0
Extraordinary income	3.3	4.4	3.6	1.9	5.4	6.2	6.2	11.0	4.0
Extraordinary expenses	0.3	1.9	1.7	4.4	0.9	0.5	2.4	0.9	0.0
Extraordinary results	3.0	2.5	1.9	-2.5	4.5	5.7	3.8	10.1	4.0
Reversals	0.0	1.0	21.2	18.3	10.3	7.0	10.4	0.1	0.0
Provisions	1.2	21.1	25.4	3.0	7.5	10.4	0.0	0.3	7.0
Account balance 68	-1.2	-20.1	-4.2	15.3	2.8	-3.4	10.4	-0.1	-7.0
Self-financing capacity	101.0	119.7	126.9	163.1	103.7	102.9	130.7	171.5	180.0
Gross savings rates (%)	10.2	11.1	11.5	14.2	9.1	8.9	10.9	13.7	14.0
Debt repayment in K	66.9	69.9	73.8	77.7	70.3	72.8	71.6	88.1	113.0
Temporary debt reduction on so-called "revolving" debt				33.0				16.0	30.0
Net self-financing capacity	34.1	49.8	53.1	85.4	33.4	30.1	59.1	83.4	67.0
Net savings rate (%)	3.4	4.6	4.8	7.4	2.9	2.6	4.9	6.7	5.0
Actual investment expenses and annuity subsidies	204.7	193.7	170.0	167.6	167.2	169.2	154.2	152.7	154.0
FCIVA pre-financing repayment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0

Financial investment income	66.6	46.8	40.4	43.8	45.3	35.1	44.2	31.6	35.1
Loan income	103.4	106.0	90.4	78.0	80.7	91.2	72.5	32.0	49.1
Debt repayment in K	66.9	69.9	73.8	110.7	70.3	72.8	71.6	88.1	113.1
Outstanding change	36.5	36.1	16.6	-32.7	10.4	18.4	0.8	-56.1	-64.1
Outstanding	856.0	892.0	908.6	876.1	886.6	905.0	905.8	849.7	785.6
Debt capacity	8.5	7.5	7.2	5.4	8.5	8.8	6.9	5.0	4.3

After a period 2010-2012 when financial ratios of the Seine-et-Marne Department showed signs of improvement, the years 2013 to 2014 were marked by a drop in the Department's gross savings level, which affected its ability to deleverage.

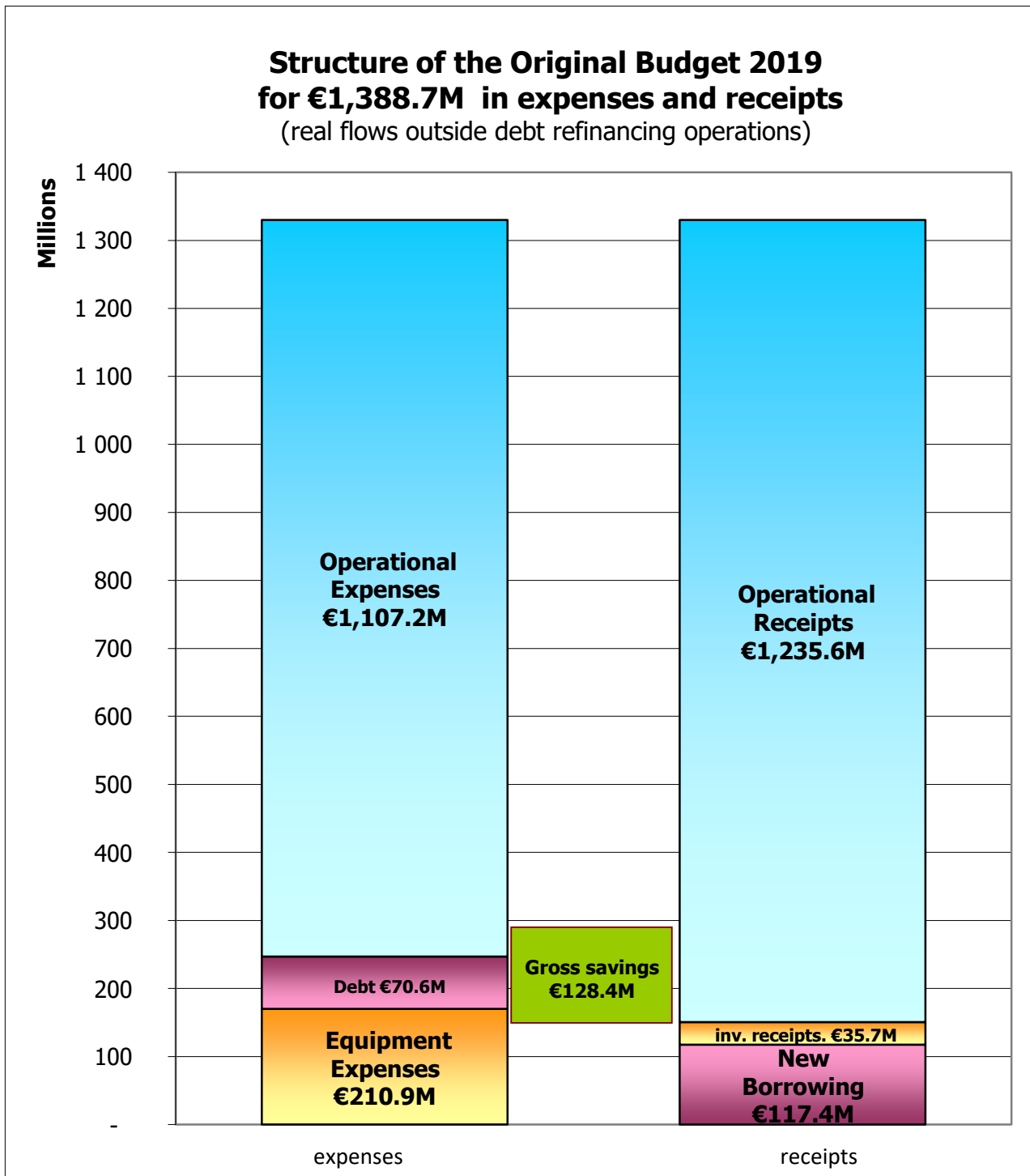
In 2018 and 2017, thanks to operational expense control and robust tax receipts (particularly the property transfer duties with consideration DMTO and the real property tax on constructed properties TFPB), the Seine-et-Marne Department generated net savings up by €32.7 M in 2018.

The capacity to deleverage (that is to say, the number of years the Department would need to repay all of its outstanding debt if its operating savings were entirely dedicated to it) represents 3.6 years of gross savings in 2018, due to the reduction in debt outstanding and the increase in its self-financing ability.

This level was a sharp improvement over fiscal years 2017 (4.3 years), 2016 (5 years), 2015 (6.9 years) and 2014 (8.8 years). The improvement in this ratio is even larger given that it was used in the financial agreement with the French government.

3.5 Provisional 2019 Budget (PB 2019) and amendment 1 (DM1 2019) for 2019

PB 2019 was voted by the Departmental Assembly on 21 December 2018 and is balanced as follows:



As a reminder: two annexed budgets were also adopted by the Departmental Assembly for a reduced amount. They carry no new debt and are financed by definitive resources.

The original ancillary "GAIA service" budget was created in March 1997 to trace in the books the partnership instituted amongst 17 Departments around the archive management software named "GAIA", developed by the Seine-et-Marne Department.

The second ancillary "museum shops" budget logs the commercial activities of the departmental museum shops and the Château of Blandy-les-Tours.

The PB 2019:

The provisional 2019 budget submitted to the Departmental Assembly is balanced in expenditures and revenue (in actual transactions and excluding balanced debt management which stood at €350 M) at €1,388,664,025, a 3.3% increase with respect to PB 2018.

In operating expenses (€1,107,213,102), the management expenses stood at €1,090,213,102 (up 1.5% over those of PB 2018). The financial expenses opened at €17,000,000 (-15% from those of PB 2018). The drawdowns on taxation to supply the equalisation funds between the Departments reached €30,300,000, up 1.3% in relation to those estimated in PB 2018.

In investment expenditures (€281,450,923), capital expenditures opened at €210,839,296 (up 18.4% over PB 2018) and the financial expenses (debt in capital and subsidies in annuities) required €70,611,627 of funds (down -1.9% in relation to PB 2018).

The revenue that balances these expenditures came to €1,235,612,790 in operating income, an increase of 1.4% compared to PB 2018. The final investment revenues are €35,724,279 (up 3.6% compared to PB 2018) and the balancing loan at this stage stands at €117,326,956, an increase of 28.1% compared to the loan shown in PB 2018.

The surplus of actual operating revenues over actual operating expenses stood at €128.4 M in the draft provisional 2019 budget.

This gross savings was firstly devoted to debt reimbursement and payment of annuity subsidies which are treated as financial commitments (€70.6 M in PB 2019). The PB 2019 thus showed a net savings of €57.8 M which was devoted to self-financing of capital expenditures versus €22 M in PB 2018. This net savings amount as well as the final investment revenues which had an opening balance of €35.7 M in the draft provisional 2019 budget enabled financing of €93.5 M from definitive resources out of the €210.8 M of capital expenditures in 2019. The balance, €117.3 M, was financed through the loan. The financing structure of capital expenditures in PB 2019 stood at 45% of final resources and 55% through the loan (versus 49% and 51% respectively in PB 2018).

The DM1 2019:

"DM1" means, in the context of a budgetary year, the first modifying budgetary decision subsequent to the initial budget.

The first modifying decision for 2019 adopted on 14 June 2019 by the Departmental Council, is considered as an additional budget as it includes the management results from 2018. It shows an increase in actual operating income (excluding existing available surplus carried forward) of €11.8 M (+1% compared to the PB).

The main increases apply to the CVAE and constructed property.

Actual operating expenses are increased by €11.6 million (up 1% compared to the PB), and these increases apply more specifically to our contributions to the taxation alignment funds (funds related to the DMTO), and the tax contribution of the development tax.

In total, thanks to the recovery of the operating surplus, savings increased by €23.8 million.

In investment, excluding deferrals balanced by the allocation of income prior to 2018 (€4.3 million), the increase in expenditure is €14.9 million while that of final income is €21.9 million. Hence the budgetary borrowing requirement may be reduced by €30.8 million, from €117.4 million in the 2019 PB to €86.6 million (down 26.3% compared to the 2019 PB).

The 2019 DM1 significantly improved the balances of the 2019 PB:

- all of the prior available earnings of €23.6 M is devoted to increase savings in the operating segment;
- the remaining adjustments of revenue and expenses in the operating segment even results in a slight surplus of approximately €0.2 M; and
- the budgetary borrowing requirement fell by €30.8 M (-26%). The balancing loan after DM1 was adjusted to €86.6 M.

3.5.1 Actual operating income after DM1 2019 (in € millions)

		PB 2019	DM1 2019	Report ed credits 2019
Budgetary chapters / accounts	Actual operating income (incl. surplus)	1,235.6	11.8	1,247.4
/31	Direct payments (including relay compensation)	561.96	/./	569.7

73111	Property tax on built property - direct contribution	347.2	3.1	350.3
73112	Contribution on the Add Value of Companies (CVAE)	84.8	5.3	90.1
73114	Lump-Sum Taxation of Network Companies (IFER)	3.2	0.0	3.2
73121	National Individual Resources Guarantee Fund (FNGIR)	17.9	0.0	17.9
73123	Allocation to CVAE compensation	85.7	0.0	85.7
73124	Solidarity Fund for the departments of IDF Region	11.0	-0.6	10.4
73125	Management fees of the Land Tax Built Properties (TFPB)	12.2	-0.1	12.1
73	Tax - Indirect taxation	461.1	4.2	465.3
7321	Departmental tax on transfers of property (DMTO)	220.0	0.0	220.0
7322	Additional departmental tax on certain registration fees	0.0	0.0	0.0
7323	Departmental Tax on Sensitive Outdoor Spaces (TDENS)	0.0	0.0	0.0
7324	Urbanism and Environment Architecture Council (CAUE)	0.0	0.0	0.0
73261	DMTO equalisation payouts	9.0	4.2	13.2
73262	Solidarity Fund for departments	0.0	0.0	0.0
7327	Development tax	14.0	0.0	14.0
7342	Special Tax on Insurance Agreements (TSCA)	137.8	0.0	137.8
7351	Electricity tax	14.0	0.0	14.0
7352	Domestic Petrol Products Tax (TIPP)	63.1	0.0	63.1
7353	Mining royalty	2.2	0.0	2.2
7362	Residence tax	1.0	0.1	1.0
74	Provisions and investments	192.5	-0.7	191.8
7411-74122-74123	Overall Operating Provision (DGF)	89.7	-0.4	89.3
7461	General Decentralisation Provision (DGD)	4.1	0.0	4.1
74832-74833-74834-74835-74838-74888	Compensatory Allowances	23.1	-0.2	22.8
74832	<i>(Compensation of the Reform of the Professional Tax Provision (DCTRP))</i>	19.0	-0.1	18.9
74833-74834-74835-74838-74888	<i>(Compensatory Allowances)</i>	4.0	-0.1	3.9
74783	Mobilisation Departmental Insertion Funds (FMDI)	9.0	0.0	9.0
74712-74718	Other State Investments	1.8	0.1	1.9
747811	CNSA* Investments (Personal Autonomy Aid)	22.0	0.0	22.0
747812	CNSA Investments (Handicap Compensation Services)	10.4	0.0	10.4
747813	CNSA Investments (MDPH77)	0.0	0.0	0.0
74712-7472-7474-7475-7476-74788-74881-74771	Other investments (other public-private organisations)	32.4	-0.1	32.3
013-015-016 (hors 747811)-017-70-75-76-77-78	Other income (Revenue from the domain. service and current management. financial income. extraordinary income. payouts on provisions. etc.)	20.1	0.5	20.6

The structure of income after DM1 2019 is the following:

Direct taxation: + €7,737,936 (up 1.4%/PB)

The notification of the estimated assessment of income from direct taxation led to a 1.4% upwards adjustment of direct taxation.

Income from the property tax on constructed properties was revised upwards by €3,104,267, to €350,307,540. The rate of 18%, identical to 2018, was repeated in 2019.

The notified 2019 income from the company value-added contribution (CVAE) was €90,063,667, compared to €84,779,962 recorded in the PB (up €5,283,705). It thus posted a 9.5% increase compared to 2018 due to the adoption in the French Finance Act for 2018 of a provision amending the methods for calculating the CVAE for companies belonging to a conglomerate. Following a decision by the Constitutional Council, the French Finance Act for 2018 expanded the calculation of the applicable CVAE rate based on the conglomerate's revenue and not that of the company alone, regardless of whether the conglomerate is consolidated for tax purposes. Due to an incorrect anticipation of this adjustment in the 2018 CVAE advances, income from the 2019 CVAE was up due to regularisation, after the decrease in income incurred in 2018.

Following the notification of its assessment by the tax authorities, the income from the lump sum tax on network companies (IFER) was also adjusted upwards slightly, by €39,793, bringing it to €3,195,033. The IFER helps offset the loss of the revenue of the TP, TH and TFPNB pursuant to the 2010 local tax reform. This tax applies to land-based

electricity generation installations using the mechanical energy of the wind, and electricity production facilities using the mechanical hydraulic energy of currents of inland waters or in territorial seas.

Finally, the transfer of the income from the TFPB management costs attributable to the Seine-et-Marne Department must be reduced by €113,409 in accordance with the final notified amount of €12,113,800. Article 42 of the initial French Finance Act for 2014 created a realignment system to distribute the proceeds from the management fees on the property tax on constructed properties.

The transfer of the solidarity fund for the departments in Île-de-France must be revised downwards by €576,420, to reach the notified amount of €10,423,580.

Indirect taxation: + €4,200,802 (up 0.9%/PB)

The projection of the income collected as part of the transfer of the national DMTO alignment fund of the transfer taxes (created in 2011, and the solidarity fund for the DMTO in 2014) is shown as increasing by €4,200,802, to reach the €13,200,802 posted on the DGCL website. This adjustment is attributable mainly to the Local Finance Committee's decision not to place anything in reserve in 2019, unlike in 2018. The Departmental rate has been 4.5% since 2015.

Provisions and contributions: - €523,411 (down 0.3%/PB)

Following the posting on the DGCL website, the amount of the DGF is set each year by the French government in the French Finance Act, and this amount of the DGF must be revised downwards by €424,705. This overall reduction impacts the lump-sum provision and the urban alignment provision of the DGF.

The compensatory allocation includes, in particular, the compensation provision of the professional tax reform national fund for individual guarantee of resources (DCRTP) and constitutes in this regard the national fund for individual guarantee of resources (FNGIR), a guarantee provision of the resources as part of the 2010 tax reform. Its amount is frozen. The rest are compensations granted by the French government for the local tax streamlining measures. The amount of the compensatory allocation notified by the tax authorities was a total of €22,820,830, leading to a downwards revision of €220,280 of this item. The compensatory allocation of direct taxation fell by €97,179, and the DCRTP fell by €123,101.

The other government contributions were revised upwards by €60,000, which corresponds to a subsidy that will be paid by the DRAC as part of a Departmental Contract for Reading and Roaming (CDLI) currently being signed, in connection with the preparation of the departmental plan for the development of public reading.

Among these other allowances and subsidies are the National Solidarity Fund for Autonomy (CNSA) contributions. These are intended to offset the costs of the Seine-et-Marne Department in respect of the payment of two individual allocations of solidarity, the personalised autonomy allocation (APA) and disability compensation service (PCH) as well as expenditures for the operation of the MDPH. Thus the other contributions are revised upwards by €61,574. This item applies particularly to the FSE income, as part of initiatives previously financed in 2017 for the task of supporting RSA beneficiaries (up €119,535). The other contributions also apply to the contribution of the Île-de-France Transport Association (STIF) for the *Améthiyste* 1-5 notes, issued to former soldiers and military widows, a contribution that must be reduced compared to the projection of the 2019 PB (down €56,661). The balance (- €1,300) corresponds to adjustments of regional subsidies, readjusted to their final amounts.

Other income: + €374,467 (up 2.1%/PB)

Essentially the recovery of the Active Solidarity Income (RSA), personalised autonomy allocation (APA), disability compensation service (PCH) and child protection. Other income also includes territorial income and day-to-day operating income and exceptional income.

These adjustments apply mainly to exceptional income, which was adjusted upwards by €398,665. This includes insurance compensation following the mudslide at the Jean Campin Middle School in June 2018 (€281,416), penalties received regarding school transportation for schoolchildren and students with disabilities (€85,900), and the balance of the exceptional income (up €31,349) is made up mainly of the loans related to the reimbursement of CESUs (special cheque books for employers) and cancellation of orders.

The financial income (down €60,000), territorial income and day-to-day operating income (up €32,223), and collection of social aid and undue payments (up €3,580) are also adjusted.

3.5.2 Final investment revenue (excluding loans) after DM1 2019 (in €M)

Budgetary chapters / accounts		PB 2017		DM2 2017	Reported credits 2017
	Final investment income (excl. Loan)	37,4	-0,3	0,1	37,3
10222	VAT Compensation Fund (FCTVA)	16,8	0,0	0,0	16,8
1332	High Schools Equipment fund (DDEC)	6,9	0,0	0,0	6,9
1341	Overall Equipment Fund (DGE)	2,5	0,0	0,0	2,8
13 autres articles	Subsidies and investments	10,0	-1,6	-0,3	8,1
20-204-21-23-45-solde 10					
024	Other revenue	0,3	1,0	0,8	2,2
27	Financial income	0,9	0,0	-0,4	0,5

Final investment revenue amounted to €57.7 M after DM1 2019.

3.5.3 Actual operating expenses after DM1 2019 (in €M)

3.5.3.1 By function, presentation by category (nature) (in €M)

Budgetary chapters / accounts		PB 2019	DM1 2019	Reported credits 2019
	Actual operating expenses (excl. Financial expenses)	1090.2	11.6	1,101.8
11	General expenses	90.3	1.3	88.7
12	Salaries and related expenses	231.7	-0.3	228.5
14	Income mitigation	32.6	8.6	30.4
16	APA	69.2	0.0	67.9
17	Active Solidarity Payments	183.0	0.2	178.6
22	Unexpected expenses	0.5	0.0	0.5
65	Other actual management expenses	482.4	0.5	479.3
65111	<i>Of which family and child payment</i>	1.7	0.0	2.8
65112				
1-				
651121	<i>Of which Handicap Compensation Service (PCH)</i>	31.2	0.0	
1-				
6511212				29.2
651122	<i>Of which Third Parties Compensation Grant (ACTP)</i>	6.6	0.0	6.7
6524	<i>Of which housing expenses</i>	241.8	2.0	235.1
65511-65512	<i>Of which secondary school operating grant</i>	19.0	0.0	18.1
6553	<i>Of which fire service (SDIS)</i>	107.2	0.0	108.2
67	Extraordinary expenses	0.3	0.1	0.4

68	Provision allocations	0.2	1.1	1.2
----	-----------------------	-----	-----	-----

3.5.3.2 By function, presentation by mission and policy (in €M)

In addition to the regulatory presentation by "in kind" section, the Seine-et-Marne Department has acquired a management breakdown by mission and policy allowing it to make closer analyses and management tracking in connection with the performance process instituted since 2010. This process, which aims to improve the legibility of the Department's action, also helps better organise the budget and the Seine-et-Marne Department's objectives.

	PB 2017	DM1 2017	DM2 2017	Reported credits 2017
Actual operating expenses (excl. Financial expenses)	1074,1	3,4	4,6	1082,1
Regional development	9,1	1,0	-0,1	10,0
Protection of the environment	2,4	0,0	-0,1	2,4
Departmental roads	10,0	0,4	0,0	10,4
Public safety	108,5	0,0	0,0	108,5
Transport	51,3	-3,0	-0,3	48,1
1- Regional development and improvement mission	181,3	-1,6	-0,4	179,4
Culture and heritage	6,6	0,1	-0,1	6,7
Education and training	36,5	0,1	-1,0	35,6
Youth, sports and recreation	4,2	0,0	0,0	4,2
2- Socio-educational, cultural and sports development mission	47,3	0,2	-1,1	46,4
Childhood and family	166,2	2,0	5,2	173,5
Housing	4,9	0,0	0,0	4,97
Employment	185,1	0,4	2,4	187,9
Seniors	91,3	06,	1,6	92,9
Disabled	153,6	0,0	-2,5	151,1
Public health	0,2	0,0	0,0	0,1
3- Solidarity mission	601,3	2,4	6,7	610,5
Implementation of departmental policies	1,3	0,0	0,0	1,6
Management of departmental actions (exclu. financial expenses and DMTO payouts)	1,9	0,0	0,1	1,9
General ressources	18,6	0,3	-0,8	18,1
Human ressources	195,2	0,1	0,0	195,3
4- Operating mission (exclu. financial expenses)	217,2	0,4	-0,7	216,9
TOTAL for 4 Missions :	1047,2	1,4	4,6	1053,2
Contribution to the Solidarity Fund of DMTO	14,1	4,0	0,0	18,0
Payouts on Equalisation Fund CVAE	1,7	1,1	0,0	2,7
Contribution to the Solidarity Fund of DMTO	11,1	-3,1	0,0	8,1

Repayment to the Interdepartmental Support Funds (FSID)

3.5.4. Actual investment expenses after DM1 2019 (in €M)

3.5.4.1 In investment presentation by category (nature) (in €M)

Budgetary chapters / accounts		PB 2019	DM1 2019	Reported credits 2017
	Equipment expenses (excl. loan and investment deficit including 2015 carried forward expenses)	210.94	19.20	230.13
10	Allowances	-	13.1	13.1
13	Investment grants	-	0.0	0.0
204	Capital grants paid	52.8	3.5	49.3
20	Intangible assets	14.6	0.1	14.6
21	Tangible assets	23.8	1.1	22.7
23	Work in progress	119.4	7.3	126.8
26-27	Investments and other financial assets	0.0	3.3	3.3
45	Consolidation work	0.3	0.0	0.3

3.5.4.2 Investment presentation by mission and policy (in €M)

	PB 2019	DM1 2019	Reported credits 2017
Equipment expenses by policy (excl. Loan)	210.9	19.2	230.1
Regional development	29.0	2.1	31.0
Protection of the environment	9.7	-2.2	7.4
Departmental roads	53.3	-1.0	52.2
Public safety (excl. Annuity grant SDIS77)	4.6	0.7	5.3
Transport	13.2	-1.9	11.3
1- Regional development and improvement mission	109.7	-2.4	107.3
Culture and heritage	1.8	0.4	2.2
Education and training	73.3	7.2	80.4
Youth, sports and recreation	0.4	0.1	0.5
2- Socio-educational, cultural and sports development mission	75.5	7.6	83.2
Housing	0.3	0.0	0.4
Seniors	2.7	0.3	3.0
Disabled	0.9	0.0	0.6
Public health	0.6	-0.4	0.5
3- Solidarity mission	4.6	-0.1	4.4
Monitoring of departmental policies	0.4	0.0	0.4
Management of departmental actions (excl. loan and execution balance)	0.0	17.4	17.4
General resources	20.6	-3.2	17.3
Human resources	0.1	0.0	0.1
4- Operating mission (exclu. financial expenses)	21.1	14.1	35.3

3.5.5 Debt (in €M) after DM1 2019

In expenses (in sion PB 2019)	DM1 2019	Reported credits 2019	
Budgetary charges / accounts			
66 Financial expenses	17.0	0.0	17.0
66111 Interest paid at maturity	15.9	0.0	15.9
66112 Interest - Not Expired Attachment Accrual (ICNE)	0.1	0.0	0.1
6615 Interest on current accounts and deposits payable	0.0	0.0	0.0
6618 Interest on other debt	0.0	0.0	0.0
668 Other financial expenses	1.0	0.0	1.0

In revenue (in exp PB 2019)	DM1 2019	Reported credits 2019	
Budgetary charges / accounts			
16 Department debt	467.4	-30.8	436.6
1631 Bond issues	50.0	0.0	50.0
1641 Loans in euro	67.4	-30.8	36.6
16441 Loan with an option to draw on cash - Transactions related to borrowing	0.0	0.0	0.0
16449 Loan with an option to draw on cash - Transactions related to the option of draw cash	250.0	0.0	250.0
166 Debt refinancing	100.0	0.0	100.0

16878	Debt to other organisations and individuals	0.0	0.0	0.0
-------	---	-----	-----	-----

In expenses (figures in €M)		PB 2019	DM1 2019	Reported credits 2019
Budgetary charges / accounts				
16	Departmental debt	420.6	0.0	420.6
163	Bond issues	10.0	0.0	10.0
1641	Loan in euro	47.1	0.0	47.1
16441	Loan with an option to draw on cash - Transactions related to borrowing	13.5	0.0	13.5
16449	Loan with an option to draw on cash - Transactions related to the option of draw cash	250.0	0.0	250.0
166	Debt refinancing	100.0	0.0	100.0
	Departmental debt subtotal	420.6	0.0	420.6
16874	Debts to communities and intercommunity structures	0.0	0.0	0.0
16875	Debts to other community groups	0.0	0.0	0.0
16876	Debts to other public entities	0.0	0.0	0.0
	Grants in annuities subtotal	0.0	0.0	0.0
10103	FCTVA prefinancing	0.0	0.0	0.0

3.5.6 The financial balances of the 2019 budget (in €M)

	PB 2019	DM1 2019	Reported credits 2019
Actual management income	1,232.4	11.5	1,243.9
Actual management expenses	1,059.4	3.9	1,063.4
Profit	173.0	7.5	180.5
Financial income	0.3	-0.1	0.2
Financial expenses	17.0	-	17.0
Financial results	-16.7	-0.1	-16.8
Extraordinary income	2.9	0.4	3.3
Extraordinary expenses	0.3	0.1	0.4
Extraordinary results	2.6	0.3	2.9
Reversals	-	-	-
Provisions	0.2	1.1	1.2
Account balance 68	-0.2	-1.1	-1.2
Tax levies	30.3	6.5	36.8
Reversal 2016 surplus		23.6	23.6
Self-financing capacity	128.4	23.8	152.2
<i>Gross savings rate %</i>	<i>10.3</i>		<i>12.0</i>
Debt repayment in K	70.6	-	70.6
FCTVA prefinancing repayment	-	-	-
Net self-financing capacity	57.8	23.8	81.6
<i>Net savings rate %</i>	<i>4.6</i>		<i>6.5</i>
Actual investments expenses and annuity grants	211.0	19.2	230.1
Actual investment income	35.7	22.0	57.7
Reversal 2016 surplus investment		4.3	4.3
Loan income	117.4	-30.8	86.6

FORM OF PRICING SUPPLEMENT

MIFID II – PRODUCT GOVERNANCE / TARGET MARKET (PROFESSIONAL INVESTORS AND ECPS ONLY) – Solely for the purposes of [the/each] manufacturer's (as defined in directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended (the "**MIFID II**")), the target market assessment in respect of the Notes (as defined below) taking into account the five (5) categories referred to in item 18 of the guidelines on product governance requirements published by ESMA (as defined below) on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MIFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.¹¹

¹¹ To insert following completion of the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the guidelines on product governance requirements published by ESMA on 5 February 2018, in case of professional investors and ECPS only target market.

Pricing Supplement dated [●]



SEINE-ET-MARNE DEPARTMENT

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Under the €1,000,000,000
Euro Medium Term Note Programme**

[Brief description and amount of Notes]
(the "Notes")

Series No. [●]
Tranche No. [●]

Issue Price: [●] per cent

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") included in the section "Terms and Conditions of the Notes" of the offering circular dated 20 November 2019 [as amended or completed by the amendment(s) to the offering circular dated [●]] ([together,] the "**Offering Circular**").

This document constitutes the pricing supplement (the "**Pricing Supplement**") of the notes described herein (the "**Notes**") and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular [and the Pricing Supplement] [is/are] (a) published on the website of the Issuer (www.seine-et-marne.fr/Departement/Vie-de-l-Institution/Finances-departementales/Notation-financiere-et-outils-de-financement), and (b) available for inspection and copy during the regular business hours of the offices at the Issuer's headquarters and at the specified office(s) of the Paying Agent(s). [In addition, this Pricing Supplement and the Offering Circular are available for viewing [on/at] [●].]

[The following alternative wording is applicable for the issue of Notes assimilated with the first Tranche of an issue made in accordance with an earlier offering circular.]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") which are the [2012/2013/2014/2015/2017/2018] Conditions and which are incorporated by reference in the offering circular dated 20 November 2019 [as amended or completed by the amendment(s) to the offering circular dated [●]] ([together] the "**Offering Circular**").

This document constitutes the pricing supplement (the "**Pricing Supplement**") of the notes described herein (the "**Notes**") and must be read in conjunction with the Offering Circular (except for "Terms and Conditions of the Notes" section which is replaced by the [2012/2013/2014/2015/2017/2018] Conditions). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2012/2013/2014/2015/2017/2018] Conditions and the Offering Circular (excluding the "Terms and Conditions of the Notes" section). The Offering Circular [and the Pricing Supplement] [is/are] (a) published on the website of the Issuer (www.seine-et-marne.fr/Departement/Vie-de-l-Institution/Finances-departementales/Notation-financiere-et-outils-de-financement), and (b) available for inspection and copy during the regular business hours of the offices at the Issuer's headquarters and at the specified office(s) of the Paying Agent(s). [In addition, this Pricing Supplement and the Offering Circular are available for viewing [on/at] [●].]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

1. **Issuer:** Seine-et-Marne Department
2. (i) Series number: [●]
(ii) Tranche number: [●]
[(iii) Date on which the Notes become fungible (Condition 13):
The Notes shall, upon [admission to trading/issue] be fully assimilated and form a single series with [●] (*insert description of the Series*)] issued by the Issuer on [●] (the "**Existing Notes**").]
3. **Specified currency:** [●]
4. **Aggregate Nominal Amount of Notes:** [●]
(i) Series: [●]
(ii) Tranche: [●]
5. **Issue price:** [●] per cent. of the Aggregate Nominal Amount of the Tranche [plus accrued interest from *insert date*] (*if applicable*)
6. **Specified Denomination(s):** [●] (*one (1) denomination only for Dematerialised Notes*) (*at least €100,000 or its equivalent in any other currency calculated at the financial conditions determination date for the Notes admitted to trading on a Regulated Market*).
7. (i) **Issue Date:** [●]
(ii) **Interest Commencement Date:** [●] [*specify/Issue Date/Not Applicable*]
8. **Maturity Date:** [●] [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. **Interest Basis:** [[●] per cent. Fixed Rate]
[[*EURIBOR (TIBEUR in French), LIBOR* +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Fixed/Floating Rate Notes]
[Other (*specify*)]
(*further particulars specified below*)
10. **Redemption/Payment Basis:** Unless already redeemed or purchased and cancelled, the Notes will be redeemed on the Maturity Date at [100] % of their Specified Denomination.
[Instalment]
[Other (*specify*)]
(*further particulars specified below*)
11. **Change of Interest Basis:** [Applicable/Not Applicable]
(*further particulars specified in item 16 of this Pricing Supplement*)

12. **Redemption Options:** [Noteholder put]
 [Issuer call]
 [Other (*specify*)]
 (*further particulars specified below*)
 [Not Applicable]
13. **Date of authorisations for issuance of Notes:** Decision(s) of the President of the Departmental Council (*Conseil Départemental*) of the Issuer dated [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Notes Provisions:** [Applicable/Applicable before the Switch Date/Applicable after the Switch Date/Not Applicable]
 (*if not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Rate(s) of Interest: [●] per cent. *per annum* [payable [annually / semi-annually / quarterly / monthly / other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [[●] in each year/ [●] and [●] in each year/ [●], [●], [●], and [●] in each year] up to and including the Final Maturity Date (*adjust as the case may be*)
- (iii) Fixed Coupon Amount(s): [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): [[●] (*insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s) and the Interest Payment Date(s) to which they refer*)/ Not Applicable]
- (v) Day Count Fraction: [Actual/365]
 [Actual/365 - FBF]
 [Actual/Actual - ISDA]
 [Actual/Actual - ICMA]
 [Actual/Actual - FBF]
 [Actual/365 (Fixed)]
 [Actual/360]
 [30/360]
 [360/360]
 [Bond Basis]
 [30/360 – FBF]
 [Actual 30A/360 (American Bond Basis)]
 [30E/360]
 [Eurobond Basis]
 [30E/360 – FBF]
 [Other (*specify*)]

- (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ICMA)
- (vii) other term(s) and condition(s) relating to the calculation method for Fixed Rate Notes: [Not applicable/(specify)]
- 15. Floating Rate Notes Provisions:** [Applicable/ Applicable before the Switch Date/Applicable after the Switch Date/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [[●] in each year/ [●] and [●] in each year/ [●], [●], [●] and [●] in each year] up to and including the Final Maturity Date
- (iii) First Interest Payment Date: [●] *(adjust as the case may be)*
- (iv) Interest Period Date: [Interest Payment Date/Other (specify)]
- (v) Business Day Convention: ["Floating Rate" Business Day Convention/ Following Business Day Convention/ Amended "Following" Business Day Convention/ "Preceding" Business Day Convention[/Other (specify)]
[insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]
- (vi) Business Centre(s) (Condition 5(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [FBF Determination/ Screen Rate Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [[●] (specify)/Not Applicable]
- (ix) FBF Determination: [Applicable/ Not Applicable]
 - Benchmark: [●] *(specify Benchmark [EURIBOR (TIBEUR in French), LIBOR] and months [e.g. EURIBOR 3 months])*
(additional information if necessary)
(if the Interest Rate is determined by linear interpolation in respect of the first and/or last long or short Interest Period, insert the relevant Interest Period(s) and the relevant rates used for the determination described herein)

- Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
 - Replacement Relevant Rate (Condition 5(c)(iii)(C)): [Applicable/ Not Applicable]
- (x) Screen Rate Determination: [Applicable/ Not Applicable]
- Benchmark: [●] (*specify Benchmark [EURIBOR (TIBEUR in French), LIBOR]*)
(if the Interest Rate is determined by linear interpolation in respect of the first and/or last long or short Interest Period, insert the relevant Interest Period(s) and the relevant rates used for the determination described herein)
 - Relevant Rate: [●]
 - Relevant Time: [●]
 - Interest Determination Date(s): [●] [TARGET] Business Days (*specify the city*) for (*specify the currency*) prior to [●]
 - Primary Source: [Screen Page/Reference Banks]
 - Screen page (if Primary Source for Floating Rate is "Screen Page"): [●] (*specify relevant page*)
 - Reference Banks: [●] (*specify four banks*)
 - Relevant Financial Centre: [Euro Zone/[●]] (*specify the financial centre most closely connected to the Benchmark*)
 - Representative Amount: [●] (*specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*)
 - Effective Date: [●] (*specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*)
 - Specified Duration: [●] (*specify period for quotation if not duration of Interest Accrual Period*)
- (xi) Margin(s): [+/-] [●] % *per annum*
- (xii) Rate Multiplier: [Not applicable/[●]]
- (xiii) Minimum Rate of Interest: [[0]/[●]] % *per annum*
- (xiv) Maximum Rate of Interest: [Not applicable/[●]] % *per annum*

(xv) Day Count Fraction:	<p>[Actual/365]</p> <p>[Actual/365 - FBF]</p> <p>[Actual/Actual - ISDA]</p> <p>[Actual/Actual - ICMA]</p> <p>[Actual/Actual - FBF]</p> <p>[Actual/365 (Fixed)]</p> <p>[Actual/360]</p> <p>[30/360]</p> <p>[360/360]</p> <p>[Bond Basis]</p> <p>[30/360 – FBF]</p> <p>[Actual 30A/360 (American Bond Basis)]</p> <p>[30E/360]</p> <p>[Eurobond Basis]</p> <p>[30E/360 – FBF]</p> <p>[Other (<i>specify</i>)]</p>
(xvi) Fallback provisions, rounding rules, denominator or other terms and conditions relating to the calculation method for Floating Rate Notes, if different from those provided in the Terms and Conditions of the Notes:	<p>[Not Applicable/(<i>specify</i>)]</p>
16 Fixed/Floating Rate Notes Provisions:	<p>[Applicable/Not Applicable]</p> <p><i>(if not applicable, delete the remaining subparagraphs of this paragraph)</i></p>
(i) Issuer Change of Interest Basis:	<p>[Applicable/Not Applicable]</p>
(ii) Automatic change of Interest Basis:	<p>[Applicable/Not Applicable]</p>
(iii) Rate of Interest applicable to the Interest Periods [[preceding the Switch Date (excluded) (<i>if the Switch Date is an Interest Payment Date</i>)]/[preceding the Accrual Interest Period including the Switch Date]/[up to (and including) the Accrual Interest Period including the Switch Date (<i>if the Switch Date is not an Interest Payment Date</i>)]]:	<p>Determined in accordance with [Condition 5(b) as though the Notes were Fixed Rate Notes/Condition 5(c) as though the Notes were Floating Rate Notes], as specified in section [14/15] of this Pricing Supplement</p>

- (iv) Rate of Interest applicable to the Interest Periods [[following the Switch Date (included) (*if the Switch Date is an Interest Payment Date*)]/[from the Accrual Interest Period including the Switch Date]/[immediately after the Accrual Interest Period including the Switch Date (*if the Switch Date Is not an Interest Payment Date*)]]: Determined in accordance with [Condition 5(b) as though the Notes were Fixed Rate Notes/Condition 5(c) as though the Notes were Floating Rate Notes], as specified in section [14/15] of this Pricing Supplement
- (v) Switch Date: [●]
- (vi) Minimum notice period required for notice from the Issuer: [●] Business Days prior to the Switch Date/Not Applicable (in the case of Automatic change of Interest Basis)
- (vii) Provisions relating to the Fixed/Floating Rate Notes, if different from those provided in the Terms and Conditions of the Notes: [Not Applicable/(*specify*)]
- 17. Zero Coupon Notes Provisions:** [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [●] % *per annum*
- (ii) Day Count Fraction: [Actual/365]
[Actual/365 – FBF]
[Actual/Actual – ISDA]
[Actual/Actual – ICMA]
[Actual/Actual – FBF]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[360/360]
[Bond Basis]
[30/360 – FBF]
[Actual 30A/360 (American Bond Basis)]
[30^E/360]
[Eurobond Basis]
[30^E/360 – FBF]
- (iv) Other formula/method for determining the payable amount: [Not Applicable/(*specify*)]

PROVISIONS RELATING TO REDEMPTION

- 18. Call Option:** [Applicable/Not Applicable]
(if Not Applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note: [●] per [●] in Specified Denomination
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [[●] per [●] in Specified Denomination/ Not Applicable]
 - (b) Maximum Redemption Amount: [[●] per [●] in Specified Denomination/ Not Applicable]
 - (iv) Notice Period (if different from the notice period specified in the Terms and Conditions): [●]
- 19. Put Option:** [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note: [●] per [●] in Specified Denomination
 - (iii) Notice period (if different from the notice period specified in the Terms and Conditions): [●]
- 20. Final Redemption Amount of each Note:** [●] per [●] in Specified Denomination/Specified Denomination]
- 21. Instalment Amounts:** [Applicable/Not Applicable]
(if not applicable, delete the following subparagraphs)
- (i) Instalment Date(s): [●]
 - (ii) Instalment Amount(s) in respect of each Note: [●] per Note of [●] in Specified Denomination
 - (iii) Minimum Instalment Amount: [[●]/[●] per Note of [●] in Specified Denomination/Not applicable]
 - (iv) Maximum Instalment Amount: [[●]/[●] per Note of [●] in Specified Denomination/Not applicable]
 - (v) Additional provisions relating to Redemption by Instalments: [[●]/Not Applicable]

- 22. Early Redemption Amount:**
- Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(f)) or an event of default (Condition 9) or other early redemption and/or calculation method of this amount, if required or different from that set out in the Terms and Conditions: [●] per Note of [●] in Specified Denomination
- Redemption for taxation reasons:
- (i) Redemption at the Early Redemption Amount together with interest accrued to the date fixed for redemption (Condition 6(f)): [Yes/No]
 - (ii) Redemption permitted on days other than Interest Payment Dates (Condition 6(f)(ii)): [Yes/No]
- 23. Purchases (Condition 6(g)):** The Notes purchased by the Issuer [may be held and resold or cancelled/shall be cancelled] as set out in Condition 6(g)
- (specify whether the Issuer may hold the purchased Notes pursuant to Condition 6(g))*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24. Form of Notes:** [Dematerialised Notes/ Materialised Notes] *(Materialised Notes are only in bearer form)*
(delete as appropriate)
- (i) Form of Dematerialised Notes: [Not Applicable/in bearer form (*au porteur*)/ in registered form (*au nominatif*)]
 - (ii) Registration Agent: [Not Applicable/(if applicable give name and address)] *(Note that a Registration Agent can be appointed in relation to Dematerialised Notes in fully registered form only)*
 - (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- 25. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 7(g):** [Not Applicable/ *(give details)*. Note that this paragraph relates to the date and place of payment, and not Interest Period and dates, to which sub-paragraphs 14(ii) and 15(ii) relate]
- 26. Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** [Yes/No/Not Applicable. *(if yes, give details)*] *(only applicable to Materialised Notes)*
- 27. Masse (Condition 11):** Representative
[●] *(specify name and details)*
Alternative Representative

[●] (specify name and details)

Remuneration

[Applicable/Not Applicable] (if applicable, specify the amount and the payment date)

28. Other financial terms:

[Applicable / Not Applicable] (if applicable, specify)

GENERAL

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●] per cent.

Producing a sum of:

[●]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [(relevant third party information)] has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]¹²

Signed on behalf of Seine-et-Marne Department:

By:

Duly authorised

¹² Include if third party information is provided.

PART B – OTHER INFORMATION

1. RISK FACTORS SPECIFIC TO THE NOTES

[Insert any risk factors that are material to the Notes admitted to trading or offered to the public to investors other than qualified investors in order to assess the market risk associated with such Notes and that may affect the Issuer's ability to meet its obligations in relation to the Notes and would not be covered by the "Risk Factors" section of the Offering Circular.]

2. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/[●]] (specify relevant Regulated or non-regulated Market)] with effect from [●]./
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on (specify relevant Regulated or non-regulated Market) with effect from [●]/Not Applicable]
- (where documenting a fungible issue need to indicate that Existing Notes are already admitted to trading).*
- (ii) Estimate of total expenses related to admission to trading: [[●]/Not Applicable]

3. RATINGS

- Ratings: [The Notes to be issued have been/ shall be rated as follows:
- [Fitch France S.A.S.: [●]]
- [Moody's France S.A.S.: [●]]
- [Standard & Poor's Credit Market Services France S.A.S.: [●]]
- [[Other]: [●]]
- [[●] / [Each of the above agencies] is a credit rating agency established in the European Union, registered under the regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "CRA Regulation") and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ("ESMA") (www.esma.europa.eu) in accordance with the CRA Regulation]
- [The Notes shall not be rated]

4. [OTHER ADVISORS

If advisors are mentioned in this Pricing Supplement, specify the capacity in which the advisors have acted.]

5. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, that is material to the issue of the Notes, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save for any fees payable to the Manager(s) in accordance with the chapter "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".]

6. [Fixed Rate Notes only – YIELD

Indication of yield: [●] per cent. *per annum*

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

7. [Floating Rate Notes only – BENCHMARKS

Benchmarks:

Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●],[●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds [(the "**Benchmark Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorization, registration, recognition, endorsement or equivalence.]]

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositaries:

(a) Euroclear France to act as Central Depositary: [Yes/No]

(b) Common Depositary for Euroclear Bank and Clearstream Banking, SA: [Yes/No]

Any clearing system(s) other than Euroclear Bank and Clearstream Banking, SA and the relevant identification number(s): [Not Applicable/(give name(s) and number(s) and address(es))]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) designated in respect of the Notes (if any): [●]

Name and address of the Calculation Agent(s), designated in respect of the Notes (if any): [CACEIS Corporate Trust/ [●]]

9. DISTRIBUTION

Method of distribution [Syndicated/Not syndicated]

(i) If syndicated, names of Managers: [Not applicable/(specify names)]

(ii) Stabilising Manager(s) (if any): [Not applicable/(specify names)]

(iii) If non-syndicated, name of the Dealer: [Not applicable/(specify names)]

(iv) U.S. selling restrictions: [Reg. S Compliance Category 1; TEFRA C/ TEFRA D/ TEFRA not applicable]

(TEFRA are not applicable to Dematerialised Notes)

(v) Additional sales restrictions [Not Applicable/specify]

SUBSCRIPTION AND SALE

Words and expressions defined in "Terms and Conditions of the Notes" above shall have the same meanings in this chapter.

Subject to the terms and on the conditions contained in an amended and restated dealer agreement in the French language dated 20 November 2019 entered into between the Issuer, the Arranger and the Permanent Dealers (as amended from time to time, the "**Dealer Agreement**"), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission (if any) as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling restrictions

General

These selling restrictions may be amended or completed by the agreement of the Issuer and the Dealers in particular following a change in a relevant law, regulation or directive. Any such modification will be set out in an Amendment to this Offering Circular or in Pricing Supplement relative to the issue of Notes to which it relates.

Each Dealer has agreed that it will comply, to the best of its knowledge, with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility for the actions of another Dealer.

European Economic Area

Without prejudice to the applicable laws and regulations of any Member State, the Issuer, as a regional authority of a Member State, is not subject to the provisions of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market¹³ (the "**Prospectus Regulation**") and is therefore not subject to the requirements relating to the preparation, approval and distribution of the prospectus laid down in the Prospectus Regulation.

United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, sold or, in the case of Materialised Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Materialised Notes having a maturity of more than one (1) year are subject to U.S. federal income tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Notes are being offered and sold outside the United States only to non-U.S. persons in accordance with Regulation S. In addition, until forty (40) calendar days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside

¹³ Article 2.d) of the Prospectus Regulation.

the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason whatsoever. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any person to any U.S. person or to any other person within the United States is unauthorised and any disclosure without prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

United Kingdom

Each Dealer has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or will not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

- (1) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme, which was the subject of a deliberation No. CG-2012/04/13-7/01 of the General Council (*Conseil Général*) of the Issuer dated 13 April 2012.

In accordance with the deliberation n° CD-2018/12/20-7/02 of the Departmental Council (*Conseil Départemental*) of the Issuer dated 21 December 2017, the Departmental Council (*Conseil Départemental*) of the Issuer authorised its President to realise issues of bonds within the 2019 budgetary period up to the limits of the amounts recorded in the budget.

The Issuer's budget for 2019 adopted pursuant to deliberation n° CD-2018/12/20-7/01 of the Departmental General Council of the Issuer dated 20 December 2018 and as amended by deliberation n°CD-2019/06/14-7/03 of the Departmental General Council of the Issuer dated 14 June 2019 authorises borrowings in euros for 2019 up to a maximum amount of €86,586,390.

- (2) The LEI of the Issuer is 969500V08Y2PG8JTLG42.
- (3) There has been no significant change (a) in the fiscal and budgetary systems, (b) in gross public debt, (c) in the trade balance and the payments balance, (d) in foreign exchange reserves, (e) in the situation and financial resources, neither (f) in the receipts and expenses of the Issuer since 31 December 2018.
- (4) The Issuer is not or has not been involved in a governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering the twelve (12) months preceding this Offering Circular which may have, or have had in the recent past, significant effects on the financial position of the Issuer.
- (5) Application may be made for Notes to be accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg). The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
- (6) In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail (the "**Stabilising Operations**"). However, there is no assurance that the Stabilising Manager (or any person acting on behalf of a Stabilising Manager) will undertake such Stabilising Operations. Such Stabilising Operations may only begin as from the date on which the Pricing Supplement of the offer of the relevant Tranche have been made public and, if begun, may be ended at any time, but must end no later than the earlier of the following two (2) dates: (i) thirty (30) calendar days after the issue date of the relevant Tranche and (ii) sixty (60) calendar days after the date of the allotment of the relevant Tranche. Such Stabilising Operations shall be conducted by the Stabilising Manager (or any person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.
- (7) Amounts payable under the Notes may be calculated by reference to EURIBOR (or TIBEUR in French), LIBOR or any other rate as indicated in the relevant Pricing Supplement. EURIBOR (or TIBEUR in French) and LIBOR are respectively provided by the European Money Markets Institute ("**EMMI**") and ICE Benchmark Administration Limited ("**ICE**"). As at the date of this Offering Circular, ICE and EMMI appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**").
- (8) The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under Securities Act ("**Regulation S**") or, in the case of certain Materialised Notes in bearer form, the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder. The Notes are being offered and sold outside the United States of America to non-U.S. persons in reliance on Regulation S.
- (9) In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" or "EUR" are to the lawful currency of the Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Economic Community, as amended, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "US Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY"

and "Yen" are to the lawful currency of Japan and references to "CHF" and "Swiss Francs" are to the lawful currency of Swiss Confederation.

- (10) This Offering Circular and any Amendment thereto, if any, and, as long as the Notes will be admitted to trading on a Regulated Market in accordance with the Prospectus Directive, the Pricing Supplement applicable to such Notes will be (a) published on the website of the Issuer (www.seine-et-marne.fr/departement/vie-de-l'institution/finances-departementales/notation-financiere-et-outils-de-financement) and (b) available for inspection and copy, without charges, during normal business days and hours, at the office of the Issuer and at the specified office(s) of the Paying Agent(s).
- (11) So long as Notes issued under this Programme are outstanding, copies of the following documents will, when published, be available, without charges, during normal business days and hours, at the office of the Issuer and at the specified office(s) of the Paying Agent(s):
- (i) the two most recent primary budgets (*budgets primitifs*) (as amended, as the case may be, by a supplementary budget) and published administrative accounts (*comptes administratifs*) of the Issuer,
 - (ii) the Pricing Supplement related to Notes admitted to trading on Euronext Paris or on any other Regulated Market,
 - (iii) this Offering Circular together with any Amendment to this Offering Circular or any further offering circular,
 - (iv) the Agency Agreement in the French language (which includes the form of the *Lettre comptable*, of the Temporary Global Certificates, of the Definitive Materialised Notes, of the Coupons, of the Receipts and of the Talons),
 - (v) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Offering Circular or any Amendment to this Offering Circular.

RESPONSIBILITY OF THE OFFERING CIRCULAR

Person responsible for the information given in this Offering Circular

In the name of the Issuer

After having taken all reasonable measures in this regard, I hereby certify that the information contained in this Offering Circular is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Melun, 20 November 2019

Seine-et-Marne Department

Hôtel du Département
12 rue des Saints-Pères
77000 Melun
France

Represented by:

Mr Patrick SEPTIERS
President of the Departmental Council (*Conseil Départemental*) of Seine-et-Marne

Issuer

Seine-et-Marne Department

Hôtel du Département
12, rue des Saints-Pères
77000 Melun

Arranger

Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

Permanent Dealers

BRED Banque Populaire

18, quai de la Rapée
75012 Paris
France

Crédit Mutuel Arkéa

1, rue Louis Lichou
29480 Le Relecq Kerhuon
France

Natixis

30, avenue Pierre Mendès-France
75013 Paris
France

Crédit Agricole Corporate and Investment Bank

12 Place des Etats-Unis
CS 70052
92547 Montrouge Cédex
France

HSBC France

103, avenue des Champs Elysées
75008 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

Fiscal Agent, Principal Paying Agent and Calculation Agent

CACEIS Corporate Trust

1-3 place Valhubert
75013 Paris
France

Legal Advisers

to the Issuer

DLA Piper France LLP
27 Rue Laffitte
75009 Paris
France

to the Arranger and the Dealers

CMS Francis Lefebvre Avocats
2, rue Ancelle
92522 Neuilly-sur-Seine Cedex
France