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Offering Circular dated 5 March 2024



**Métropole de Lyon**  
**Euro Medium Term Note Programme**  
**in a maximum amount of**  
**€1,000,000,000**

The Métropole de Lyon (the **Issuer** or the **Métropole**) may, at any time, under the Euro Medium Term Note Programme (the **Programme**) which is subject to the present offering circular (the **Offering Circular**) and in compliance with applicable laws, regulations and directives, issue debt instruments (the **Notes**). The aggregate nominal amount of Notes outstanding shall not, at any time, exceed €1,000,000,000. The Notes constitute *obligations* within the meaning of French law.

This Offering Circular (and any supplement thereto) does not constitute a base prospectus within the meaning of Regulation (EU) no. 2017/1129 (as amended, the **Prospectus Regulation**), the provisions of which do not apply to the Issuer, and it has not therefore been submitted to the approval of the French financial markets authority (*Autorité des Marchés Financiers*). The Issuer undertakes to update the Offering Circular annually.

Application may, under certain circumstances be made for Notes to be admitted to trading on Euronext Paris (**Euronext Paris**). Euronext Paris is a regulated market as defined in Directive 2014/65/EU dated 15 May 2014, as amended (a **Regulated Market**). Notes may also be admitted to trading on another Regulated Market of a member State of the European Economic Area (**EEA**) or on a non-regulated market or not admitted to trading on any market. The pricing supplement prepared for an issue of Notes (the **Pricing Supplement**), based on the form set out in this Offering Circular, shall specify whether or not such Notes shall be admitted to trading on a regulated market and shall list, if applicable, the relevant Regulated Market(s). The Notes will only be offered to qualified investors, within the meaning of Article L.411-2 of the French *Code monétaire et financier*, in one or more EEA Member States. The Notes shall have a nominal amount, specified in the Pricing Supplement, greater or equal to euro 100,000 or any other greater amount authorised or required by any relevant competent authority or any applicable laws or regulations.

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

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

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

The Issuer has been attributed an AA-, stable outlook, rating by Fitch Ratings Ireland Limited (**Fitch**). The Programme has been assigned an AA- rating by Fitch. Notes issued under the Programme may or may not be attributed a rating. The rating attributed to the Notes, if any, shall be specified in the applicable Pricing Supplement. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency. On the date of the Offering Circular, Fitch is a rating agency established in the European Union and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council of 16 September 2009 relating to credit rating agencies as amended (the CRA Regulation) and is included on the list of rating agencies published on the European Securities and Markets Authority website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

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

This Offering Circular, any supplement thereto, the documents incorporated by reference in this Offering Circular and, so long as any Notes are admitted to trading on a Regulated Market, the applicable Pricing Supplement shall be published on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>).

Arranger

**CRÉDIT AGRICOLE CIB**

**Dealers**

**BARCLAYS  
DEUTSCHE BANK**

**BRED BANQUE POPULAIRE  
HSBC**

**CRÉDIT AGRICOLE CIB  
LA BANQUE POSTALE**

Pursuant to article 1(2) of the Prospectus Regulation, the Issuer, in its capacity as a local authority of an EEA Member State, is not subject to the requirements of the Prospectus Regulation. Accordingly, this Offering Circular constitutes neither a base prospectus nor a prospectus within the meaning of the Prospectus Regulation and has therefore not been submitted to the approval of the AMF (*Autorité des Marchés Financiers*).

This Offering Circular (together with any Supplement thereto) constitutes an offering circular containing or incorporating by reference all useful information on the Issuer enabling investors to make an informed assessment of the assets, business, financial position, results and prospects of the Issuer, as well as of the rights attached to the Notes.

Each Tranche (as defined in "General Description of the Programme") of Notes shall be issued in accordance with the provisions set forth in the "Terms and Conditions of the Notes" of this Offering Circular, as completed by the provisions of the applicable Pricing Supplement agreed between the Issuer and the relevant Dealers (as defined in "General Description of the Programme") at the time of issue of such Tranche.

The Offering Circular (and any Supplement thereto) and the Pricing Supplement must be read together.

In connection with the issue or sale of any Notes, no person is or has been authorised to provide any information or make any representation other than as set forth or incorporated by reference in this Offering Circular. Otherwise, no such information or representation may be treated 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 on the basis of this document shall imply that there has been no adverse change in the situation, in particular the financial situation, of the Issuer since the date of this Offering Circular or since the date of the most recent supplement to this Offering Circular, or that any other information provided in connection with this Programme is accurate on any date subsequent to the date on which it was provided or, if different, the date indicated on the document containing such information.

The distribution of this Offering Circular and the offering or sale of any Notes may be restricted by law in certain countries. Prospective investors are invited to refer to the section "Subscription and Sale" of this Offering Circular for a description of certain restrictions applicable to the offering, sale and transfer of Notes, and the distribution of this Offering Circular.

**MIFID II PRODUCT GOVERNANCE/TARGET MARKET:** eligible counterparties and professional clients only - The Pricing Supplement for each series of Notes may include a section headed "MiFID II Product Governance" which shall underline the target market assessment for the relevant Notes, taking into consideration the five categories referenced in point 19 of the Guidelines published by the European Securities and Markets Authority on 3 August 2023, as well as the appropriate distribution channels for the Notes. Any person who subsequently offers, sells or recommends the Notes (a "distributor" as defined in MiFID II) should take into consideration that target market assessment; however, a distributor subject to the Directive 2014/65/EU (as amended, MiFID II) is responsible for undertaking its own target market assessment in respect of the Notes (and either adopting or refining the target market assessment) and determining the appropriate distribution channels.

It shall be determined, for each issue of Notes, whether, for the purposes of the product governance rules under delegated Directive EU 2017/593 (the MiFID Product Governance Rules), any Dealer subscribing for Notes should be considered as the manufacturer, as defined in MiFID II, of such Notes, but otherwise, neither the Arranger, nor the Dealers nor any of their affiliates shall be considered as manufacturers for the purposes of the MiFID Product Governance Rules.

**UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET:** eligible counterparties and professional clients only - The Pricing Supplement for each series of Notes may include a section headed "UK MiFIR Product Governance" which shall underline the target market assessment for the relevant Notes, taking into consideration the five categories referenced in point 18 of the Guidelines published by the European Securities and Markets Authority on 5 February 2018 (in accordance with the statement of principle of the

United Kingdom's Financial Conduct Authority entitled "*Brexit: our approach to EU non-legislative materials*"), as well as the appropriate distribution channels for the Notes. Any person who subsequently offers, sells or recommends the Notes (a "distributor") should take into consideration that target market assessment; however, a distributor bound by the United Kingdom Financial Conduct Authority's *FCA Handbook - Product Intervention and Product Governance Sourcebook* is responsible for undertaking its own target market assessment in respect of the Notes (and either adopting or refining the target market assessment) and determining the appropriate distribution channels.

It shall be determined for each issue of Notes whether, for the purposes of the UK MiFIR product governance rules pursuant to the *FCA Handbook - Product Intervention and Product Governance Sourcebook* (the *UK MiFIR Product Governance Rules*), any Dealer subscribing for Notes should be considered as the manufacturer of such Notes, but otherwise, neither the Arranger, nor the Dealers nor any of their affiliates shall be considered as manufacturers for the purposes of the UK MiFIR Product Governance Rules.

This Offering Circular constitutes neither an invitation nor an offer by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for or purchase Notes.

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

Prospective purchasers and sellers of Notes should be aware that it is possible that they may have to pay duties, taxes or fees under applicable laws or customary practices in force in the jurisdictions where the Notes are transferred or in other jurisdictions. In certain jurisdictions, no official position of the tax authorities nor any judicial decision exists pertaining to the tax treatment applicable to securities such as the Notes. Prospective investors are invited not to rely on the tax information contained in this Offering Circular but to consult with their own tax advisors having regard to their individual circumstances as regards the purchasing, holding, remuneration, sale and redemption of the Notes. Only their adviser is in a position to properly take into consideration the particular circumstances of any prospective investor.

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

The Notes may not be an appropriate investment for all investors. Each prospective investor must determine, based on his own assessment and with the assistance of any adviser he may consider appropriate in the circumstances, the suitability of an investment in the Notes in light of his personal circumstances.

#### *Important information about Green, Social and Sustainability Bonds*

Prospective investors should take into account the information set out in the "Use of Proceeds" section of this Offering Circular and the relevant Pricing Supplement and should determine for themselves the suitability of such information for the purposes of an investment in the Green, Social or Sustainability Bonds and carry out such other verification as investors may deem necessary. The use of the net proceeds of the issue of the Notes issued as Green, Social or Sustainability Bonds may not satisfy, in whole or in part, the current or future expectations or requirements of investors with respect to the investment criteria or

**guidelines with which such investors or their investments must comply, in particular with respect to any direct or indirect impact on the environment or the sustainable development of any asset that is the subject of or related to the Green, Social and Sustainability Bond Framework.**

**Neither the Issuer, the Arranger nor the Dealers make any representation as to the suitability of the Green, Social or Sustainability Bonds, including the listing or admission to trading thereof on any segment dedicated to the environment or sustainable development or any other equivalent segment of any stock exchange or financial market (regulated or unregulated), to meet the environmental or sustainable development criteria required by potential investors. The Arranger and the Dealers have not undertaken, and are not responsible for, the evaluation of the eligibility criteria of the Eligible Projects, the verification of compliance with these criteria by the Eligible Projects or the monitoring the use of the net proceeds of the issue the issuance of the Green, Social and Sustainability Bonds (or equivalent amounts).**

**Neither the Arranger nor any of the Dealers makes any representation with respect to the adequacy or content of the Green, Social and Sustainability Bond Framework and the Second Party Opinion (as defined in this Offering Circular). In particular, no assurance or representation is provided as to the adequacy or reliability, for any purpose, of the Second Party Opinion or any opinion or certification of any third party (whether or not requested by the Issuer) that may be made available in connection with the issuance of the Green, Social or Sustainability Bonds and any Eligible Project to meet any environmental, sustainable development and/or other criteria. The Second Party Opinion, or any opinion or certification, is not, and shall not be deemed, a recommendation by the Issuer, the Arranger, the Dealers or any other person to buy, sell or hold such Green, Social or Sustainability Bonds. Accordingly, neither the Issuer, the Arranger nor the Dealers shall be, or be deemed to be, responsible for any issue relating to its contents. For the avoidance of doubt, neither the Green, Social or Sustainability Bond Framework, nor the Second Party Opinion, nor any other opinion or certification is, or shall be deemed to be incorporated in and/or form part of this Offering Circular.**

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## GENERAL DESCRIPTION OF THE PROGRAMME

The following general description must be read with all the information set forth in this Offering Circular. The Notes shall be issued pursuant to the terms agreed between the Issuer and the relevant Dealer(s) and shall be governed by the Terms and Conditions specified in pages 30 to 66 of the Offering Circular, as supplemented by the provisions of the relevant Pricing Supplement. This section must be read subject to the other information set forth in this Offering Circular.

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

**Issuer:** Métropole de Lyon

**Description of the Programme:** Euro Medium Term Note Programme (the **Programme**).

The Notes will constitute *obligations* pursuant to French Law.

**Use of Proceeds:** As described in the "Use of Proceeds" section of this Offering Circular, the net proceeds of the issue of the Notes shall (as specified in the applicable Pricing Supplement) be used by the Issuer either (i) to finance the Issuer's investments or (ii) in the case of green bonds (**Green Bonds**), social bonds (**Social Bonds**) or sustainability bonds (**Sustainability Bonds**), to finance or refinance Eligible Projects, as defined in the "Use of Proceeds" section of this Offering Circular and as more fully described in the Issuer's green, social and sustainability bond framework (as amended and/or supplemented) (the **Green, Social and Sustainability Bond Framework**).

A second party opinion on the Green, Social and Sustainability Bond Framework has been issued by Moody's ESG Solutions.

The Green, Social and Sustainability Bond Framework and the second party opinion are available on the Issuer's website: (<https://www.grandlyon.com/metropole/financement.html>).

**Arranger:** Crédit Agricole Corporate and Investment Bank

**Dealers:** Barclays Bank Ireland Plc

Bred Banque Populaire

Crédit Agricole Corporate and Investment Bank

Deutsche Bank Aktiengesellschaft

HSBC Continental Europe

La Banque Postale

The Issuer may, at any time, revoke any Dealer under the Programme, or appoint supplement Dealers either for one or several Tranches, or for the Programme as a whole. Any reference made in this Offering Circular to the **Permanent Dealers** refers to persons named above as Dealers and to any other person who would have been appointed as a Dealer for the Programme as a whole (and who would have not been revoked) and any reference made to **Dealers** refers to any Permanent Dealer and any other person named as Dealer for one or several Tranches.

<b>Fiscal Agent and Principal Paying Agent:</b>	Banque Internationale à Luxembourg S.A.
<b>Calculation Agent:</b>	Unless otherwise stipulated in the applicable Pricing Supplement, Banque Internationale à Luxembourg.
<b>Maximum Amount of the Programme:</b>	The aggregate nominal amount of the Notes outstanding shall not, at any time, exceed € 1,000,000,000.
<b>Issuance method:</b>	The Notes shall be issued under syndicated or non-syndicated issues.  The Notes shall be issued by series (each a <b>Series</b> ), at same or different issue dates, and shall be governed (except for the first interest payment) by identical terms, the Notes of each Series being fungible amongst themselves. Each Series may be issued by tranches (each a <b>Tranche</b> ), having same or different issue dates. The specific terms of each Tranche (which shall be supplemented, if necessary, on the basis of additional terms and shall be identical to the terms of the other Tranches of the same Series (with the exception of the issue date, issue price, first interest payment and nominal amount of the Tranche)) shall be set forth in the applicable pricing supplement (the <b>Pricing Supplement</b> ) supplementing this Offering Circular.
<b>Maturities:</b>	Unless previously redeemed, repurchased or cancelled as provided below, and subject to compliance with all applicable laws, regulations and directives, the Notes shall have a minimum maturity of one (1) year and a maximum maturity of fifty (50) years from the initial issue date as specified in the applicable Pricing Supplement.
<b>Currencies:</b>	Notes shall be issued in euros.
<b>Denomination(s):</b>	The Notes shall have the denomination(s) specified in the applicable Pricing Supplement (the <b>Specified Denomination(s)</b> ). Dematerialised Notes shall be issued in one Specified Denomination only. The Notes shall be issued in a denomination greater than or equal to €100,000 or in any other greater amount as authorised or required by the relevant competent authority or by any laws or regulations applicable to the Specified Currency.



<b>Status of the Notes and negative pledge:</b>	<p>The Notes and, if any, related Receipts, Coupons and Talons, constitute direct, unconditional, non-subordinated and (subject to the following paragraph) non-guaranteed obligations of the Issuer which rank <i>pari passu</i> amongst themselves and (subject to mandatory exceptions under French Law) <i>pari passu</i> with any other present or future, non-subordinated and non-guaranteed obligation of the Issuer.</p> <p>As long as the Notes or, if any, Receipts, Coupons or Talons linked to the Notes will remain outstanding (as defined in the Terms and Conditions of the Notes), the Issuer will not grant or permit to subsist any mortgage, pledge, lien or any other security interest upon any of its assets or revenues, present or future, in order to secure any present or future indebtedness, represented by bonds, securities or other negotiable instruments admitted to trading with a maturity greater than a year and which are (or are able to be) admitted to trading on any market, unless the obligations of the Issuer under the Notes and, if any, Receipts and Coupons, do not benefit from an equivalent and <i>pari passu</i> security interest.</p>
<b>Events of Default:</b>	<p>The Terms and Conditions of the Notes set forth events of default, as described further in Condition 8 of the Terms and Conditions of the Notes "Events of Default".</p>
<b>Redemption Amount:</b>	<p>Unless events of default or redemption and cancellation, the Notes shall be redeemed at the Maturity Date specified in the applicable Pricing Supplement and at the Final Redemption Amount.</p>
<b>Redemption by Instalment:</b>	<p>The Pricing Supplement concerning the Notes which are redeemable in two or more instalments shall indicate the dates at which these Notes will be redeemable and the redemption amount.</p>
<b>Optional Redemption:</b>	<p>The Pricing Supplement prepared for each issue of Notes will indicate if whether or not they may be redeemed early at the option of the Issuer (as a whole or in part) and/or at the option of the Noteholders before their expected maturity date, and if they may be, the terms applicable to such redemption.</p>
<b>Early Redemption:</b>	<p>Subject to provisions of paragraph "Optional Redemption" above, the Notes shall only be redeemed early at the option of the Issuer for tax reasons and/or illegality.</p>
<b>Withholding tax:</b>	<p>All payments of principal, interest or other amounts linked to the Notes, Receipts or Coupons by or on behalf of the Issuer shall be made without any withholding or deduction for any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</p> <p>Should French law require that payments of principal, interest and other proceeds in respect of any Note, Receipt or Coupon be subject to a withholding at source or deduction with respect to any</p>

taxes or duties whatsoever, present or future, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holders of Notes, Receipts and Coupons receive the full amount that would have been payable in the absence of such withholding at source or deduction; subject to certain exceptions described further in Condition 7 of the Terms and Conditions of the Notes “Taxation” of this Offering Circular.

**Interests Periods and Rates:** For each Series, the duration of interest periods of the Notes, the applicable interest rate and its calculation method may vary or stay the same, as the case may be. The Notes may have a maximum interest rate (**Maximum Interest Rate**), a minimum interest rate (**Minimum Interest Rate**) or both at the same time, it being specified that (i) in no case shall the amount of interest payable in relation to each Note be less than zero and (ii) except where a higher Minimum Interest Rate is specified in the applicable Pricing Supplement, the Minimum Interest Rate shall be equal to zero. The Notes may bear interest at different rates during the same interest period through the use of accrual interest periods (defined in the Terms and Conditions of the Notes as Accrual Interest Periods). All of this information will appear in the applicable Pricing Supplement.

**Fixed Rate Notes:** Interest on Fixed Rate Notes will be payable in arrear on the date(s) for each period indicated in the applicable Pricing Supplement.

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

- (a) on the same basis than the floating rate specified in the applicable Pricing Supplement to a notional interest rate exchange transaction in the relevant Specified Currency, pursuant to the *Fédération Bancaire Française* (the **FBF**) Master Agreement dated June 2013 relating to transactions on forward financial instruments supplemented by the Technical Schedules published by the FBF; or
- (b) by reference to a benchmark appearing on a screen page supplied by a commercial quotation service (including, but without limitation, EURIBOR (or TIBEUR in French), the CMS Rate, €STR or TEC10 or any successor or alternative rate, in each case, as adjusted in accordance with the Terms and Conditions of the Notes, or
- (c) in the event of Benchmark discontinuation, by reference to the Successor Rate or the Alternative Rate determined by the Independent Adviser appointed by the Issuer, in accordance with the Terms and Conditions of the Notes,

in each case, as adjusted according to margins eventually applicable and paid at the dates indicated in the applicable Pricing Supplement.

Floating Rate Notes may also include a Maximum Interest Rate, a Minimum Interest Rate or both at the same time.

Unless a higher Minimum Interest Rate is specified in the relevant Pricing Supplement, the Minimum Interest Rate shall be deemed equal to zero per cent and may never be less than zero per cent.

**Benchmark discontinuation:** If a Benchmark Event occurs such that any interest rate (or any component thereof) cannot be determined by reference to the Original Benchmark or original Screen Rate (as applicable) specified in the relevant Pricing Supplement, then the Issuer shall make reasonable efforts to appoint an Independent Adviser to determine a Successor Rate or an Alternative Rate. Refer to Condition 4.3(c)(iii) of the Terms and Conditions of the Notes "Benchmark discontinuation" for more details.

**Fixed/Floating Rate Notes:** Each Fixed/Floating Rate Note bears interest at a rate that, on the Interest Basis Change Date, (i) may be converted at the option of the Issuer from a fixed rate to a floating rate (or vice versa) or (ii) will be automatically converted from a fixed rate to a floating rate (or vice versa).

**Zero Coupon Notes:** Zero Coupon Notes may be issued at par or below the par and will not pay interests.

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

Dematerialised Notes may be, at the option of the Issuer, issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such case, at the option of the relevant Noteholder, either in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*). No document materialising the title of the Notes will be issued.

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

**Representation of Noteholders:** The Noteholders shall be automatically grouped, in respect of all Tranches of a single Series, for the defence of their common interests in a masse (the **Masse**), which shall be governed by the provisions of articles L.228-46 *et seq.* of the French Commercial Code, with the exception of articles L. 228-71 and R. 228-69, as supplemented by Condition 10 of the Terms and Conditions of the Notes.

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

For so long as the Notes are held by a single Noteholder, and if no Representative has been appointed, the relevant Noteholder shall exercise all powers conferred upon the Masse by the provisions of the French Commercial Code, as supplemented by Condition 10 of the Terms and Conditions of the Notes.

**Governing Law:**

French law. Any dispute relating to the Notes, Receipts, Coupons or Talons shall be submitted to the competent court under jurisdiction of the Paris Court of Appeal (subject to mandatory provisions related to territorial jurisdiction of French courts). No attachment proceedings under private law can be taken and no seizure proceedings can be implemented against the assets or properties of the Issuer as a legal person governed by public law.

**Clearing systems:**

Euroclear France as a central depository in relation to the Dematerialised Notes and, in relation to the Materialised Notes, Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

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

**Initial Delivery of Dematerialised Notes:**

The accounting letter (*lettre comptable*) (for syndicated issues) or application form, as the case may be, relating to each Tranche of Dematerialised Notes shall be delivered to Euroclear France, acting as central depository, one Paris business day before the issue date of such Tranche.

**Initial Delivery of Materialised Notes:**

At least at the issue date of each Tranche of Dematerialised Notes, the Temporary Global Certificate relating to such Tranche shall be delivered to a common depository for Euroclear and Clearstream, or to 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:**

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

**Admission to Trading:**

On Euronext Paris and/or on any other Regulated Market in a Member State of the European Economic Area (**EEA**) and/or on a non-regulated market as specified in the applicable Pricing Supplement. The applicable Pricing Supplement may specify that a Series of Notes shall not be admitted to trading.

**Rating:**

The Programme has been granted an AA- rating by Fitch Ratings Ireland Limited (**Fitch**). Notes issued under the Programme may be rated or not. The rating of the Notes, if any, shall be specified in the applicable Pricing Supplement. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency.

At the date of the Offering Circular, Fitch is established in the European Union and registered pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and the Council dated 16 September 2006 on credit rating agencies, as amended (the **CRA Regulation**) and is included on the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

**Selling restrictions:**

There are restrictions relating to the sale of Notes and the distribution of the offering materials in different jurisdictions. See the section "*Subscription and Sale*".

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

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

The TEFRA rules do not apply to Dematerialised Notes.

## **RISK FACTORS**

*The Issuer believes that the risk factors described below are specific to the Issuer and/or the Notes and are material to any decision whether or not to invest in the Notes and/or may affect its ability to fulfil its obligations under the Notes issued under the Programme.*

*The paragraphs below describe the main risk factors which the Issuer considers, on the date of this Offering Circular, to be material to the Notes issued under the Programme. The risks described below are not the only risks to which an investor in the Notes is exposed. Other risks and uncertainties, unknown to the Issuer at today's date or which it considers at the date of this Offering Circular as not determinant, may have a material impact on its activities and on an investment in the Notes.*

*Prospective investors should also read the detailed information appearing elsewhere in this Offering Circular (including all documents incorporated herein by reference) and form their own opinion before taking any investment decision. In particular, investors must make their own assessment of the risks associated with the Notes before investing in the Notes and must seek advice from their own tax, financial and legal advisers on the risks associated with an investment in a given Series of Notes and the suitability of an investment in the Notes in light of their own specific circumstances. Investors' attention is drawn to the possibility that they may lose all or part, as the case may be, of the value of their investment.*

*In each category below, the Issuer indicates first the risks it considers to be the most significant, having regard to their negative impact and the likelihood of their occurrence.*

*All terms beginning with a capital letter and not defined in this section shall have the meanings given thereto in "Terms and Conditions of the Notes". Any reference below to a Condition refers to the corresponding condition number in the "Terms and Conditions of the Notes".*

### **1. RISK FACTORS SPECIFIC TO THE ISSUER**

#### **1.1 Financial risks**

The financial risks to which the Issuer is exposed relate mainly to liquidity risk.

Liquidity risk refers to the Issuer's inability to meet its short-term financial commitments, due to a cash flow shortfall.

Like all public establishments, the Issuer is obliged to deposit its funds with the Trésor (article 26 paragraph 3° of organic law n° 2001-692 dated 1st August 2001 concerning the finance acts), and to maintain a positive balance on this account at all times, no overdraft being permitted in accordance with article 26 paragraph 2° of the above-mentioned organic law n° 2001-692.

Nevertheless, changes in its revenue, linked to the sources of these funds, continue to pose a risk to the Issuer. These revenues (more fully described in paragraph 5.1(a) (*Taxation system*) of the description of the Issuer) comprise mainly:

- local tax revenue;
- State financial contributions: global operating endowment, professional tax reform compensation endowment, national individual revenue guarantee fund, tax compensations, departmental business tax equalisation fund;

- equalisation revenues: the national intercommunal and communal revenue equalisation fund and negative compensation allowance.

Changes in tax revenue depend on factors external to the Issuer and outside its control, such as fluctuations in the value of its tax bases as regards land/property taxes. Tax revenue accounts for 57% of the Issuer's total revenue as at 31 December 2022. State financial contributions and equalisation revenue are dependent on political decisions affecting the Issuer, and represent 25% of its total revenue as at 31 December 2022. Generally, State funding is falling, in line with the objective of reducing national expenditure. A decrease, or even the withdrawal (fairly unlikely nevertheless) of these contributions could deprive the Issuer, at most, of 494.4M€ (based on the 2024 Primary Budget, incorporated by reference in this Offering Circular – refer to the section “*Documents incorporated by reference*”).

Thus, a decrease in the Issuer's revenue could result in a cash flow shortfall for the Issuer. However if, as a result, the Issuer were unable to meet its short-term financial commitments, this could mean that it may not be in a position to satisfy its payment and/or repayment obligations under the Notes.

Compared with the other risks associated with the Issuer, the likelihood of this risk materialising is high. Indeed, due to the pressure in France on the public finances, a downward trend in the revenue allocated to the Issuer by the State may be considered as a high probability risk. Furthermore, the negative impact that the materialisation of this risk could have (if such materialisation was substantial) on the Issuer's situation and, accordingly, on the interests of Noteholders, would be great.

## **1.2 Legal risks relating to enforcement procedures**

As a public law legal entity, the Issuer is not subject to private law enforcement procedures, under the principle of inalienability of assets applicable to public law legal entities (*Cour de cassation*, 1<sup>st</sup> Civil Chamber, 21 December 1987, geological and mining research office vs Lloyd Continental, Civil Bulletin I, n° 348, p. 249). Furthermore, like all public law legal entities, the Issuer is not subject to the insolvency procedures specified in the French Commercial Code (Paris Court of Appeal, 3<sup>rd</sup> Chamber sect. B, 15 February 1991, national regional freight offices Centre, n° 90-21744 and 91-00859).

Therefore, if the Issuer were unable to meet its obligations under the Notes, and in particular its payment obligations, no civil enforcement proceedings could be brought against the Issuer on such basis.

Compared with the other risks associated with the Issuer, the likelihood of this risk materialising is average. Indeed, this would require the materialisation of one of the financial risks specified in paragraph 1.1 above in very significant proportions. Furthermore, the negative impact that the materialisation of this risk could have on Noteholders is high, insofar as they would be unable to bring any civil enforcement proceedings against the Issuer.

## **1.3 Risk relating to a change in the Issuer's status**

The Issuer is a public establishment governed by the provisions of the local authorities general code (CGCT).

The Issuer's legal regime provides in particular for an *a posteriori* control by the *Préfet* of the legality of administrative (including budgetary) acts.

If this legal framework were to be changed, the Issuer's budgetary and financial decisions would no longer be controlled in this manner which may adversely impact the Issuer's situation, in particular its ability to satisfy its payment obligations under the Notes.

Compared with the other risks associated with the Issuer, the likelihood of this risk materialising is low. Indeed, it is very unlikely that the Issuer ceases to be a public establishment and that public establishments cease to be subject to these legality controls. Furthermore, the negative impact that the materialisation of this risk could have on the Issuer and accordingly on the interests of Noteholders, would be average, insofar as it would not automatically result in a critical deterioration of the quality of the Issuer's budgetary and financial decisions.

#### **1.4 Risks relating to variable rate borrowings**

The Issuer's outstanding debt partly comprises variable rate borrowings which are not protected by interest rate hedging derivative instruments (37.2% at 31 December 2022).

Furthermore, the average interest rate on the Issuer's debt at 31 December 2022 is 1.98%.

However, in relation to variable rate borrowings there is a risk for the Issuer of increase costs, and therefore of an increase in the average interest rate on the Issuer's debt, which may have an impact on its financial situation and therefore, ultimately, on its ability to meet its obligations under the Notes, and in particular its payment and/or repayment obligations.

Compared with the other risks associated with the Issuer, the likelihood of this risk materialising is average. Indeed, a significant increase in the cost of the Issuer's variable rate borrowings is a plausible scenario. Furthermore, the negative impact that the materialisation of this risk could have on the Issuer's situation and accordingly on the interests of Noteholders, would be low, insofar as it is very unlikely, given the Issuer's small proportion of variable rate borrowings, that it would negatively impact on the Issuer's situation to such an extent that it would no longer be able to meet its payment obligations under the Notes.

## **2. RISKS ASSOCIATED WITH THE NOTES**

### **2.1 Legal risks associated with the Notes**

#### ***Amendment of the Terms and Conditions of the Notes***

Condition 10 (*Representation of Noteholders*) of the Terms and Conditions of the Notes includes provisions enabling the convocation of Noteholders to General Meetings or Written Decisions to be taken, to consider issues having an impact on their interests. The Noteholders are grouped together in a *Masse* (as defined in Condition 10 of the Terms and Conditions of the Notes (*Representation of Noteholders*)) to defend their common interests and may meet at general meetings or take written decisions. The Terms and Conditions of the Notes provide, in certain cases, that Noteholders not present or represented at a general meeting, or those that did not take part in a written decision, may be bound by the vote of those Noteholders present or represented, even if they disagree with the vote or written decision.

Subject as provided in Condition 10 of the Terms and Conditions of the Notes (*Representation of Noteholders*), the Noteholders may, by Collective Decision, as defined in the Terms and Conditions of the Notes, deliberate on any proposed modification of the Terms and Conditions of the Notes, and in particular on any proposed compromise or settlement regarding rights that are in dispute or the subject of a judicial decision. It is possible that such a Collective Decision, adopted by a majority of the Noteholders and amending the Terms and Conditions of the Notes, could limit or infringe upon the rights of Noteholders. This could have a significant adverse



impact on the market value of the Notes and accordingly result in Noteholders losing part of their investment in the Notes.

### ***Verification of legality***

The Prefect (*Préfet*) of the *Département du Rhône* has a period of two months from receipt by the prefecture of a deliberation or decision of the Métropole de Lyon and the contracts it has entered into, to verify their legality and, if it considers them unlawful, to refer them, for those that constitute administrative acts, to the competent administrative tribunal and, if relevant, request their suspension. The competent administrative tribunal may then, if it considers them unlawful, suspend or cancel them in whole or in part. Furthermore, depending on the nature of the defect or circumstances of the case, annulment of the relevant deliberations and/or decision to sign the contracts may result in the contracts themselves being cancelled. A suspension or annulment in whole or in part of the deliberations and/or decision to sign the contracts pursuant to which the Notes were issued could undermine the Noteholders' rights. This could have a material adverse impact on the value of the Notes and result in the loss of all or part of the Noteholders' investment in the Notes.

### ***Third party actions***

A third party, having legal standing, may bring an action for abuse of authority before the administrative courts against any resolution of the Métropole de Lyon and/or any decision to sign contracts issued by it, other than a resolution or decision which is not intrinsically connected to an administrative contract, within a period of two months as from the date of its publication and, if appropriate, seek an order for the suspension of their performance. This two month period can be extended if the action for abuse of authority brought against a resolution has been preceded by an administrative redress, if such action is brought by a non-resident or in some other circumstances. In addition, if such resolution or decision to sign are not published in an appropriate manner, such right of action may be brought by any third party for an unlimited period.

In the case of an action for abuse of authority brought against a resolution or decision to sign, other than a resolution or decision which is not intrinsically connected to an administrative contract, the competent administrative judge may then, if he considers that such administrative act is illegal, annul it in whole or in part, which may lead to the illegality of the agreements entered into on the basis of the aforementioned administrative act.

If a contract entered into by the Métropole de Lyon were to be considered as an administrative contract, any third party with legal standing may bring a full remedy action (*recours de pleine juridiction*) before the administrative courts against such contract or some of its non-regulatory provisions which are not intrinsically connected to such contract, and as the case may be, seek an order for it to be suspended. Such action shall be brought in a two months period as from the date of the appropriate publications. Moreover, if the administrative contract has not been duly published, actions can be brought by a third party, having a legal standing, for an unlimited period.

If the competent judge highlights the existence of any defects rendering the contract void, she/he may decide, having taken into consideration the nature of the defects, to terminate or annul the contract, after having evaluated the importance of such defects and of their consequences. If any such decision were taken, it may have a material adverse impact for Noteholders insofar as their rights may be denied and the value of the Notes may decrease resulting in a loss for Noteholders of part of their investment in the Notes.

***No assurance can be given that the use of the net proceeds of the issue of Green Bonds, Social Bonds or Sustainability Bonds will satisfy a Noteholder's investment criteria***

The applicable Pricing Supplement in respect of any Tranche of Notes may provide that the Issuer intends to issue green bonds (**Green Bonds**), social bonds (**Social Bonds**) and/or sustainability bonds (**Sustainability Bonds**), and to use an amount equal to the net proceeds of the issue exclusively to finance or refinance expenditure relating to one or more category(ies) of green projects, social projects or green and/or social projects (**Eligible Projects**) (as more fully described in the Issuer's Green, Social and Sustainability Bond Framework (as amended or supplemented) (the **Green, Social and Sustainability Bond Framework**) which is available on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>)).

The definition (legal, regulatory or otherwise) of a "green" or equivalently labelled project has been set. Indeed, on 18 June 2020, Regulation (EU) n° 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the European Parliament and the Council (the **Taxonomy Regulation**). The Taxonomy Regulation establishes a single European Union-wide classification system or "taxonomy", which provides companies and investors with a common language for determining which economic activities may be considered ecologically sustainable. The European Commission has adopted Delegated Regulation (EU) No 2021/2139 (as amended) and Delegated Regulation (EU) No 2023/2486 (in force since 1 January 2024) supplementing the Taxonomy Regulation by establishing technical screening criteria for determining under which conditions an economic activity contributes substantially to one of the six environmental objectives of the Taxonomy Regulation without that economic activity causing significant harm to any of the other environmental objectives.

Therefore, the definition of a "green" or equivalently labelled project is now set. However, there is currently no established definition (legal, regulatory or otherwise) or public consensus with respect to the attributes required for an asset or a particular project to be qualified as "social" or "sustainable" or any other equivalently labelled project and any project forming part of the Eligible Projects portfolio may not satisfy any or all of an investor's expectations concerning such "social", "sustainability" or other equivalently labelled performance objectives, and a negative social and/or other impact could occur during the implementation of any project forming part of the Eligible Projects portfolio.

If any Green Bonds, Social Bonds, or Sustainability Bonds are at any time admitted to trading on any dedicated environmental, sustainable development or any other equivalent segment of any stock exchange or financial market (whether or not regulated), such admission may not satisfy, in whole or in part, the present or future expectations or requirements of a Noteholder as regards any investment criteria or guidelines with which such Noteholder or its investments are required to comply. Furthermore, it should be noted that the criteria for any such admission to trading may vary from one stock exchange (or securities market) to another. Such admission to trading may not be obtained in respect of such Green Bonds, Social Bonds, or Sustainability Bonds or, if obtained, such admission to trading may not be maintained until such Green Bonds, Social Bonds, or Sustainability Bonds finally mature.

Although the Issuer intends to use the net proceeds of the issue of Green Bonds, Social Bonds or Sustainability Bonds, and has established procedures to ensure that such net proceeds are used, in accordance with the principles set forth in the Green, Social and Sustainability Bond Framework and substantially in the manner described in the "Use of Proceeds" section of this Offering Circular, no assurance can be given that (i) the Eligible Projects may be realised in such manner and/or in accordance with any given timetable, and/or that (ii) the net proceeds shall be used, in whole or in part, for Eligible Projects. Furthermore, such Eligible Projects may

not be realised within a specific timeframe or may not produce the (environmental, social, sustainable or other) results or effects originally expected or anticipated by the Issuer.

Any such event or failure to satisfy these criteria, or misapplication of the net proceeds of the issue of any Green Bonds, Social Bonds or Sustainability Bonds shall not constitute an Event of Default under the Terms and Conditions of the Notes, nor a default by the Issuer for any other reason whatsoever.

Furthermore, as from the issue date and at all times until the final maturity of the relevant Green Bonds, Social Bonds and/or Sustainability Bonds, it is possible that, notwithstanding the annual reports issued by the Issuer (see the “Use of Proceeds” section of this Offering Circular), investors may not have a full and complete understanding of all Eligible Projects to be financed or refinanced with the net proceeds of the issue.

Finally, no assurance can be given and no representation is made as to the relevance or reliability, for any purpose whatsoever, of the second party opinion on the responsible nature of the Issuer’s Green Bonds, Social Bonds and Sustainability Bonds delivered by Moody’s ESG Solutions (the **Second Party Opinion**) or any opinion or certificate supplied in connection with an issue of Green Bonds, Social Bonds or Sustainability Bonds, and in particular on whether an Eligible Project satisfies any environmental, social, sustainable development and/or any other criteria. Any event, failure or withdrawal of the Second Party Opinion or of any other opinion or certificate, may have a material adverse effect on the value and liquidity of the Green Bonds, Social Bonds and Sustainability Bonds and/or may have an adverse effect on Noteholders whose mandate is to invest in notes intended for use towards a specific purpose.

## 2.2 Specific risks relating to particular issues of Notes

### *The Issuer may not be in a position to satisfy its financial obligations under the Notes*

In accordance with Condition 3 (*Status and Negative Pledge*) of the Terms and Conditions of the Notes, the Issuer’s obligations in respect of principal, interest and other amounts due and payable under the Notes, constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 of the Terms and Conditions of the Notes) unsecured obligations of the Issuer. Noteholders are exposed to a higher level of credit risk than the Issuer’s secured creditors. Credit risk refers to the risk that the Issuer may be unable to satisfy its financial obligations under the Notes. If the Issuer’s solvency deteriorates and, notwithstanding Condition 8 (*Events of Default*) of the Terms and Conditions of the Notes which entitles Noteholders to demand the redemption of their Notes, it may not be able to satisfy all or part of its payment obligations under the Notes, which may have a material adverse impact on the Noteholders who may lose all or part of their investment.

### *Risk relating to Fixed Rate Notes*

In accordance with Condition 4.2 of the Terms and Conditions of the Notes (*Interest on Fixed Rate Notes*), the Notes may be Fixed Rate Notes (as such term is defined in Condition 1.1 of the Terms and Conditions of the Notes (*Form*)). An investment in Fixed Rate Notes carries the risk that substantial fluctuations in market interest rates may have adverse consequences on the value of a Tranche of Notes. Although the nominal interest rate of Fixed Rate Notes is set throughout the life of these Notes, prevailing interest rates on the capital markets (“**market interest rate**”) fluctuates continually. When the market interest rate changes, the market value of Fixed Rate Notes will generally move in the opposite direction. If the market interest rate increases, the market value of Fixed Rate Notes generally decreases. If the market interest rate falls, the market value of Fixed Rate Notes generally increases. The level of fluctuation in market interest rates poses a material risk for the market value of Fixed Rate Notes if a

Noteholder were to dispose of its Notes during a period when the market interest rate exceeds the fixed rate on the relevant Notes. Any such fall in the market value of the Notes may materially and adversely affect the Noteholders and result in a loss of the capital invested by the Noteholders in the relevant Notes.

### ***Risk relating to Floating Rate Notes***

In accordance with Condition 4.3 of the Terms and Conditions of the Notes (*Interest on Floating Rate Notes*), the Notes may be Floating Rate Notes (as defined in Condition 1.1 of the Terms and Conditions of the Notes (*Form*)). A key difference between Floating Rate Notes and Fixed Rate Notes is that interest payments on Floating Rate Notes cannot be predicted. Due to fluctuations in interest payments, Noteholders cannot determine the actual yield on the Floating Rate Notes at the time of purchase, and therefore their investment returns cannot be compared to investments with longer fixed interest periods. If the applicable Pricing Supplement specifies frequent interest payment dates, Noteholders are exposed to reinvestment risk if market interest rates fall. In such case, Noteholders will only be able to reinvest their interest income at a potentially lower prevailing interest rate.

Furthermore, the ability of the Issuer to issue Fixed Rate Notes may affect the market value of and secondary market (if relevant) in Floating Rate Notes (and *vice versa*).

Accordingly, the market value of Floating Rate Notes may be volatile if changes, in particular short-term changes, on the interest rate market applicable to the relevant rate cannot be applied to the interest rate of such Notes until the next periodic adjustment of the relevant rate. Although it is difficult to predict the volatility of interest rates, this may have a material adverse impact on the market value of Floating Rate Notes if a Noteholder decides to sell its Notes. Therefore, the interests of Noteholders may be materially affected and Noteholders may lose part of their investment in the Notes.

### ***Risks relating to the regulation and reform of “benchmarks”***

In accordance with Condition 4.3 of the Terms and Conditions of the Notes (*Interest on Floating Rate Notes*), the applicable Pricing Supplement for a Series of Floating Rate Notes may specify that the Floating Rate Notes are linked to or make reference to "benchmarks" which constitute “benchmarks” for the purposes of regulation (EU) 2016/1011 (as amended, the **Benchmarks Regulation**) published in the official Journal of the EU on 29 June 2016 and in force since 1 January 2018.

Interest rates and indices that are considered "benchmarks" (including EURIBOR (or TIBEUR in French) or the CMS Rate) have recently been the subject of regulatory guidance and reform proposals at national and international level. Some of these reforms have already entered into force and others have yet to be implemented. These reforms could result in future performance that is different from past performance for these "benchmarks", lead to their disappearance, a change to their calculation method or have other consequences that cannot be anticipated. Any consequence of this nature could have a material adverse effect on the value of any Notes that are linked to, or reference, a "benchmark".

The Benchmarks Regulation is aimed at regulating the provision of benchmarks, the contribution of input data to a benchmark and the use of benchmarks within the EEA. Notwithstanding the provisions of Condition 4.3(c)(iii) (*Benchmark discontinuation*) of the Terms and Conditions of the Notes which aims to offset any negative impact on the Noteholders of Notes, the Benchmarks Regulation may have a material impact on Notes that are linked to, or reference, a "benchmark", in particular in the following circumstances:

- - if an index which is a “benchmark” could not be used by a supervised entity in certain cases if its administrator does not obtain approval or registration or, if not located in the European Union, if the administrator is not subject to a regime that is equivalent or otherwise recognised or approved and if transitional provisions do not apply; and
- - if the methodology or other methods of determining the "benchmark" were changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, in particular, have the effect of reducing or increasing the rate or level or otherwise affecting the volatility of the published rate or the level of a "benchmark" and, as a result, Noteholders may lose part of their investment or receive less income than would have been the case without such change.

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

In the event of any interruption or any unavailability of a benchmark, the interest rate applicable to Notes linked to or referencing such “benchmark” will be calculated, for the relevant period, in accordance with the fallback provisions applicable to such Notes (it being specified that if a Benchmark Event occurs, a specific fallback shall apply – please refer to the risk factor entitled “*Risks relating to the occurrence of a Benchmark Event*” below). Depending on the method for determining the “benchmark” rate under the Terms and Conditions of the Notes, this may in certain circumstances (i) where FBF Determination applies, result in the application of a backward-looking, risk-free overnight rate, whereas the benchmark is expressed on a forward-looking term basis and includes a risk-element based on inter-bank lending or (ii) where Screen Rate Determination applies, involve the application of a fixed rate based on the last rate applicable when the benchmark was still available. Each of these measures may adversely affect the value, liquidity or return on Notes linked to, or referencing, a “benchmark” and the Noteholders may lose part of their investment in the relevant Notes.

Regulation (EU) 2019/2089 of the European Parliament and of the Council dated 27 November 2019 amended the existing provisions of the Benchmarks Regulation providing for an extension until the end of 2021 of the transitional regime applicable to benchmarks of critical importance and benchmarks of third countries.

The existing provisions of the Benchmarks Regulation were further amended by Regulation (EU) 2021/168 of the European Parliament and of the Council dated 10 February 2021, published in the Official Journal of the European Union on 12 February 2021 (the **Amending Regulation**).

The Amending Regulation introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks by giving the European Commission power designate a statutory replacement for certain benchmarks through regulation, such replacement being restricted to financial contracts and instruments. In addition, the transitional provisions applicable to the use of third-country benchmarks in the European Union were extended until

the end of 2025 and the European Commission proposed on 17 October 2023 to amend the rules applicable to the use of these benchmarks in the European Union. Such developments may create uncertainty as regards any future legal or regulatory requirements arising from the implementation of delegated regulations.

***Risks relating to the occurrence of a Benchmark Event***

In accordance with Condition 4.3(c)(iii) (*Benchmark discontinuation*) of the Terms and Conditions of the Notes where Screen Rate Determination applies, the applicable Pricing Supplement may provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as EURIBOR) or other relevant reference rate (other than €STR), and/or any page on which such benchmark may be published, becomes unavailable, or, in the case of inter-bank offered rates, if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Interest Rate (as specified in the applicable Pricing Supplement) are no longer permitted lawfully to calculate interest on the Notes by reference to such benchmark under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in Condition 4.3(c)(iii)(G) of the Terms and Conditions of the Notes), with or without the application of an Adjustment Spread (which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders arising out of the replacement of the relevant benchmark), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser and without the consent of the Noteholders.

In certain circumstances, including where no Independent Adviser has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined or where, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time, then in. In all such circumstances other fallbacks may be used if the benchmark is discontinued or otherwise becomes unavailable, namely the rate of interest for subsequent Interest Period(s) may be based on the rate which applied for the immediately preceding Interest Period, as set out in the risk factor above entitled "*Risks relating to the regulation and reform of "benchmarks"*". This may involve the effective application of a fixed rate for the Notes. Furthermore, against a background of increasing interest rates, Noteholders would not benefit from any interest rate increase. Such consequences may have a material adverse effect on the value of and return on any Note and, accordingly, the Noteholders may lose part of their investment.

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 the Fixed/Floating Rate Notes or could have an adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Fixed/Floating Rate Notes. Investors should note that, the Independent Adviser will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unforeseen commercial consequences which may be unfavourable to the Noteholders.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes or Fixed/Floating Rate Notes, insofar as the occurrence of a Benchmark Event could result in the loss of part of the capital invested in the relevant Floating Rate Notes or the Fixed/Floating Rate Notes.

***The market continues to develop in relation to “risk free rates” as reference rates for certain Notes***

Condition 4.3 (*Interest on Floating Rate Notes*) of the Terms and Conditions of the Notes provides for the issuance of Notes referencing Euro short-term rates (€STR). The market is continuing to develop in relation to risk free rates, such as €STR, as reference rates on the capital markets for bonds denominated in euros and their adoption as an alternative to the relevant interbank offered rates. The market, or a significant part thereof, may adopt and apply risk free rates in a manner that differs significantly from that which is set out in the Terms and Conditions of the Notes and used in relation to Notes referencing risk free rates issued under this Offering Circular.

The nascent development of the use of €STR as the benchmark rate for the bond markets, as well as continued development of rates based on €STR for these markets and of the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or may otherwise affect the market price of the Notes. The interest payable on Notes referencing a risk free rate may be determined only a very short time before the relevant interest payment date.

Furthermore, since €STR is published by the European Central Bank, the Issuer has no control over its determination, calculation or publication. €STR may be abolished or fundamentally changed in a manner materially adverse to the interests of the Noteholders.

Any lag in the adoption of these benchmark rates on the bonds, loans and derivatives markets may have an impact on any hedging or other financial arrangement put in place in connection with the acquisition, holding or disposal of the Notes.

If the €STR benchmark rate were to be abolished or no longer published as described in the Terms and Conditions of the Notes, the applicable rate used to calculate the interest rate on the Notes will be determined using the alternative methods described in Condition 4.3 (*Interest on Floating Rate Notes*) of the Terms and Conditions of the Notes. These methods may result in interest payments which are of a lesser amount than would have been paid on the Notes if the €STR rate had been supplied by the European Central Bank in its current form, or which do not otherwise match the timing of such payments. As a result, an investment in such Notes may involve significant risks that are not associated with similar investments in conventional debt instruments.

***Risks relating to Fixed/Floating Rate Notes***

In accordance with Condition 4.4 of the Terms and Conditions of the Notes (*Interest on Fixed/Floating Rate Notes*), the Notes may be Fixed/Floating Rate Notes (as defined in Condition 1.1 of the Terms and Conditions of the Notes (*Form*)). Fixed/Floating Rate Notes have an interest rate which, automatically or at the option of the Issuer on a date specified in the relevant Pricing Supplement, may change from a fixed rate to a floating rate or from a floating rate to a fixed rate on the date specified in the relevant Pricing Supplement. The conversion (whether automatic or optional) may 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 into a floating rate, the rate spread on Fixed/Floating Rate Notes may be less favourable than spreads on Floating Rate Notes with the same benchmark rate. Furthermore, the new floating rate may be lower at any time than the interest rate on its other Notes. If a floating rate is converted into a fixed rate, the fixed rate may be lower than the rates then applicable to these Notes. Although it is difficult to anticipate the volatility of interest rates, this may have a material adverse impact on the value of Floating Rate Notes and result in losses

for Noteholders wishing to reinvest their income. Noteholders may also be affected by the risks associated with Fixed Rate Notes and Floating Rate Notes referred to above.

***Risks relating to Zero Coupon Notes and other Notes issued below par or with an issue premium***

In accordance with Condition 4.5 of the Terms and Conditions of the Notes (*Zero Coupon Notes*), the Notes may be Zero Coupon Notes (as defined in Condition 1.1 of the Terms and Conditions of the Notes (*Form*)). General fluctuations in interest rates on the secondary market generally have a significantly greater impact on the price of Zero Coupon Notes than on the price of typical fixed income securities because the Notes are issued at a discount to the issue price and significantly below par. If market interest rates increase, the Zero Coupon Notes may suffer a more significant loss in value than other financial securities of the same maturity with the same rating. Therefore, under similar market conditions, the Noteholders of Zero Coupon Notes may suffer more significant losses on their investment than holders of other instruments such as Fixed Rate Notes or Floating Rate Notes. Any such volatility may have a material adverse impact on the value of the Notes.

***Risks related to redemption at the option of the Issuer***

In accordance with Condition 5.3 (*Redemption of the option of the Issuer*) of the Terms and Conditions of the Notes, and if Redemption at the Option of the Issuer is specified in the applicable Pricing Supplement, the Issuer may, under certain conditions, redeem in whole or, if applicable, in part the Notes, as the case may be.

If, at the time of redemption of any amount of principal or payment of any amount of interest, the Issuer is obliged to pay additional amounts in accordance with Condition 7.2 of the Terms and Conditions of the Notes (*Additional Amounts*) or it becomes unlawful for the Issuer to fulfil or comply with its obligations under the Notes, it may then, in accordance with Condition 5.6 of the Terms and Conditions of the Notes (*Redemption for tax reasons*) or Condition 5.9 of the Terms and Conditions of the Notes (*Illegality*), redeem the Notes in full at the Early Redemption Amount together with all interest accrued until the specified redemption date.

In such case, 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 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, Noteholders who decide to reinvest the funds they receive may only be able to reinvest in securities that offer lower returns than the redeemed Notes.

If the Issuer exercises its right to redeem the Notes, this may limit the market value of the relevant Notes. In each period during which the Issuer has the right to exercise this redemption option, the market value of these Notes will not generally increase substantially above the price at which the Notes may be redeemed. This may also be the case prior to any redemption period or during any period where there is a real or perceived probability that the Notes may be redeemed (including in circumstances giving rise to a right to redeem for tax or regulatory reasons).

Furthermore, if the Issuer exercises its partial early redemption option for certain Notes only, this may affect the liquidity of Notes of the same Series in respect of which the option was not exercised. With respect to Materialised Notes, depending on the number of Notes of the same Series for which the redemption option provided for in the relevant Pricing Supplement has been exercised, or, with respect to Dematerialised Notes, depending on the proportion of the



nominal amount of all the Dematerialised Notes thus reduced, the market for such Notes could become illiquid.

The Issuer may elect to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. In such situations, Noteholders may generally not be able to reinvest the proceeds of redemption at an effective interest rate as high as the interest rate on the redeemed Notes and may only be able to invest in Notes offering a significantly lower return, which could result in a loss of capital for Noteholders wishing to reinvest. Furthermore, if the Issuer exercises its early redemption option for certain Notes only, this may affect the liquidity of Notes of the same Series in respect of which the option was not exercised. Depending on the number of Notes of a single Series in respect of which the early redemption option specified in the relevant Pricing Supplement was exercised, the market for the Notes in respect of which such early redemption option was not exercised may become illiquid, which could have a material adverse impact on the value of the Notes.

#### ***Risks relating to redemption at the option of the Noteholders***

In accordance with Condition 5.4 (*Redemption at the option of the Noteholders*) of the Terms and Conditions of the Notes, and if Redemption at the Option of the Noteholders is specified in the applicable Pricing Supplement, the Issuer shall, at the request of the Noteholder, redeem the relevant Notes. The exercise of an option by Noteholders for the redemption of certain Notes only may affect the liquidity of the Notes of the same Series in respect of which this option was not exercised. Depending on the number of Notes of a single Series in respect of which the early redemption option specified in the applicable Pricing Supplement was exercised, the market for the Notes in respect of which such option was not exercised may become illiquid, which would have an adverse impact on such Noteholders and on the market value of the Notes. Furthermore, Noteholders requesting the redemption of their Notes may not be able to reinvest the proceeds of such redemption at a rate of return equivalent to that of the redeemed Notes.

### **2.3 Risks relating to the market for the Notes**

#### ***Risks relating to the market value of the Notes***

The Notes may be admitted to trading on Euronext Paris and/or on any other Regulated Market, as specified in the applicable Pricing Supplement. The market value of the Notes may therefore be affected by the Issuer's credit quality.

The value of the Notes depends on various interdependent factors, including economic, financial and political events in France or elsewhere, and also including factors affecting the capital markets in general and Euronext Paris and/or any other Regulated Market or exchange on which the Notes are traded. The price at which a Noteholder may sell the Notes prior to maturity may be at a discount, which may be substantial, to the issue price or purchase price paid by that Noteholder. Therefore, all or part of the capital invested by the Noteholder may be lost on transfer of the Notes, such that the Noteholder may receive an amount significantly less than the total amount of capital invested.

#### ***Risks relating to the secondary market in the Notes***

Although the Notes may be admitted to trading on a Regulated Market, such as Euronext Paris, there may be no established market for trading in the Notes upon issue (unless, in respect of a specific Tranche, such Tranche is to be consolidated to form a single series with a Tranche of Notes already in issue) and it is possible that a secondary market for such Notes may never develop or, if it does develop, that it will be sustained and be sufficiently liquid. If an active secondary market for the Notes does not develop or is not sustained, the market value, or price

and liquidity of the Notes may be adversely affected. Therefore, Noteholders may not easily be able to sell their Notes or to sell them at a price offering a return comparable to similar products for which an active secondary market has developed. Lack of liquidity may have a material adverse effect on the market value of the Notes, and, accordingly, the Noteholders may lose part of their investment in the Notes.

The Issuer has the right to purchase Notes, under the conditions defined in the Condition 5.7 of the Terms and Conditions of the Notes, and the Issuer may reissue Notes, under the conditions defined in the Condition 13 of the Terms and Conditions of the Notes. Such transactions may adversely affect the course of the price of the Notes. If additional and competitive products are introduced into the markets, this may also adversely affect the value of the Notes.

#### ***Exchange rate and exchange control risks***

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

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

## **SUPPLEMENT TO THE OFFERING CIRCULAR**

Any new material fact or any substantial error or inaccuracy concerning the information contained in the Offering Circular, which may have a significant impact on any assessment of the Notes and which occurs or becomes apparent after the date of this Offering Circular (**Supplement**), may be mentioned in a supplement to the Offering Circular. The Issuer undertakes to deliver to each Dealer at least one copy of such Supplement.

Any Supplement to the Offering Circular shall be published on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>).

## DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular shall be read and construed together with the following documents, which have been previously or simultaneously published. These documents are incorporated into, and are deemed to form an integral part, of this Offering Circular:

- (a) The Issuer’s administrative account (*compte administratif*) for the 2021 financial year (the **2021 Administrative Account**): [hypertext link](#),
- (b) The Issuer’s single financial account (*compte financier unique*) for the financial year 2022 (the **2022 Single Financial Account**): [hyperlink volume 1](#) and [hyperlink volume 2](#);
- (c) the Issuer’s Primary Budget 2024 (including, if relevant, its supplemental budgets and all amending decisions relating to its primary budget) (the **2024 Primary Budget**): [hypertext link volume 1](#) and [hypertext link volume 2](#);
- (d) the section entitled “Terms and Conditions of the Notes” set forth on pages 28 to 66 of the Issuer’s offering circular dated 13 November 2020 (the **2020 Conditions**): [hypertext link](#); and
- (e) the section entitled “Terms and Conditions of the Notes” set forth on pages 29 to 67 of the Issuer’s offering circular dated 13 May 2022 (the **2022 Conditions**): [hypertext link](#).

The information appearing on the Issuer’s website does not form part of this Offering Circular, unless such information is incorporated by reference in this Offering Circular.

### Historical financial information concordance table

	Document	Link
Point 11.1	Historical financial information	
Historical financial information for the last two financial years	2021 Administrative Account	<a href="#">hypertext link</a>
	2022 Single Financial Account	<a href="#">hyperlink volume 1</a> and <a href="#">hyperlink volume 2</a>

### Concordance table for information relating to the 2024 Primary Budget

Document	Contents incorporated by reference
2024 Primary Budget	Volume 1: pages 1 to 453 ( <a href="#">hyperlink volume 1</a> ) Volume 2: pages 1 to 276 ( <a href="#">hyperlink volume 1</a> )

The following documents, which will be published on the dedicated page of the Issuer’s website (<https://www.grandlyon.com/metropole/financement.html>) after the date of this Offering Circular, are deemed to be incorporated by reference therein and form an integral part thereof as from the date of their publication:

- (i) the latest up-to-date version of the Issuer’s administrative accounts or single financial accounts; and
- (ii) the latest up-to-date version of the Issuer’s budget (primary or supplemental).

The Previous Conditions listed below are incorporated by reference in this Offering Circular for the sole purpose of subsequent issues of fungible Notes forming a single Series with Notes already issued under the relevant Previous Conditions. The other parts of the offering circular dated 13 November 2020 and the offering circular dated 13 May 2022 are not incorporated by reference.

<b>Previous Conditions</b>	
Offering Circular dated 13 November 2020	“Terms and Conditions of the Notes” - pages 28 to 66 (the <b>2020 Conditions</b> )
Offering Circular dated 13 May 2022	“Terms and Conditions of the Notes” - pages 29 to 67 (the <b>2022 Conditions</b> )

Any representation contained in a document which is deemed to be incorporated by reference herein shall be deemed to be amended or replaced for the purposes of this Offering Circular insofar as any representation contained herein modifies or supplements any such previous representation. No representation so amended or replaced shall be deemed to form an integral part of this Offering Circular unless it has been amended or replaced in accordance with the above.

Investors are deemed to be aware of all information contained in the documents incorporated by reference (or deemed to be incorporated by reference) in this Offering Circular, as if such information were included in this Offering Circular. Investors who have not made themselves aware of such information should do so before investing in the Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to amendment or completion in accordance with the provisions of the applicable Pricing Supplement, shall apply to the Notes (the **Terms and Conditions**). In the case of Dematerialised Notes, the text of the Terms and Conditions of the Notes shall not appear on the reverse side of the Physical Notes evidencing title thereto, but shall be constituted by the following text as completed by the provisions of the applicable Pricing Supplement. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement (as the same may be simplified by deletion of non-applicable terms) or (ii) the complete text of the terms and conditions, shall appear on the reverse side of the Physical Notes. All terms beginning with a capital letter and not defined in these Terms and Conditions shall have the meaning given to them in the applicable Pricing Supplement. References made in the Terms and Conditions to the Notes refer to the Notes of a single Series and not to all Notes as may be issued under the Programme. The Notes constitute bonds (obligations) as defined under French law.*

The Notes are issued by the Métropole de Lyon (the **Issuer** or the **Métropole**) in series (each a **Series**), on the same issue date or on different dates. The terms and conditions of the Notes of any Series shall (with the exception of the issue date, the issue price, the nominal amount and the first interest payment) be identical, the Notes of each Series being fungible. Each Series may be issued in tranches (each a **Tranche**), on the same issue date or on different issue dates. The Notes shall be issued in accordance with the Terms and Conditions of the Notes in this Offering Circular, as supplemented by the provisions of the relevant pricing supplement (the **Pricing Supplement**) relating to the specific terms of each Tranche (including the issue date, the issue price, the first interest payment and the nominal amount of the Tranche). An amended fiscal agency agreement (as it may be amended and/or supplemented, the **Fiscal Agency Agreement**) relating to the Notes was entered into on 5 March 2024 between the Issuer, Banque Internationale à Luxembourg, société anonyme, as fiscal agent and principal paying agent and the other agents appointed therein. The fiscal agent, the paying agents and the calculation agent(s) for the time being (where relevant) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (such term including the Fiscal Agent) and the **Calculation Agent(s)**. Holders of interest coupons (**Coupons**) relating to interest-bearing Materialised Notes and, if applicable to such Notes, talons for additional Coupons (**Talons**) and the holders of receipts for instalments of principal paid on Materialised Notes (**Receipts**) are referred to respectively as **Couponholders and Receiptholders**.

The term "**day**" in these Terms refers to a calendar day, unless specified otherwise.

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

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form

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

- (a) Title to Dematerialised Notes is evidenced by entry in an account, in accordance with articles L. 211-3 *et seq.* and R. 211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including certificates of title in accordance with article R. 211-7 of the French *Code monétaire et financier*) shall be issued in respect of Dematerialised Notes.

Dematerialised Notes (as defined in articles L. 211-3 *et seq.* of the French *Code monétaire et financier*) are issued, at the option of the Issuer, either in bearer form,

inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form, and in such case either, at the option of the relevant Noteholder, in administered registered form (*au nominatif administré*), entered in the accounts of an Account Holder nominated by the relevant holder of the Notes, or in pure registered form (*au nominatif pur*), entered in an account maintained by the Issuer or any registration agent (specified in the applicable Pricing Supplement) acting on behalf of the Issuer (the **Registration Agent**).

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

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

In accordance with articles L.211-3 *et seq.* of the French *Code monétaire et financier*, financial securities (such as Notes which constitute obligations as defined under French law) in materialised form and governed by French law must be issued outside France.

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

## 1.2 Denomination

The Notes shall be issued in the specified denomination(s) specified in the applicable Pricing Supplement (the **Specified Denomination(s)**). Dematerialised Notes must be issued in one single Specified Denomination. The Notes shall have a specified denomination of equal to or greater than €100,000 or any other higher amount as may be authorised or required by any relevant competent authority or any law or regulation applicable to the Specified Currency.

## 1.3 Title

- (a) Title to Dematerialised Notes in bearer form and in administered registered form (*au nominatif administré*) passes, and such Notes may only be transferred, by registration of the transfer in the books of the Account Holders. Title to Dematerialised Notes in pure registered form (*au nominatif pur*) passes, and such Notes may only be transferred, by registration of the transfer in the books held by the Issuer or the Registration Agent.
- (b) Title to Physical Notes with, if applicable, Receipts, Coupons and/or a Talon attached at issue, is transferred by delivery.
- (c) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below under paragraph (d)) of any Note, Coupon, Receipt or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or any right over or interest in such Note, Coupon, Receipt or Talon, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(d) In these Terms:

**Noteholder** or, as appropriate, **holder of a Note** means (i) in the case of Dematerialised Notes, the person whose name is recorded in the books of the relevant Account Holder, the Issuer or the Registration Agent (as applicable) as being the owner of such Notes, and (ii) in the case of Physical Notes, any holder of any Physical Note and the related Coupons, Receipts or Talons.

**Outstanding** means, in respect of Notes of any Series, all of the Notes in issue other than (i) those that have been redeemed in accordance with these Terms, (ii) those in respect of which the redemption date has passed and the redemption amount (including interest accrued on such Notes up to the redemption date and all interest payable after such date) has been duly paid in accordance with the provisions of Condition 6, (iii) those that are no longer valid or in respect of which the limitation period has expired, (iv) those that have been repurchased and cancelled in accordance with Condition 5.8, (v) those that have been repurchased and retained in accordance with Condition 5.7, (vi) in the case of Physical Notes, (A) all damaged or defaced Physical Notes that have been exchanged for replacement Physical Notes, (B) (for the sole purpose of determining the number of Physical Notes outstanding and without prejudice to their status for any other purpose) any allegedly lost, stolen or destroyed Physical Notes for which replacement Physical Notes have been issued and (C) any Temporary Global Certificate to the extent that it has been exchanged for one or more Physical Notes in accordance with its terms.

Terms beginning with a capital letter shall have the meaning given to them in the applicable Pricing Supplement. Where no definition is given, such term does not apply to the Notes.

## 2. CONVERSION AND EXCHANGE OF NOTES

### 2.1 Dematerialised Notes

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

### 2.2 Materialised Notes

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

## 3. STATUS AND NEGATIVE PLEDGE

The Notes and, if applicable, related Receipts, Coupons and Talons, constitute direct, unconditional, unsubordinated and (subject to the paragraph below) unsecured obligations of the Issuer ranking (subject to mandatory exceptions imposed by law) equally between themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.



As long as the Notes or, if any, Receipts, Coupons or Talons attached to the Notes remain outstanding (as defined in Condition 1.3(d) above), the Issuer shall not grant or permit to subsist any mortgage, pledge, lien or other form of security interest upon any assets or revenues, present or future, to secure any Indebtedness (as defined below) subscribe by the Issuer, unless the obligations of the Issuer under the Notes and, if any, the Coupons and Receipts benefit from equivalent and equal ranking security.

For the purpose of this Condition, **Indebtedness** means any borrowing, present or future, represented by bonds, securities or other negotiable instruments with a maturity greater than one year and which are (or may be) admitted to trading on any market.

## 4. CALCULATION OF INTEREST AND OTHER CALCULATIONS

### 4.1 Definitions

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

**Reference Banks (*Banques de Référence*)** means the institutions specified in the applicable Pricing Supplement or, if none is specified, four prime banks selected by the Calculation Agent on the interbank market (or if necessary, on the money market, the swaps market) with the closest connection to the Benchmark (which, if the relevant Benchmark is EURIBOR (TIBEUR in French), the CMS Rate or €STR shall be the Euro-zone).

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

**Coupon Determination Date (*Date de Détermination du Coupon*)** means, in respect of an Interest Rate and an Interest Accrual Period, the date specified as such in the applicable Pricing Supplement or, if no date is specified the day falling two T2 Business Days before the first day of such Interest Accrual Period.

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

**Interest Payment Date (*Date de Paiement du Coupon*)** means the date(s) referred to in the applicable Pricing Supplement.

**Interest Accrual Period Date (*Date de Période d'Intérêts Courus*)** means each Interest Payment Date unless provided otherwise in the applicable Pricing Supplement.

**Relevant Date (*Date de Référence*)** means in respect of any Note, Receipt or Coupon, the date on which the amount payable under such Note, Receipt or Coupon becomes due and payable or (if any due and payable amount is not paid or not paid in time without any justification) the date on which the outstanding amount is paid in full or (in the case of Materialised Notes, if such date falls earlier) the day falling seven calendar days after the date on which the holders of such Materialised Notes have been notified that, upon further presentation of such Materialised Note, Receipt or Coupon being made in accordance with the Terms, such payment will be made, provided however that the payment is in fact made on such presentation.

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

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

**Specified Currency (*Devise Prévüe*)** means, euro.

**Specified Duration (*Durée Prévüe*)** means, with respect to any Floating Rate to be determined by Screen Rate Determination on any Coupon Determination Date, the period specified in the applicable Pricing Supplement, or if no period is specified, a period equal to the Interest Accrual Period, ignoring any adjustment pursuant to Condition 4.3(b).

**Relevant Time (*Heure de Référence*)** means, with respect to any Coupon Determination Date, the local time in the Relevant Financial Centre specified in the applicable 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 on the interbank market in the Relevant Financial Centre. **Local time** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m. (Brussels time).

**Business Day (*Jour Ouvré*)** means:

- (a) in the case of euro, a day on which the real time gross settlement system operated by Eurosystem or any successor or replacement system (**T2**), operates (a **T2 Business Day**); and/or
- (b) in the case of a Specified Currency and/or one or more business centre(s) specified in the applicable 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 the currency of the Business Centre(s).

**Margin (*Marge*)** means, for any Interest Accrual Period, the percentage or the number for the relevant Interest Accrual Period, as indicated in the applicable Pricing Supplement, being specified that it shall be positive, negative or zero.

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

- (a) if Actual/365 or Actual/365-FBF is specified in the applicable Pricing Supplement, it is the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if Actual/Actual-ICMA is specified in the applicable Pricing Supplement:
  - (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods that would normally end in one year; and
  - (ii) if the Calculation Period is longer than the Determination Period, the sum:

- (A) of the number of days in such Calculation Period falling in the Determination Period during which it begins, divided by the product (I) of the number of days in such Determination Period and (II) the number of Determination Periods that would normally end in one year; and
- (B) the number of days in such Calculation Period falling in the following Determination Period, divided by the product (I) of the number of days in such Determination Period and (II) the number of Determination Periods that would normally end in one year,

in each case, **Determination Period** means the period beginning on a Coupon Determination Date (included) in any year and ending on the next Coupon Determination Date (excluded) and **Coupon Determination Date** means the date specified in the applicable Pricing Supplement, or if no date is specified, the Interest Payment Date;

- (c) if **Actual/Actual - FBF** is specified in the applicable Pricing Supplement, the fraction of which the numerator is the actual number of days during such period and the denominator is 365 (or 366 if 29th February is included in the Calculation Period). If the Calculation Period is longer than one year, the basis shall be determined as follows:
  - (i) the number of complete years shall be counted back from the last day of the Calculation Period;
  - (ii) this number is increased by the fraction for the relevant period calculated as provided in the first paragraph of this definition;
- (d) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (e) if **Actual/360** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (f) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (i.e. the number of days to be calculated based on a 360 day year of 12 months of 30 days each (unless (i) the last day of the Calculation Period is the thirty-first day of a month and the first day of the Calculation Period is a day other than the thirtieth or thirty-first day of a month, in which case the month in which the last day falls shall not be reduced to a thirty day month or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be extended to a thirty day month));
- (g) if **30/360 - FBF** or **Actual 30A/360 (American Bond Basis)** is specified in the applicable Pricing Supplement, then, in respect of each Calculation Period, the fraction of which the denominator is 360 and the numerator is the number of days calculated in the same manner as the 30E/360 – FBF basis, except in the following case:

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

The fraction is:

$$si_{jj^2} = 31et_{jj^1} \neq (30,31),$$

then:

$$\frac{1}{360} \times \left[ (aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + (jj^2 - jj^1) \right];$$

or:

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

where:

D1 (jj<sup>1</sup>, mm<sup>1</sup>, aa<sup>1</sup>) is the commencement date of the period

D2 (jj<sup>1</sup>, mm<sup>2</sup>, aa<sup>2</sup>) is the end date of the period;

- (h) if **30E/360** or **Euro Bond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated based on a 360 day year of 12 months of 30 days each, ignoring the date on which the first or last day of the Calculation Period falls, 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 extended to a thirty day month); and
- (i) if **30E/360 – FBF** is specified in the applicable Pricing Supplement, then, in respect of each Calculation Period, the fraction of which the denominator is 360 and the numerator is the number of days in such period, calculated on the basis of a year of 12 months of 30 days, except in the following case:

If the last day of the Calculation Period is the last day of the month of February, the number of days in such month is the exact number of days.

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

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

**Coupon Amount** (*Montant de Coupon*) means the amount of interest due and, in the case of Fixed Rate Notes, the Fixed Coupon Amount or the Broken Amount, (as defined under Condition 4.2), as the case may be, as specified in the applicable Pricing Supplement.

**Representative Amount** (*Montant Donné*) means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, the amount specified as such on that date in the applicable 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** (*Page Ecran*) means any page, section, heading, column or any other part of a document supplied by any information service (including without limitation Thomson Reuters

(**Reuters**)) as may be nominated to provide a Relevant Rate or any other page, section, heading, column or any other part of a document of such information service or any other information service as may replace it, in each case as nominated by the entity or organisation providing or responsible for the dissemination of the information appearing on such service to indicate rates or prices comparable to the Relevant Rate, as specified in the applicable Pricing Supplement.

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

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

**Relevant Financial Centre** (*Place Financière de Référence*) means, in respect of a Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, such financial centre as may be specified in the applicable 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) or the CMS Rate, shall be the Euro-zone or, failing which, Paris.

**Benchmark** (*Référence de Marché*) means the relevant rate (EURIBOR (or TIBEUR in French), the CMS Rate, TEC10 or €STR) as specified in the applicable Pricing Supplement.

**Treasury Bill Specialist** means the preferred counterparties of Agence France Trésor and of Caisse de la Dette Publique in respect of all of their market activities, with responsibility for participating in auctions, placing Treasury Bills (Valeurs du Trésor) and maintaining liquidity on the secondary market.

**Interest Rate** (*Taux d'Intérêt*) means the interest rate payable on the Notes and which is either specified or calculated in accordance with the provisions of these Terms, as supplemented by the applicable Pricing Supplement.

**Relevant Rate** (*Taux de Référence*) means, subject to adjustment in accordance with Conditions 4.3(c)(iii) et seq., the Benchmark for a Representative Amount in the Specified Currency for a period equal to the Specified Duration commencing on the Effective Date (if such period is applicable to or compatible with the Benchmark).

**Euro-zone** (*Zone Euro*) means the region occupied by 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.

## 4.2 Interest on Fixed Rate Notes

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

If a fixed coupon amount (**Fixed Coupon Amount**) or broken amount (**Broken Amount**) is specified in the applicable Pricing Supplement, the Coupon Amount payable on each Interest

Payment Date shall be equal to the Fixed Coupon Amount or, if applicable, the Broken Amount as specified, it shall be payable on the Interest Payment Date(s) specified in the applicable Pricing Supplement.

#### **4.3 Interest on Floating Rate Notes**

##### **(a) Interest Payment Dates**

Each Floating Rate Note shall bear interest calculated on its unredeemed nominal amount, as from the Interest Period Commencement Date, at an annual rate (expressed as a percentage) equal to the Interest Rate, payable annually, six-monthly, quarterly or monthly in arrears on each Interest Payment Date. Such Interest Payment Date(s) shall be specified in the applicable Pricing Supplement or, if no Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, Interest Payment Date shall mean each date falling at the end of such number of months or at the end of such other period as is specified in the applicable Pricing Supplement as being the Interest Period, falling after the preceding Interest Payment Date and, in the case of the first Interest Payment Date, after the Interest Period Commencement Date.

##### **(b) Business Day Convention**

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

Notwithstanding the above, if the applicable Pricing Supplement specifies that the Business Day Convention shall be applied on a "non-adjusted" basis, any payment date specified in these Terms and Conditions of the Notes which does not fall on a Business Day shall be postponed or brought forward (as the case may be) in accordance with the applicable Business Day Convention, and no consequential adjustment of the Coupon Amount payable on such date shall be made.

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

The Interest Rate applicable to Floating Rate Notes for each Interest Accrual Period shall be determined in compliance with the provisions below relating to either FBF Determination or Screen Rate Determination shall apply, as specified in the applicable Pricing Supplement.

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

Where FBF Determination is specified in the applicable Pricing Supplement as being the method applicable for the determination of the Interest Rate, the Interest Rate applicable to each Interest Accrual Period shall be determined by the Calculation Agent as being a rate equal to the relevant FBF Rate plus or minus, as the case may be (as

specified in the applicable Pricing Supplement), the Margin. For the purposes of this sub-paragraph (c), "FBF Rate" in respect of an Interest Accrual Period means a rate equal to the Floating Rate as determined by the Calculation Agent for a swap transaction entered into pursuant to an FBF Master Agreement supplemented by the Interest Rate or Currency Swaps Technical Schedule under the terms of which:

- (A) the relevant Floating Rate is as specified in the applicable Pricing Supplement; and
- (B) the Floating Rate Determination Date is as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (c), "Floating Rate", "Agent", and "Floating Rate Determination Date" shall have the meanings given thereto in the FBF Definitions.

If the paragraph "Floating Rate", in the applicable Pricing Supplement, provides that the interest rate in respect of an Interest Period shall be determined by linear interpolation, the Interest Rate applicable to this Interest Period shall be evaluated by the Calculation Agent through a linear interpolation between two (2) interest rates based on the relevant Floating Rate, the first one corresponding to a maturity immediately inferior to the relevant Interest Period and the second one corresponding to a maturity immediately superior to the same relevant Interest Period.

**(ii) Screen Rate Determination for Floating Rate Notes**

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

- (A) except for Notes in respect of which the applicable Pricing Supplement specifies that the Benchmark is €STR, if the primary source for the Floating Rate is a Screen Page, subject as provided below, or (as applicable) in Condition 4.3(c)(iii) (*Benchmark discontinuation*) below the Interest Rate shall be:
  - I. the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
  - II. the arithmetic mean of the Relevant Rates of the entities whose Relevant Rates appear on that Screen Page;

in each case as published on such Screen Page, at the Relevant Time on the Coupon Determination Date as specified in the applicable Pricing Supplement, decreased or increased, if appropriate (as specified in the applicable Pricing Supplement), by the Margin;

- (B) if the primary source for the Floating Rate is Reference Banks or if sub-paragraph (A)(I) above applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Coupon Determination Date or if sub-paragraph (A)(II) above applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the

Coupon Determination Date, the Interest Rate, subject as provided below, or (as applicable) in Condition 4.3(c)(iii) (*Benchmark discontinuation*) below, shall be equal to the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Coupon Determination Date, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, decreased or increased, if appropriate (as specified in the applicable Pricing Supplement), by the Margin;

- (C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Interest Rate shall, subject as provided below, or (as applicable) in Condition 4.3(c)(iii) (*Benchmark discontinuation*) below, be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines, in good faith and in a commercially reasonable manner, to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the Euro-zone as selected by the Calculation Agent, (the **Principal Financial Centre**) are quoting at (or about) the Relevant Time on the date on which such banks would customarily quote such rates for a period beginning on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall be the Interest Rate determined on the previous Coupon Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

If the paragraph "Benchmark" in the applicable Pricing Supplement provides that the interest rate in respect of an Interest Period shall be determined by linear interpolation, the Calculation Agent shall calculate the interest rate applicable to the relevant Interest Period, by linear interpolation between two (2) interest rates based on the relevant Benchmark, the first one corresponding to a maturity immediately inferior to the duration of the relevant Interest Period, and the second one corresponding to a maturity immediately superior to the same relevant Interest Period;

- (D) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the method used to determine the Interest Rate and that the Relevant Rate for Floating Rate Notes is specified as CMS Rate, the Interest Rate for each Interest Accrual Period shall, subject as provided below or (if applicable) subject to Condition 4.3(c)(iii) (*Benchmark discontinuation*) below, be determined by the Calculation Agent using the following formula:

$$\text{CMS Rate} + \text{Margin}$$



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

If on any Coupon Determination Date, less than three or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, on such commercial basis as considered appropriate by the Calculation Agent, in accordance with standard market practice.

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

**CMS Rate** means the applicable swap rate for swap transactions in the Specified Currency with a maturity equal to the Specified Duration, expressed as a percentage, which appears on the Screen Page at the Relevant Time on the relevant Coupon Determination Date, as determined by the Calculation Agent.

**Relevant Swap Rate** means where the Specified Currency is Euro, the mid-market annual swap rate determined by reference to the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a maturity equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the FBF Definitions,) with a Specified Duration determined by the Calculation Agent by reference to standard market practice and/or the FBF Definitions.

**Representative Amount** means an amount that is representative for a single transaction in the relevant market at the relevant time, as determined by the Calculation Agent.

(E) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the method used to determine the Interest Rate and that the Relevant Rate relating to Floating Rate Notes is specified as the TEC10, the Interest Rate for each Interest Accrual Period, subject to the provisions as set forth above, shall be determined by the Calculation Agent, based on the following formulae:

$$\text{TEC10} + \text{Margin}$$

"TEC10" refers to the free valuation (expressed as a percentage per year) for the EUR-TEC10-CNO calculated by the French Bond Association (*Comité de Normalisation Obligataire* - "CNO"), listed on the relevant Screen Page which is the row "TEC10" on the Reuters Screen Page CNOTEC10 or any successor page, at 10 a.m. Paris Time, on the relevant Coupon Determination Date; and

If, during any Coupon Determination Date, the TEC10 does not display on the Reuters Screen Page CNOTEC or any successor page, (i) the Calculation Agent shall determine it, acting in good faith and in a commercially reasonable manner, on the basis of the mid-market exchange rate for each of the two French Treasury Bills (*Obligation Assimilable du Trésor* – "OAT") references which would have been used by the CNO for calculation of the applicable rate, in each case assessed by five Treasury Bill Specialists, around 10 a.m. Paris Time, at the relevant Coupon Determination Date; (ii) the Calculation Agent shall ask to each Primary dealer to provide the price yield valuation; and (iii) the TEC10 shall be the yield to call of the arithmetic mean of such prices, which is determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, after elimination of both the highest and the lowest estimate. The yield to call as mentioned earlier shall be determined by the Calculation Agent in accordance with the formulae that has been used by the CNO to determine the relevant rate.

*For information purposes, the EUR-TEC10-CNO, established in 1996, is the performance percentage (which is rounded to the nearest cent and 0,005 per cent being rounded up to the 100<sup>th</sup> above) of an OAT notional to 10 years corresponding to the linear interpolation between yield to maturity of the two existing OAT (the "Reference OAT") whose periods until maturity are the closest in duration of the notional OAT to 10 years, the duration of a Reference OAT being under 10 years and the duration of the other Reference OAT being 10 years or more.*

- (F) Where Screen Rate Determination is specified in the applicable Pricing Supplement as being the method applicable for the determination of the Interest Rate and the Relevant Rate for such Floating Rate Notes is €STR, the Interest Rate for each Interest Accrual Period shall, except as provided below, equal the rate of return of a daily compound interest investment (with the Euro Short-Term Rate as reference rate for the calculation of interest), plus or minus (as specified in the applicable Pricing Supplement) the Margin (if applicable), and shall be determined by the Calculation Agent on the Coupon Determination Date, as specified below, the result being rounded, if necessary, to the nearest fifth decimal place, 0.00005 being rounded upwards:

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

Where:

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

**d<sub>0</sub>** is the number of T2 Business Days in the relevant Interest Accrual Period;

**€STR<sub>i-p|OT</sub>** means, for any T2 Business Day falling in the relevant Interest Accrual Period, the €STR on the T2 Business Day falling "p" T2 Business Day(s) before the relevant T2 Business Day "i";

**i** is a series of whole numbers from one (1) to  $d_0$ , each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day of the relevant Interest Accrual Period to, but excluding, the Interest Payment Date for such Interest Accrual Period;

**n<sub>i</sub>** means, for any T2 Business Day “i”, the number of calendar days from and including the relevant T2 Business Day “i”, up to but excluding the immediately following T2 Business Day, in the relevant Interest Accrual Period; and

**p** means, for any Interest Accrual Period, the number of T2 Business Days in the Observation “Look-Back” Period.

If the €STR, on any T2 Business Day, is not published as provided above and no €STR Index Cessation Event (as defined below) has occurred, the €STR to be applied for such T2 Business Day shall be the €STR rate in respect of the last T2 Business Day for which such rate was published on the Website of the European Central Bank (as defined below).

If the €STR, for any T2 Business Day, is not published as provided above and an €STR Index Cessation Event and an €STR Index Cessation Effective Date have both occurred, then the €STR, for each T2 Business Day in the relevant €STR Observation Period falling on the day or days following the €STR Index Cessation Effective Date, shall be determined as if references to €STR were references to the ECB Recommended Rate.

If no ECB Recommended Rate has been recommended before the end of the first T2 Business Day following the date on which the €STR Index Cessation Event occurred, then the €STR, for each T2 Business Day in the relevant €STR Observation Period falling on the day or days following the €STR Index Cessation Effective Date, shall be determined as if references to €STR were references to Modified EDFR.

If an ECB Recommended Rate has been recommended and an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date have both occurred, then the €STR, for each T2 Business Day in the relevant €STR Observation Period falling on the day or days following the ECB Recommended Rate Index Cessation Effective Date, shall be determined as if references to €STR were references to Modified EDFR.

Any substitution of €STR, as specified above, shall remain effective throughout the residual term to maturity of the Notes and shall be published by the Issuer in accordance with Condition 14 below.

If the Interest Rate cannot be determined by the Calculation Agent in accordance with the above, (i) the Interest Rate shall be that determined as at the last preceding Coupon Determination Date (though substituting, where a different Margin, Maximum Interest Rate or Minimum Interest Rate from that which applied to the last preceding Interest Accrual Period is to be applied to the relevant Interest Accrual Period, the Margin, or Maximum Interest Rate or Minimum Interest Rate applicable to the relevant Interest Accrual Period) or (ii) if there is no such preceding Coupon Determination Date, the Interest Rate shall be determined as if the €STR rate, for each T2 Business Day in the

relevant €STR Observation Period falling on the day or days following the €STR Index Cessation Effective Date, referred to the latest published ECB Recommended Rate or, if EDFR is published on a date subsequent to the date of publication of the latest ECB Recommended Rate, to Modified EDFR.

For the purposes of this paragraph 4.3(c)(ii)(F):

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

**€STR Index Cessation Effective Date** means, in respect of an €STR Index Cessation Event, the first T2 Business Day on which €STR is no longer supplied by the European Central Bank (or any successor administrator of €STR), as determined by the Issuer and notified by the Issuer to the Calculation Agent.

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

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

**EDFR Spread** means:

- (1) if no ECB Recommended Rate is recommended before the end of the first T2 Business Day following the date on which the €STR Index Cessation Event occurs, the arithmetic mean of the daily difference between the €STR and the EDFR for each of the thirty (30) T2 Business Days immediately preceding the date on which the €STR Index Cessation Event occurred; or
- (2) if an ECB Recommended Rate Index Cessation Event occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the thirty (30) T2 Business Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurred.

**€STR** (or Euro Short Term Rate) means, for any T2 Business Day, the interest rate representing the unsecured overnight borrowing costs of banks located in the Euro zone, supplied by the European Central Bank as administrator of such rate (or any successor administrator), and published on the Website of the European Central Bank at or before 9:00 a.m. (Frankfurt time) (or, in case a revised Euro Short-Term Rate is published as provided in article 4 paragraph 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the T2 Business Day immediately following such T2 Business Day.

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

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

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

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

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

**€STR Observation Period** means, in respect of any Interest Accrual Period, the period from and including the date falling “p” T2 Business Days prior to

the first day of the relevant Interest Accrual Period (the first €STR Observation Period beginning on and including the date falling “p” T2 Business Day(s) prior to the Interest Period Commencement Date) up to, but excluding, the date falling “p” T2 Business Day(s) prior to the Interest Payment Date of such Interest Accrual Period (or the date falling “p” T2 Business Day(s) prior (if relevant) to the date, if earlier, on which the Notes become due and payable).

**Observation “Look-Back” Period** means the observation period specified in the applicable Pricing Supplement.

**ECB Recommended Rate** means a rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be defined by the European Central Bank or another benchmark administrator), as determined by the Issuer and notified by the Issuer to the Calculation Agent.

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

**(iii) Benchmark discontinuation**

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the method for determining the Interest Rate, if a Benchmark Event occurs in relation to the Original Reference Rate at any time when the Terms and Conditions of the Notes provide for the Interest Rate (or any part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over other fallbacks specified in paragraphs (A) to (C) of Condition 4.3(c)(ii) (*Screen Rate Determination for Floating Rate Notes*) above, provided that this Condition 4.3(c)(iii) shall not apply if the Relevant Rate is €STR.

**(A) Independent Adviser**

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.3(c)(iii)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4.3(c)(iii)(C)) and any Benchmark Amendments (in accordance with Condition 4.3(c)(iii)(D)).

An Independent Adviser appointed pursuant to this Condition 4.3(c)(iii) shall act, in good faith and in a commercially reasonable manner, as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Interest Rate specified in the applicable Pricing Supplement, or the Noteholders for any determination made by it pursuant to this Condition 4.3(c)(iii).

**(B) Successor Rate or Alternative Rate**

If the Independent Adviser determines in good faith that:

- I. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.3(c)(iii)(C)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate(s) (or relevant components thereof) for all future payments of interest on the Notes (subject to the further operation of this Condition 4.3(c)(iii)); or
- II. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.3(c)(iii)(C)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate(s) (or relevant components thereof) for all future payments of interest on the Notes (subject to the further operation of this Condition 4.3(c)(iii)).

(C) Adjustment Spread

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

(D) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.3(c)(iii) and the Independent Adviser determines in good faith (A) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.3(c)(iii)(E), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.3(c)(iii), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 14, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 4.3(c)(iii). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(F) Alternative measures

If, following the occurrence of a Benchmark Event and in relation to the determination of the Interest Rate on the immediately following Coupon Determination Date, no Independent Adviser is appointed or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the fallbacks for the Original Reference Rate specified in Condition 4.3(c)(ii), will continue to apply to determine the Interest Rate on such Coupon Determination Date, it being specified that such fallbacks could result in the application of the Interest Rate determined on the previous Coupon Determination Date.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4.3(c)(iii), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 4.3(c)(iii) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions of the Notes including (for the avoidance of doubt) the fallbacks specified in Condition 4.3(c)(ii), will continue to apply).

(G) Definitions

In this Condition 4.3(c)(iii):

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

- a) in the case of a Successor Rate, is formally recommended, or formally supplied by any Relevant Nominating Body as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate;
- b) the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage



in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or

- c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate.

**Independent Adviser** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 4.3(c)(iii)(A).

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

- (a) the Original Reference Rate ceasing to exist or be published;
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the date referred to in (i);
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the specified date referred to in paragraph (i);
- (e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that its use will be prohibited or that its use will be subject to restrictions or have adverse consequences, in each case within the following six months;
- (f) it has or will prior to the next Coupon Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent or such other party specified in the applicable Pricing Supplement, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU)

2016/1011 (as amended, the **Benchmark Regulation**), if applicable; or

- (g) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation, of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted; or
- (h) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the opinion of the supervisor, such Original Reference Rate is no longer representative of an underlying market or that its calculation method has changed significantly.

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

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

**Alternative Rate** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4.3(c)(iii) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or any relevant component thereof) for a commensurate interest period and in the same Specified Currency as the Notes.

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

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

#### 4.4 Fixed/Floating Rate Notes

Each Fixed/Floating Rate Note bears interest at a rate which, on the date specified in the applicable Pricing Supplement (the **Interest Basis Change Date**):

- (i) may be converted at the option of the Issuer from a fixed rate to a floating rate (among the types of Floating Rate Notes referred to in Condition 4.3(c) of the Terms and Conditions of the Notes) (or vice versa) (**Interest Basis Change at the Option of the Issuer**), it being specified that the Interest Basis Change at the Option of the Issuer shall be deemed applicable upon notice to the Noteholders by the Issuer within the period specified in the applicable Pricing Supplement in accordance Condition 14 of the Terms and Conditions of the Notes; or
- (ii) will be automatically converted from a fixed rate to a floating rate (among the types of Floating Rate Notes referred to in the Condition 4.3(c) of the Terms and Conditions of the Notes) (or vice versa) (the **Automatic Change of Interest Basis**).

#### 4.5 Zero Coupon Notes

Where a Zero Coupon Note is redeemable prior to its Maturity Date by exercise of an Issuer Redemption Option or, if so specified in the applicable Pricing Supplement, pursuant to Condition 5.5 or in any other manner, and such Note is not redeemed on the due date, the amount due and payable prior to the Maturity Date shall be the Optional Redemption Amount or the Early Redemption Amount, as applicable. As from the Maturity Date, the overdue principal of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5.5(a)(ii)).

#### 4.6 Accrual of interest

Interest shall cease to accrue on each Note on the due date for redemption unless (a) on such due date, in the case of Dematerialised Notes or (b) upon due presentation, in the case of Materialised Notes, repayment of principal is improperly withheld or refused; in which event interest shall continue to accrue (after as well as before judgment) at the Interest Rate in the manner provided in Condition 4 up to the Relevant Date.

#### 4.7 Margin, Rate Multipliers, Interest Rates, Instalment Amount, Minimum and Maximum Redemption Amount and Rounding

- (a) If a Margin or Rate Multiplier is specified in the applicable Pricing Supplement (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates applicable to the relevant Interest Accrual Periods, in the case of (y), calculated in accordance with paragraph 4.3(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or by multiplying the Interest Rate by such Rate Multiplier, subject always to the provisions of the following paragraph.
- (b) If any Minimum or Maximum Interest Rate, an Instalment Amount or Redemption Amount is specified in the applicable Pricing Supplement, each Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be, it being specified that (i) in no case shall the Coupon Amount payable in relation to each Note be less than zero and (ii) except where a higher Minimum Interest Rate is specified in the applicable Pricing Supplement, the Minimum Interest Rate shall be equal to zero.

- (c) For the purposes of any calculations required pursuant to these Terms (unless otherwise specified), (i) if FBF Determination is specified in the applicable 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) (ii) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal place (with halves being rounded up), and (iii) all figures shall be rounded to seven significant figures (with halves being rounded up).

#### **4.8 Calculations**

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

#### **4.9 Determination and publication of Interest Rates, Coupon Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**

As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Coupon Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period. It shall also calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be. It shall then cause the Interest Rate and the Coupon Amounts for each Interest Period and the relevant Interest Payment Date and, if required, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount or any other Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information. If the Notes are admitted to trading on a Regulated Market and the rules of such market so require, it shall also notify such information to such market and/or the Noteholders as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such market of an Interest Rate and Coupon Amount, or (ii) in all other cases, no later than the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period Date is subject to adjustment pursuant to Condition 4.3(b), the Coupon Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

#### **4.10 Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with at least one office in the Relevant Financial Centre, except for Notes where €STR is the applicable Benchmark, and one or more Calculation Agents if so

specified in the applicable Pricing Supplement and for so long as any Note is outstanding (as defined in Condition 1.3(d) above). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall, except for Notes where €STR is the applicable Benchmark, appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Terms to the Calculation Agent shall be construed as a reference to each Calculation Agent performing its respective duties under these Terms. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for an Interest Period or Interest Accrual Period or to calculate any Coupon Amount, Instalment Amount, Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment bank operating in the interbank market (or, if appropriate, money market, swaps market or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed in the manner described above.

## **5. REDEMPTION, PURCHASE AND OPTIONS**

### **5.1 Redemption at maturity**

Unless previously redeemed, or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the applicable Pricing Supplement at its Final Redemption Amount (which, unless provided otherwise, is equal to its nominal amount (except for Zero Coupon Notes)) as specified in the applicable Pricing Supplement or, in the case of Notes to which Condition 5.2 below applies, to its last Instalment Amount.

### **5.2 Redemption by Instalments**

Unless previously redeemed, or purchased and cancelled as provided in this Condition 5, each Note, for which the terms and conditions provide Instalment Dates (being the dates so specified in the applicable Pricing Supplement) and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Pricing Supplement. The outstanding principal 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 principal 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 scheduled payment date or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

### **5.3 Redemption at the option of the Issuer and partial redemption**

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, subject to compliance by the Issuer with all applicable laws, regulations and directives, and on giving not less than fifteen (15) and not more than thirty (30) calendar days' irrevocable notice to the Noteholders in accordance with Condition 14 (or any other notice period specified in the applicable Pricing Supplement), redeem all or, if so provided, some of the Notes, as the case may be, on any Option Redemption Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount, specified in the applicable Pricing Supplement, together with interest accrued to the date fixed for redemption. Any such redemption or exercise

must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed as specified in the applicable Pricing Supplement and no greater than the maximum nominal amount to be redeemed as specified in the applicable 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 by the Issuer in respect of Materialised Notes, the notice to holders of such Materialised Notes must also indicate the number of Physical Notes to be redeemed or in respect of which such option has been exercised. The Notes must have been selected in such manner as is fair and objective in the circumstances, taking account of prevailing market practices and in accordance with all applicable stock market laws and regulations.

In the case of a partial redemption by the Issuer of Dematerialised Notes of the same Series, the redemption shall be made by application of a pool factor (corresponding to a reduction of the nominal amount of such Dematerialised Notes in proportion to the nominal amount so redeemed).

#### **5.4 Redemption at the option of the Noteholders**

If Investor Put is specified in the applicable Pricing Supplement, the Issuer shall, at the request of the holder of any such Note and upon giving not less than fifteen (15) and not more than thirty (30) calendar days' irrevocable notice (or any other notice period specified in the applicable Pricing Supplement) to the Issuer, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount, specified in the applicable Pricing Supplement, together with interest accrued to the date fixed for redemption. In order to exercise such option, the Noteholder must deposit with a Paying Agent at its specified office by the required deadline a duly completed option exercise notice (the **Exercise Notice**) in the form obtainable during normal office hours from the Paying Agent or Registration Agent, as the case may be. In the case of Materialised Notes, the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons) must be attached to the Exercise Notice. In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent, as specified in the Exercise Notice. No option that has been exercised or, if relevant, no Note that has been deposited or transferred may be withdrawn without the prior written consent of the Issuer.

#### **5.5 Early redemption**

##### **(a) Zero Coupon Notes**

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note shall, upon redemption of such Note pursuant to Condition 5.6 or 5.9 or upon it becoming due and payable as provided in Condition 8, be the amortised face amount (calculated as provided below) (the **Amortised Face Amount**) of such Note.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face 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 there is no indication of a rate in the applicable Pricing Supplement, shall be such rate as would result in an Amortised Face Amount equal to the issue price

of the Notes if discounted back to their issue price on the Issue Date) compounded annually.

- (iii) If the Early Redemption Amount payable in respect of each Note upon its redemption pursuant to Condition 5.6 or 5.9 or upon it becoming due and payable in accordance with Condition 8, is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note, as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as if the reference therein to the date on which such Note becomes due and payable were a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before any judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date, together with any interest that may accrue in accordance with Condition 4.4. Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of one of the Day Count Fractions mentioned at Condition 4.1 and specified in the applicable Pricing Supplement.

**(b) Other Securities**

The Early Redemption Amount due for any other securities, upon its redemption pursuant to Condition 5.6 or 5.9 or upon it becoming due and payable pursuant to Condition 8, shall be equal to the Final Redemption Amount plus all accrued interests until the date of redemption specified in the applicable Pricing Supplement.

**5.6 Redemption for tax reasons**

- (a) If, at the time of any redemption of principal or the payment of interest or other proceeds, the Issuer is obliged to pay additional amounts in accordance with Condition 7.2 below, by reason of any change in or amendment to the laws and regulations in France, or any change in the official application or interpretation thereof, made after the Issue Date, unless such relevant obligations to make additional payments can be avoided by reasonable measures taken by the Issuer, to the Issuer may (having given notice to the Noteholders in accordance with Condition 14, at the earliest forty five (45) calendar days and at the latest thirty (30) calendar days prior to such payment (which notice shall be irrevocable)) redeem, on any Interest Payment Date or, if specified in the applicable Pricing Supplement, at any time, all but not some only of the Notes at the Early Redemption Amount together with, all interest accrued until the date fixed for redemption, provided that the due date for redemption of which notice hereunder shall be given shall not be earlier than the latest practicable date on which the Issuer could make a payment of principal and/or interest without withholding or deduction for French taxes.
- (b) If, on the occasion of the next redemption of principal or the payment of interest or other proceeds in respect of the Notes, Receipts or Coupons, the Issuer would be prevented by French law from making payment of the full amount then due and payable to the Noteholders, notwithstanding the undertaking to pay additional amounts in accordance with Condition 7.2 below, the Issuer shall forthwith give notice of such fact to the Fiscal Agent. The Issuer shall, having given seven (7) calendar days' notice to the Noteholders in accordance with Condition 14, redeem all, and not some only, of the Notes then outstanding at their Early Redemption Amount, together with all interest

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

## **5.7 Purchases**

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

Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be retained in accordance with applicable legal and regulatory provisions or cancelled in accordance with Condition 5.8.

## **5.8 Cancellation**

Notes purchased for cancellation in accordance with Condition 5.7 above shall be cancelled, in the case of Dematerialised Notes, by transfer to an account pursuant to the rules and procedures of Euroclear France, and in the case of Materialised Notes, by delivery to the Fiscal Agent of the relevant Temporary Global Certificate or the Physical Notes in question, together with all unmatured Receipts and Coupons and all unexchanged Talons attached to such Notes, if relevant, and in each case, if so transferred and surrendered, all such Notes shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights in respect of payment of interest and other amounts in respect of such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, as the case may be, transferred or surrendered for cancellation may not be re-issued or re-sold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## **5.9 Illegality**

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



## **6. PAYMENTS AND TALONS**

### **6.1 Dematerialised Notes**

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

### **6.2 Physical Notes**

#### **(a) Method of payment**

Subject as provided below, any payment in a Specified Currency shall be made by credit or transfer to an account denominated in the Specified Currency or to which the Specified Currency may be credited or transferred held by the beneficiary or, at the option of the beneficiary, by cheque denominated in the Specified Currency drawn on a bank located in the principal financial centre of the country of the Specified Currency (which shall be a country within the Euro-zone).

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

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

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

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

Fixed Rate Notes represented by Physical Notes must be surrendered for payment together with all unmatured Coupons appertaining thereto (such expression including, for the purposes

hereof, Coupons to be issued in exchange for matured Talons), failing which the amount of any missing unmaturing Coupon (or, in the case of a partial payment, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the amount due. Any amount of principal so deducted shall be paid in the manner described above against surrender of the missing Coupon before the 1<sup>st</sup> January of the fourth year following the due date for payment of such amount, and not under any circumstances thereafter.

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

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

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

### **6.3 Payments subject to fiscal laws**

All payments are subject to any applicable fiscal or other laws, regulations and directives, or any other laws or regulations applicable to the Issuer or its agents, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

### **6.4 Appointment of Agents**

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

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

## 6.5 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 9).

## 6.6 Business Days for payment

If any date for payment in respect of any Note or Coupon is not a business day (as defined below), the Noteholder or Couponholder shall not be entitled to payment until the next following business day, nor to any other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or Sunday) (a) (i) in the case of Dematerialised Notes, on which Euroclear France is operating, or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation of the note for payment, and (b) on which banks and foreign exchange markets are open for business in the countries specified as "Financial Centres" in the applicable Pricing Supplement and (c) which is a T2 Business Day.

## 6.7 Bank

For the purposes of this Condition 6, **Bank** means a bank established in a city in which banks have access to the T2.

## 7. TAXATION

### 7.1 Withholding

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

### 7.2 Additional amounts

If French law should require that payments of principal, interest or other proceeds in respect of any Note, Receipt or Coupon be subject to withholding at source or deduction with respect to any taxes or duties of any kind whatsoever, present or future, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holders of Notes, Receipts and Coupons receive the full amount that would have been payable in the absence of such withholding at source or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon in the following cases:

- (a) **Other connection:** the holder of Notes, Receipts or Coupons, or any third party acting on his behalf, is liable to such tax or duty in France by reason of having some connection with France other than the only ownership of the Notes, Receipts or Coupons; or
- (b) **More than thirty (30) calendar days have passed since the Relevant Date:** in the case of Materialised Notes, more than thirty (30) calendar days have passed since the Relevant Date, except where the holder of Notes, Receipts or Coupons would have

been entitled to an additional amount on presentation of the same for payment on the last day of such thirty (30) calendar days period.

References in these Terms to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Instalment Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 as completed by the Pricing Supplement, (ii) "interest" shall be deemed to include all Coupon Amounts and all other amounts payable pursuant to Condition 4 as completed by the Pricing Supplement and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition.

## 8. EVENTS OF DEFAULT

If any of the following events occurs (each an **Event of Default**), (i) the Representative (as defined in Condition 10) on its own initiative or upon request of any holder of Notes may, upon simple written notice addressed on behalf of the Masse (as defined in Condition 10) to the Fiscal Agent with copy addressed to the Issuer, before the considered default has been cured, make the redemption immediately and automatically due and payable of all the Notes of the considered Series (and not a part only); or (ii) if there is no Representative, any holder of Notes may, on simple written notice addressed to the Fiscal Agent with copy addressed to the Issuer, before the considered default has been cured, make the redemption immediately and automatically due and payable of the Notes held by the author of the notice, immediately and automatically due and payable, at their Early Redemption Amount with interest accrued to the date of repayment, without the necessity for any prior formal demand:

- (a) if the Issuer defaults in any payment at its due date of any amount in principal or interest payment due under any Notes, Receipt or Coupon (including payment of any gross up provided by Condition 7.2 "Taxation – Additional Amounts" above) unless it has been remedied to that default of payment within fifteen (15) calendar days following the due date of this payment;
- (b) if the Issuer fails to perform any other provision of this terms and conditions of the Notes if it has not been remedied within thirty (30) calendar days following on the receipt by the Issuer of a written notice of this failure by registered letter with an acknowledgement of receipt;
- (c) if the Issuer is not able to face its mandatory expenses as specified in articles L.5217-12-1 *et seq.* of the *Code général des collectivités territoriales* or make a written statement recognising such inability;
- (d) failure to pay on the maturity date, or as the case may be, upon the expiration of any applicable grace period, a sum exceeding ten million euros (Euro 10,000,000) (or its equivalent in any other currency) in relation with any amount due in respect with any actual or future indebtedness of the Issuer resulting from a bank loan or notes, other than the Notes, Receipts and Coupons, or the enforcement of a real security related to any of the aforementioned indebtedness, for an amount exceeding ten million euros (Euro 10,000,000) (or its equivalent in any other currency) or the failure to pay a sum exceeding ten million euros (Euro 10,000,000) in relation with any sum due upon a guarantee granted by the Issuer in relation to one or more bank loans or notes entered into or issued by a third party;
- (e) if the legal status or regime of the Issuer is amended, including as a result of a legislative or regulation amending, as far as in each case, such modification reduces the rights of

the Noteholders against the Issuer or makes more difficult or more expensive actions of the Noteholders against the Issuer.

Provided that any of the events specified in paragraphs (a), (b) or (d) above, will not constitute an Event of Default, if the Issuer notifies to the Fiscal Agent before the expiration of the considered deadline (if such deadline is set out) that a lapse of time is needed in order to adopt a resolution authorising the unforeseen or additional budgetary expenses payment. The Issuer shall indicate to the Fiscal Agent the date on which such resolution will become enforceable. The Fiscal Agent shall transfer immediately to the Noteholders any notification it has received from the Issuer in respect with this paragraph and in compliance with the provisions of Condition 14 (Notices). In case the additional budgetary resolution has not been adopted and has not become enforceable upon the expiration of a four (4) months period after the notification made to the Noteholders, the events set out in paragraphs (a), (b) and (d) above and not cured at the end of the four (4) month delay will constitute an Event of Default.

## 9. PRESCRIPTION

All claims against the Issuer in relation to the Notes, Receipts and Coupons (except for Talons) shall lapse after four years from the 1<sup>st</sup> of January of the year following their respective due dates (pursuant to the Law n°68-1250 of 31 December 1968).

## 10. REPRESENTATION OF NOTEHOLDERS

In respect of the representation of Noteholders, the following paragraphs shall apply:

The Noteholders shall be automatically grouped, in respect of all Tranches of a single Series, for the defence of their common interests in a masse (the **Masse**), which shall be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de Commerce*, except articles L. 228-71 and R. 228-69 of the French *Code de Commerce*, as supplemented by this Condition 10:

### (a) Legal personality

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

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

### (b) Representative

In accordance with article L.228-51 of the French *Code de Commerce*, the names and addresses of the incumbent Representative of the Masse and his alternate shall be set forth in the applicable Pricing Supplement. The Representative appointed for the first Tranche of a Series of Notes shall be the sole Representative of the Masse for all Tranches of such Series.

The Representative shall receive remuneration for the performance of his functions and duties, if so provided, on such date or dates as may be specified in the applicable Pricing Supplement. No additional remuneration shall be payable in respect of any subsequent Tranches of a Series of Notes.

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

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

(c) Powers of the Representative

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

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

(d) Collective Decisions

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

In accordance with article R.228-71 of the French *Code de Commerce*, each Noteholder shall prove the right to participate in Collective Decisions by registration of his/her Notes either in the registered securities accounts kept by the Issuer, or in the bearer securities accounts kept by an intermediary (if applicable) on the second (2nd) business day prior to the date of the Collective Decision at midnight, Paris time.

Collective Decisions shall be published in accordance with Condition 10 (h).

The Issuer must keep a register of the Collective Decisions, and must make it available, on request, to any subsequent Noteholders of the Notes in this Series.

(i) General Meetings

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

General Meetings may deliberate validly on first notice only if the Noteholders present or represented hold at least one fifth (1/5<sup>th</sup>) of the nominal amount of Notes outstanding at that time. No quorum will be required on second notice. General Meetings shall decide validly with a majority of two thirds (2/3) of the votes cast by the Noteholders attending the Meetings, either in person or by means of a representative.

Notice of the date, hour, place and agenda of the General Meeting shall be published as provided in Condition 10(h) at least fifteen (15) calendar days before the date of the Noteholders' General Meeting at first on first notice and no less than five (5) calendar days before the date of the Noteholders' General Meeting on second notice.

Each Noteholder has the right to participate in General Meetings in person, by proxy, by postal ballot, by video-conference, or in any other means of communication by which Noteholders attending the General Meeting can be identified. Each Note carries one vote or, in the case of Notes issued with several Specified Denominations, one vote in respect of each multiple of the smallest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

Each Noteholder or its representative shall have the right, throughout the fifteen (15) calendar day period preceding the holding of a General Meeting on first notice, and no less than five (5) calendar days before the date of the Noteholders' General Meeting on second notice, to consult or make copies of the text of the resolutions to be proposed and of the reports to be presented at the General Meeting. Such documents will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of such meeting.

(ii) Written Decisions and Electronic Consent

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

This Written Decision must be signed by, or on behalf of, the Noteholders who hold at least ninety (90) per cent of the nominal amount of the Notes outstanding, without having to meet the requirements for formalities and time periods stipulated in Condition 10(d)(i). Any Written Decision shall have, in all points, the same effect as a resolution adopted at a General Meeting of Noteholders. A Written Decision may be materialised in a single document or in several identical format documents, signed by or on behalf of one or more Noteholders.

Under article L.228-46-1 of the French *Code de commerce*, Noteholders may also express their approval or rejection of the Written Decision proposed by any electronic communication means that allows them to be identified (**Electronic Consent**).

Any Written Decision (including a Decision adopted by Electronic Consent) must be published in accordance with Condition 10 (h).

Notices concerning a request for approval via a Written Decision (including by Electronic Consent) shall be published in accordance with Condition 10 (h) at least five (5) calendar days before the date set for the adoption of such Written Decision (the **Written Decision Date**). Notices concerning a request for approval via a Written Decision shall contain the conditions of form and the deadlines to be met by the Noteholders who wish to express their approval or rejection of the Written Decision proposed. Noteholders who express their approval or rejection before the Written Decision Date shall agree not to sell their Notes before the Written Decision Date.

(e) Expenses

The Issuer shall pay, upon presentation of duly documented evidence, all expenses incurred in connection with the conduct of the affairs of the *Masse*, including all expenses relating to notices and the holding of Collective Decisions and, more

generally, all administrative expenses adopted by Collective Decisions, provided however that no expenses may be imputed against any interest payable on the Notes.

(f) Single Masse

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

(g) Single Noteholder

For so long as the Notes are held by a single Noteholder, and if no Representative has been appointed, the relevant Noteholder shall exercise all powers conferred upon the Masse by the provisions of the French Commercial Code, as supplemented by these Terms and Conditions. The Issuer shall keep (or cause any authorised agent to keep) a register of all decisions adopted by the Single Noteholder in such capacity and shall make it available, upon request, to all subsequent Noteholders.

A Representative shall be appointed whenever the Notes of a Series are held by more than one Noteholder.

(h) Notices to Noteholders

Any notice to be sent to the Noteholders pursuant to this Condition 10 (h) must be sent in accordance with Condition 14.

For the avoidance of doubt in this Condition 10, the term "outstanding" shall not include the Notes repurchased by the Issuer, pursuant to Condition 5.7 that are held by it and not cancelled.

## **11. AMENDMENTS**

The parties to the Fiscal Agency Agreement may, without the consent of the Noteholders, Receiptholders or Couponholders, amend or waive any provisions thereof with a view to remedying any ambiguity or rectifying, correcting or completing any defective provision of the Fiscal Agency Agreement, or in any other manner that the parties to the Fiscal Agency Agreement may consider necessary or desirable but only to the extent that, in the reasonable opinion of the parties, the interests of the Noteholders, Receiptholders or Couponholders are not prejudiced.

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

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



Coupons or further Coupons). Partially destroyed or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

### **13. CONSOLIDATED ISSUES**

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

### **14. NOTICES**

- 14.1 Notices addressed by the Issuer to the holders of Dematerialised Notes in registered form shall be valid either (a) if they are posted to their respective addresses, in which case they shall be deemed to have been delivered on the fourth (4<sup>th</sup>) Business Day after posting or (b) at the option of the Issuer, if they are published on the website of any relevant regulatory authority, in one of the leading economic and financial daily newspapers with general circulation in Europe. So long as the Notes are admitted to trading on any Regulated Market and the applicable rules of such market so require, notices shall not be deemed to be valid unless published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be Les Echos and in any other manner required, as the case may be, under the applicable rules of such market.
- 14.2 Notices addressed to Noteholders of Materialised Notes and Dematerialised Notes in bearer form shall be valid if published in a leading economic and financial daily newspaper with general circulation in Europe and, so long as the Notes are admitted to trading on any Regulated Market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be Les Echos and in any other manner required, as the case may be, under the applicable rules of such market.
- 14.3 If any such publication is not practicable, the notice shall be validly given if published in a leading economic and financial newspaper with general circulation in Europe, provided however that, so long as the Notes are admitted to trading on any Regulated Market, notices must be published in any other manner required, as the case may be, under the applicable rules of such Regulated Market. Noteholders shall be deemed to have had notice of the contents of any notice on the date of publication, or if the notice was published more than once or on different dates, on the date of the first publication as described above. Coupon holders shall be deemed, in all circumstances, to have had notice of the contents of any notice addressed to Noteholders of Materialised Notes in accordance with this Condition.
- 14.4 Notices addressed to holders of Dematerialised Notes (whether in registered or bearer form) in accordance with these Terms may be delivered to Euroclear France, Euroclear, Clearstream or any other clearing system through which the Notes are then cleared, instead of posting or publishing the notice as provided in Conditions 14.1, 14.2 and 14.3 above, provided however that so long as the Notes are admitted to trading on any Regulated Market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be Les Echos and in any other manner required, as the case may be, under the applicable rules of such market.

14.5 Notices in relation to Collective Decisions must, in accordance with Condition 10 and pursuant to article R.228-79 of the French *Code de commerce*, be delivered to Euroclear France, Euroclear, Clearstream and any other clearing system where the Notes are cleared. For the avoidance of doubt, Conditions 14.1, 14.2, 14.3 and 13.4 shall not apply to such notices.

## **15. GOVERNING LAW, LANGUAGE AND JURISDICTION**

### **15.1 Governing law**

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

### **15.2 Language**

This Offering Circular has been drafted in the French language. A free translation in English may be available, however only the French version may be relied upon as the authentic and binding version.

### **15.3 Jurisdiction**

Any dispute in relation to the Notes, Receipts, Coupons or Talons shall be submitted to the courts within the jurisdiction of the Paris Court of Appeal (subject to mandatory provisions related to territorial jurisdiction of French courts). No private law enforcement measures may be instigated and no seizure or attachment proceedings may be brought against the assets or property of the Issuer as a legal entity governed by public law.

## TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

### 1. TEMPORARY GLOBAL CERTIFICATES

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

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

### 2. EXCHANGE

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

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

### 3. DELIVERY OF PHYSICAL NOTES

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

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

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

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

## DESCRIPTION OF THE ISSUER

### 1. ISSUER’S POSITION WITHIN THE NATIONAL INSTITUTIONAL FRAMEWORK

#### 1.1 Issuer’s registered office, legal form and address

Geographical location	Form	Date of formation	Address	Telephone number and website
<b>Mainland France</b> <b>Région Auvergne Rhône-Alpes</b> <b>Département du Rhône</b>	<b>Special status local authority</b>	<b>1st January 2015</b>	<b>Grand Lyon Métropole</b> <b>20, rue du Lac CS 33 569</b> <b>69505 Lyon Cedex 03</b>	<b>04 78 63 40 40</b> <b>www.grandlyon.com/</b>

The information appearing on the Issuer’s website does not form part of this Offering Circular, unless expressly incorporated by reference as provided in the section “*Documents incorporated by reference*” of this Offering Circular.

#### 1.2 General overview of the local authority

The Métropole de Lyon (**Métropole de Lyon** or the **Métropole** or the **Issuer**) is a new local authority established by the law of 27 January 2014 on the modernisation of local public action and affirmation of metropolises (MAPTAM Law).

*“Art. L. 3611-1. - There is hereby established a special status local authority, within the meaning of article 72 of the Constitution, named “Métropole de Lyon”, instead and in place of the “Communauté urbaine de Lyon” and, within its previously recognised territorial boundaries, the Département du Rhône.*

*“Art. L. 3611-2. – The Métropole de Lyon forms a space of solidarity to develop and pursue a plan for the economic, ecological, educational, sports, cultural and social development of its territory, to improve its competitiveness and cohesion. It assures the conditions for its economic, social and environmental development through metropolitan structural infrastructure, networks and amenities.*

*“Art. L. 3611-3. - The Métropole de Lyon is freely self-governing under the conditions set forth in this Book and by the non-conflicting provisions of the first part of this Code, and by sections II, III and IV of Book I and Books II and III of the third part, and by the applicable laws relating to the département.*

*“For the applicability to the Métropole de Lyon of the provisions referred to in the first sub-paragraph of this article:*

*“1° The reference to the department is replaced by the reference to the Métropole de Lyon;*

*“2° The reference to the general council is replaced by the reference to the Metropolitan Council;*

*“3° The reference to the president of the general council is replaced by the reference to the president of the Métropole Council;*

*“4° The reference to representative of the State in the department is replaced by the reference to the representative of the State in the Métropole. ”*

Despite its name, this local authority should not be confused with the *métropoles* created under the laws of 16 December 2010 and 27 January 2014, which are inter-communal cooperation public establishments (EPCI).

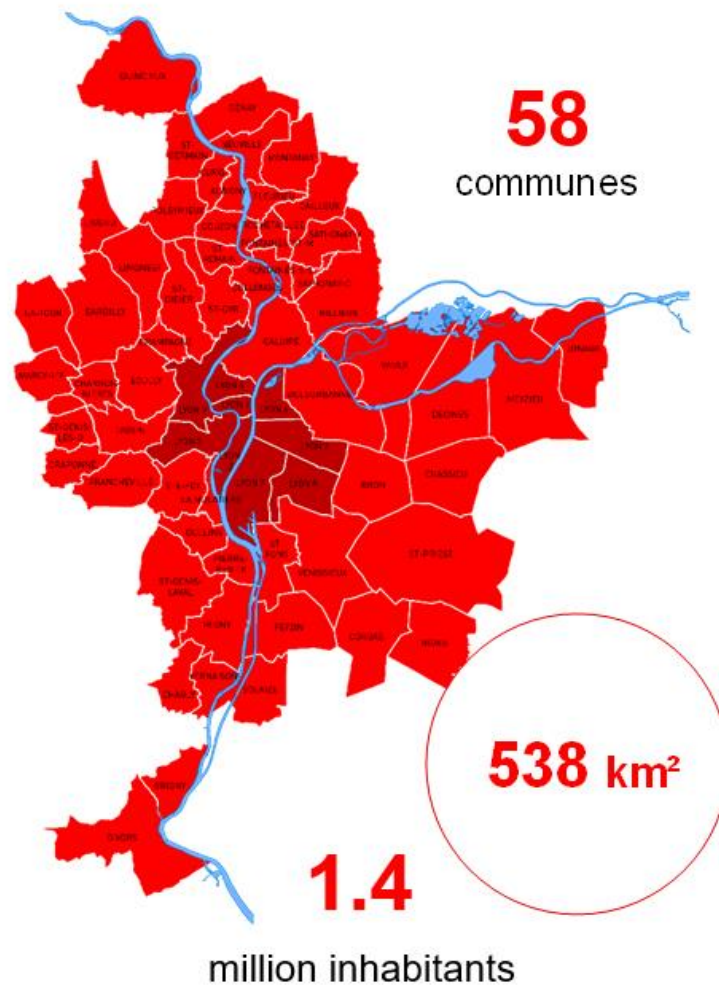
The Métropole de Lyon is, for its part, a special status local authority as defined in article 72 para. 1 of the Constitution, established instead and in place of the *Communauté Urbaine de Lyon* and the *Département du Rhône*, which it replaced within the national boundaries on 1<sup>st</sup> January 2015.

## 2. PRESENTATION OF THE ISSUER

Unless specified otherwise, figures set forth in this section have been sourced from INSEE.

The Métropole de Lyon was formed on 1st January 2015 by the MAPTAM Law (on the modernisation of local public action and affirmation of *Métropoles*). It is a unique local authority in France established by the merger of the *Communauté Urbaine de Lyon* and the *Conseil Général du Rhône* over the 58 communes that form the territory of Grand Lyon. On 1 January 2024, the two communes of Oullins and Pierre Bénite merged.

The Métropole de Lyon occupies a strategic position in France. It is located in the Rhône valley at the intersection of two rivers (the Rhône and the Saône). Its proximity to the Alps and the Mediterranean offers strategic access. Moreover, the Métropole de Lyon has an extensive rail network, within two hours of Paris, and an airport affording it European and global outreach.



The Métropole de Lyon has welcomed more than 160,000 new inhabitants over the last 15 years which makes it the third most populous local authority after Paris and Marseille. The Métropole de Lyon's appeal has been recognised on various occasions at national and European level for its economic performance, quality-of-life and real estate market.

For many years, Lyon had a reputation for silk work but today these activities have greatly declined serving mainly the luxury goods market. The medical industry sector (bioMérieux, Sanofi, Laboratoires Boiron) has been well established for many years and supports an innovative biotechnology hub (Biodistrict Lyon-Gerland). The chemical and petrochemical industries have thrived here for a long time. The automotive industry, with its local tradition going back many years, is also strongly represented with Renault Trucks affiliated to the Swedish group Volvo. The Métropole de Lyon is host to other large corporates such as the SEB group (domestic appliances), GL Events (events), SOLVAY,... and subsidiaries of major groups (Orange, Kéolis, EDF, ...). The Métropole de Lyon is also home to major sports groups such as Olympique Lyonnais (men and women's football), LOU (rugby) and ASVEL (men and women's basketball).

This diversity means that the Métropole de Lyon is:

- no.1 industrial agglomeration in France;
- 2<sup>nd</sup> executive employment market in France: 650,000 salaried jobs in 140,050 establishments
- Generates a Gross Domestic Product of 75 billion euros (€Bn) annually (i.e. 1/3 of the GDP of Région Auvergne-Rhône-Alpes)

The Métropole de Lyon's vast territory comprises 58 communes:

Lyon (seat of the Métropole de Lyon), Albigny-sur-Saône, Bron, Cailloux-sur-Fontaines, Caluire-et-Cuire, Champagne-au-Mont-d'Or, Charbonnières-les-Bains, Charly, Chassieu, Collonges-au-Mont-d'Or, Corbas, Couzon-au-Mont-d'Or, Craponne, Curis-au-Mont-d'Or, Dardilly, Décines-Charpieu, Écully, Feyzin, Fleurieu-sur-Saône, Fontaines-Saint-Martin, Francheville, Genay, Givors, Grigny, Irigny, Jonage, La Mulatière, La Tour de Salvagny, Limonest, Lissieux, Lyon 1st district, Lyon 2nd district, Lyon 3rd district, Lyon 4th district, Lyon 5th district, Lyon 6th district, Lyon 7th district, Lyon 8th district, Lyon 9th district, Marcy-l'Etoile, Meyzieu, Mions, Montanay, Neuville-sur-Saône, Oullins Pierre-Bénite, Poleymieux-au-Mont-d'Or, Quincieux, Rillieux-la-Pape, Rochetaillée-sur-Saône, Saint-Cyr-au-Mont-d'Or, Saint-Didier-au-Mont-d'Or, Saint-Fons, Saint-Genis-Laval, Saint-Genis-les-Ollières, Saint-Germain-au-Mont-d'Or, Saint-Priest, Saint-Romain-au-Mont-d'Or, Sainte-Foy-lès-Lyon, Sathonay-Camp, Sathonay-Village, Solaize, Tassin-la-Demi-Lune, Vaulx-en-Velin, Vénissieux, Vernaison, Villeurbanne.

## **2.1 The Issuer's evolution as an institution**

In 2015, when the Métropole de Lyon was established, the local authority merged the powers and responsibilities of the Communauté Urbaine de Lyon and those of the Département du Rhône within the territorial boundaries of the Métropole de Lyon.

Powers and responsibilities derived from the Communauté Urbaine de Lyon:

- urban planning and development
- habitation and housing
- sustainable development and energy;
- local planning;
- transport and mobility;
- social and economic development;
- international relations;

- cleanliness (cleaning and waste management);
- water and sanitization treatment;
- roads and highways;
- tourism;
- agriculture.

Powers and responsibilities derived from the Département du Rhône:

- integration;
- care for the elderly;
- persons with disabilities;
- housing and urban development;
- mobility;
- families;
- education (schools);
- children;
- culture and sport;
- local planning and development;
- roads and highways;
- tourism;
- agriculture.

## 2.2 The Issuer's powers and responsibilities

The Métropole de Lyon's powers and responsibilities are the combined powers and responsibilities of these two local authorities (Communauté Urbaine de Lyon and Département du Rhône).

### (a) Children and families:

- delivering approvals for maternal assistants and nurseries;
- welcoming families and future parents in the small and medium-sized industries;
- supporting persons hoping to adopt;
- protecting children in danger;
- managing family education and planning centres.

### (b) Solidarity:

- assisting the elderly and persons with disabilities;
- pursuing public health initiatives;
- implementing towns policy;
- distributing active solidarity income (**RSA**).

### (c) Habitation and housing:

- supporting housebuilding;
- improving access to housing for all;
- supporting thermic renovation and rehabilitation;
- financing social housing;
- facilitating home ownership.

### (d) Travel:

- developing public transport (via Sytral – Transport syndicate);
- developing the cycle network and encouraging alternative modes of transport;



- maintaining roads, highways, bridges and tunnels;
- managing the North circular (*périphérique nord*) and dual carriageways.

**(e) Water and sanitation: competence delegated to the *Régie autonome de l'Eau* (Autonomous Water Authority) since 1 January 2023**

Decision to create the new *Régie de l'Eau* (Water Authority):

[https://agora.grandlyon.com/webdelib/files/unzip//seance\\_264248/231\\_d1647429074924.pdf](https://agora.grandlyon.com/webdelib/files/unzip//seance_264248/231_d1647429074924.pdf)

- supplying drinking water;
- sewage management;
- protecting the aquatic environment;
- flood prevention.

**(f) Cleanliness**

- collecting and processing waste;
- managing the waste and recycling facilities;
- cleaning public spaces.

**(g) Major projects and urban planning and development**

- developing public spaces and green spaces;
- elaborating the local urban development and housing plan;
- managing the Parilly and Lacroix-Laval parks.

**(h) Energy and environment**

- protecting air quality and natural spaces;
- encouraging waste sorting and prevention;
- supporting peri-urban agriculture;
- supporting energy transition.

**(i) Employment and economic development**

- supporting corporate real estate;
- promoting professional integration and entrepreneurship;
- attracting and supporting business;
- developing superfast broadband networks.

**(j) Knowledge and culture**

- building and maintaining schools;
- managing museums: *Musée des Confluences* and *Musée gallo-romain de Fourvière*;
- supporting major cultural and sports events;
- helping associations and amateur sports clubs;
- supporting public reading and artistic education.

**(k) Appeal and outreach**

- supporting innovation and competitiveness hubs;
- attracting and welcoming tourists and major conventions.

## 2.3 General description of the Issuer’s political and governance system

### (a) Local authority governance

All local authorities have two main bodies:

- a deliberative body elected by direct universal suffrage (municipal, community, metropolitan, departmental or regional council). This assembly has power and authority as a matter of principle, and as a result may decide on any matter of local interest. Since 2014, members of deliberative assemblies are also elected by direct universal suffrage;
- an executive body elected from among the members of the deliberative assembly (mayors and their deputies, *département* and *région* council presidents, presidents of urban communities, agglomeration communities and mixed syndicates).

The deliberative and executive bodies are described in the paragraphs below.

### (b) The Issuer’s political and governance system

The Métropole de Lyon is led by elected citizens known as “metropolitan councillors” who meet regularly (approximately once a month in public session) as the metropolitan council of the Métropole de Lyon (the **Metropolitan Council**).

It is at these council meetings that the main decisions determining the direction of the Métropole’s action are voted in the interests of the Métropole de Lyon’s inhabitants.

A standing committee, emanating from the Metropolitan Council, also has decision-making powers in various areas under delegation from the Metropolitan Council.

The President (as defined below), and also the vice-presidents, also have certain decision-making powers similarly by virtue of a delegation from the Metropolitan Council or the President.

### (c) The Issuer’s political bodies

The Métropole de Lyon’s organisational structure rests on a Metropolitan Council.

#### – The central organs

##### *The executive organ: the President of the Métropole de Lyon (the **President**)*

The President is elected by the Metropolitan Council of which he/she is the executive organ. The Metropolitan Council also elects vice-presidents of which there are 23 in number (out of a maximum of 25 vice-presidents and 30% of the Metropolitan Council’s total headcount). The President orders the execution of expenditure and the collection of revenue and sets guidelines for the administration.

As provided in article L.3611-3 of the local authorities general code (CGCT), and unless stipulated otherwise, the laws and regulations applicable to *départements* apply to the Métropole de Lyon.

A number of provisions apply to the Métropole de Lyon, including provisions governing reports to be provided to the Council on the exercise of delegated responsibilities:

Article L.3211-2 of the CGCT:

*"The departmental council may delegate some of its powers to the standing committee, except for those specified in articles L. 3312-1 and L. 1612-12 to L. 1612-15. It may modify the list of delegated powers during the course of the mandate.*

*Subject to the limits it has determined, the departmental council may also delegate to its President the power:*

*1° To raise borrowing to finance capital spending included in the budget, and for the purposes of financial operations necessary for managing debt, including foreign exchange and interest rate risk hedging, and to sign the agreements necessary for such purposes;*

*2° To enter into liquidity facilities subject to the maximum amount authorised by the departmental council;*

*3° To take the decisions referred to in article L 1618-2- III and in article L 2221-5-1 (a), subject as provided in (c) of the same article;*

*4° To decide or change the designated purpose of the local authority's properties used by its public services;*

*5° To set, within the limits determined by the deliberative assembly, the tariffs for duties concerning roads, temporary deposit on the highway and other public places and, more generally, the duties other than of a tax nature chargeable by the local authority;*

*6° To decide to enter into and amend any rental agreements for a term not exceeding 12 years;*

*7° To accept pay-outs for claims under insurance contracts; 8° To establish, amend or repeal accounting rules necessary for the functioning of the local authority's services;*

*9° To accept donations and bequests that are not encumbered with conditions or costs, without prejudice to the provisions of article L 3221-10 which permit it to do so as a protective measure, whatever such conditions and costs may be;*

*10° To decide to dispose of movable property by private sale up to a value of €4600*

*11° Without prejudice to the provisions of article L 3213-2, to set, within the limits of the tax department's (estate) estimates, the amounts offered and notified by the local authority to expropriated owners and to respond to their requests; 12° To determine the recaptured alignments pursuant to an urban planning document;*

*13° To award or withdraw grants made from departmental funds;*

*14° To take the decisions referred to in articles L 523-4 and L 523-5 of the heritage code (code du patrimoine) relating to the performance of preventive archaeological diagnostics required for development operations or works within the département;*

*15° To authorise, in the name of the département, the renewal of subscriptions for associations of which it is a member;*

*16° To request the State or other local authorities to award grants, under the conditions determined by the departmental council; 17° To lodge, within the limits determined by the departmental council, applications for planning permission to demolish, transform or construct buildings in the département. The President shall inform the council of its actions pursuant to these delegations. The delegations granted pursuant to 1° of this article shall expire upon the commencement of the electoral campaign for renewal of the departmental council."*

Article L.3211-10-1 of the CGCT:

*"The President of the departmental council shall commence actions in the name of the département pursuant to a decision by the departmental council and may, with the approval of the standing committee, defend any action brought against the département.*

*He may, by delegation from the departmental council, be charged for the duration of his mandate, with bringing legal proceedings, in the name of the département, or with defending the département in legal proceedings brought against it, in the circumstances*

*defined by the departmental council. He shall report on the exercise of these powers at the very next departmental council meeting.”*

Article L 3221-11 of the CGCT:

*“The President may, by delegation from the departmental council, be charged for the duration of his mandate, with taking all decisions regarding the preparation, conclusion, performance and payment in respect of contracts and framework agreements, and any decision concerning the amendment thereof, once the relevant credits have been entered in the budget.*

*The President of the departmental council shall report on the exercise of these powers at the very next departmental council meeting and keep the standing committee informed thereof.”*

Article L 3221-12 of the CGCT:

*“The President of the departmental council may, by delegation from the departmental council, be charged with exercising, in the name of the département, all pre-emption rights of which it is the holder or delegee pursuant to the urban planning code. He may also delegate the exercise of these rights in connection with the disposal of a property, under the conditions determined by the departmental council. He shall report on the exercise of these powers at the very next departmental council meeting.”*

Article L 3221-12-1 of the CGCT:

*“The President of the departmental council may, by delegation from the departmental council, be charged with taking all decisions relating to the housing solidarity fund in particular in respect of financial assistance, loans, debt write-off and waiver of claims. He shall report on the exercise of these powers at the very next departmental council meeting.”*

Article L 1413-1 of the CGCT:

*“Regions, the Corsica authority, départements, communes of more than 10,000 inhabitants, inter-communal cooperation public establishments (EPCI) of more than 50,000 inhabitants and combined syndicates (syndicats mixtes) comprising at least one commune of more than 10,000 inhabitants shall establish a local public services consultative committee for all public services that are entrusted to a third party by public service delegation agreement or which they operate as a directly managed service bestowed with financial autonomy. Inter-communal cooperation public establishments with a population of between 20,000 and 50,000 inhabitants may establish a local public services consultative committee in the same manner.*

*[...]*

*The committee each year examines on the report of its President:*

*1° The report referred to in article L 1411-3, prepared by the public service delegee;*

*2° The reports on the price and quality of the public drinking water service, and on the sanitization treatment services referred to in article L 2224-5;*

*3° A management report on the services operated as a directly managed service bestowed with financial autonomy;*

*4° The report referred to in article L. 2234-1 of the public procurement code established by the partnership contract holder.*

*It is consulted for its opinion by the deliberative assembly or by the deliberative body on:*

*1° Any proposed public service delegation, before the deliberative assembly or deliberative body makes its decision in the manner provided in article L 1411-4;*

*2° Any proposal for the establishment of a directly managed service bestowed with financial autonomy, before the decision to create it is taken;*

*3° Any proposed partnership before the deliberative assembly or deliberative body makes its decision in the manner provided in article L 1414-2;*

*4° Any proposed participation by the water and sewage treatment services in any research and development programme, before any decision is made to engage the service.*

*[...]*

*Under such conditions as it may determine, the deliberative assembly or the deliberative body may instruct, by delegation, the executive organ to refer the above-mentioned proposals to the consultative committee for its opinion."*

Article L 3221-13 of the CGCT:

*"Unless stipulated otherwise in the deliberation granting the delegation, the President may sub-delegate the powers entrusted by the departmental council under the conditions specified in article L 3221-3."*

Article L 331-19 of the forestry code (exercise of first refusal rights):

*"In the event of sale of a property classified on the land register as woodland or forest having a total surface area of less than 4 hectares, the owners of any contiguous parcel of woodland, as identified on the land register, benefit from a right of first refusal under the conditions set forth in this article. The same provisions apply in the event of disposal of indivisible rights or rights of enjoyment of real property over such land.*

*The seller must notify the owners of the contiguous parcel of woodland mentioned in the first paragraph of the price and terms of the proposed sale, by registered letter with a request for acknowledgement of receipt, to the address noted in the land register or by personal delivery against receipt. If the required number of notifications is equal to or more than 10, the seller may publish the price and terms of the proposed sale by displaying a notice in the town hall for a period of one month and publishing a notice on an authorised legal announcements medium.*

*Any owner of a contiguous woodland parcel must, within a period of two months from the date of display in the town hall or receipt of notice, notify the seller, by registered letter with request for acknowledgement of receipt or by personal delivery against receipt, that he is exercising his right of first refusal at the price and on the terms indicated by the seller.*

*[...]*

*This right of first refusal is exercised subject to the pre-emption right and related fee payment, specified for the benefit of legal entities responsible for performing a public service under the rural and maritime fishing code or under the urban planning code."*

### The Metropolitan Council

The Metropolitan Council meets upon the request of its President, at least once every quarter.

The President of the Metropolitan Council is the executive organ of the Métropole de Lyon. He/she prepares and executes the deliberations of the Metropolitan Council and the decisions of the standing committee, orders the engagement of expenditure and the collection of revenue. If absent or prevented from attending, he is replaced by the first vice-president or by a vice-president taken in the order of their appointment.

The Metropolitan Council delegates part of its powers to the President and to the standing committee.

The President sets the agenda for the meetings of the Metropolitan Council, whilst respecting the business to be included pursuant to the citizens' right to question, the rules in respect of which are set by the Council. The business entered on the agenda is submitted in advance, for consideration, to the relevant thematic committees, unless decided otherwise by the President for reasons of urgency, for example. The President informs, if appropriate, the metropolitan councillors if the relevant thematic committee is not being requested to consider an agenda item.

The Metropolitan Council cannot deliberate on business which has not been entered in advance on the agenda or on a supplement to the agenda notified to the metropolitan councillors.

The Metropolitan Council governs, by its decisions, the affairs of the Métropole de Lyon. In accordance with the regulations applicable to the Métropole de Lyon, the Metropolitan Council has exclusive authority to exercise non-alienable powers which concern, first, administrative, budgetary and financial acts and, secondly, strategic metropolitan powers and functions.

Metropolitan councillors can join together to form political groups. The current Metropolitan Council comprises eleven political groups.

All deliberations adopted by majority vote of the Metropolitan Council members are subject to control of legality by the *Préfet*. The President reports on the bureau's work and on the powers exercised by delegation from the deliberative body.

The Metropolitan Council can delegate some of its powers to the President and to the Standing Committee (as defined below).

### The Standing Committee of the Métropole de Lyon (the **Standing Committee**)

The Standing Committee meets, at the request of the President, as often as he/she considers it necessary.

The Standing Committee members are as follows:

- the President; and
- vice-presidents and 42 members elected by the Metropolitan Council.

The body which examines and arbitrates on projects, the Standing Committee meets regularly to prepare and consider matters for submission to a vote of the Metropolitan Council.

The Standing Committee acts both as:

- deliberative body upon delegation from the Metropolitan Council; and
- as a guidance and arbitration body enabling discussion, reflection and debate at executive level between the President, the vice-presidents or delegee members of the bureau.

The list of members of the Standing Committee may be consulted on the following website:  
<https://www.grandlyon.com/metropole/la-commission-permanente>

– **The consultative bodies**

*The Metropolitan mayors' conference (the **Metropolitan Conference**)*

The Metropolitan Conference is the body for discussion and exchange of views between the Métropole de Lyon and all mayors of communes. It is the forum of choice for discussion between all mayors of communes. Under the terms of the law, any subject of interest to the Métropole or pertaining to the harmonisation of action by the Métropole de Lyon and the communes, may be debated at the Metropolitan Conference.

The Metropolitan Conference is responsible for preparing a draft metropolitan cohesion pact. It is also responsible for its overall evaluation; an interim evaluation will enable the pact's contents to be adjusted and to record any new developments. These evaluations will take into account public action efficiency, inhabitants' quality of life, improvement of public services (health, environment, housing). A summary of the work of the Mayors' Territorial Conference will be supplied to the Metropolitan Conference by the elected official responsible for the Mayors' Territorial Conference and appointed to the metropolitan executive body. The presidents of the Mayors' Territorial Conference will therefore meet to take stock of the progress of their work and to consider the topics they wish to be examined at future Metropolitan Conference meetings.

Currently, articles 56 to 59 of the 2015/2020 internal bylaws of the Metropolitan Council define the rules governing the functioning of the Metropolitan Conference.

*The Mayors' Territorial Conference (the **Mayors' Territorial Conference(s)**)*

Each Mayors' Territorial Conference brings together the mayors of neighbouring communes within the scope approved by deliberation of the Metropolitan Council. The scope of the Mayors' Territorial Conferences is set by deliberation. They are proposed to the Metropolitan Council after consultation with the mayors of the communes and the Mayors' Territorial Conferences organised under the previously applicable deliberation. Each Mayors' Territorial Conference is led by a president and vice-president elected from among its members. They are assisted by a Métropole de Lyon agent responsible for regional coordination. The Mayors' Territorial Conference is not a substitute for the

relationship between the communes and the Métropole de Lyon. On the contrary, it contributes the efficiency of, and helps each mayor to sustain, these relationships.

The Mayors' Territorial Conferences are a forum for discussion and reflection between the communes and also between the communes and the Métropole de Lyon. They are a fount of new ideas.

#### *The Metropolitan Cohesion Pact*

Article L.3633-3 of the CGCT provides that the “*Metropolitan Conference prepares, within nine months following all general municipal council elections, a draft metropolitan cohesion pact between the Métropole and the communes located within its boundaries. This draft puts forward a strategy for delegation of the Métropole de Lyon's powers to the communes located within its boundaries, under and as provided in article L. 1111-8. In the same manner, it puts forward a strategy for delegation of some of the communes' powers to the Métropole de Lyon.*

*The Metropolitan Conference adopts the draft metropolitan cohesion pact by simple majority of the mayors representing half of the total population of the communes located within the boundaries of the Métropole de Lyon.*

*The metropolitan cohesion pact is approved by deliberation of the Metropolitan Council of the Métropole de Lyon, after consultation with the municipal councillors of the communes located within its boundaries.”*

The metropolitan cohesion pact must help strengthen the bedrock of the founding values underpinning the formation of the Métropole de Lyon enabling a balanced action and governance model to be constructed whilst respecting the communes freedom of administration.

#### *The Development Council (the **Development Council**)*

The Development Council is a consultative body, established by the Métropole de Lyon by deliberation dated 11 May 2015, a forum for dialogue and reflection to jointly put forward proposals on public policy. It is an independent, welcoming and open workspace. This assembly of actors and citizens enlightens the Métropole de Lyon on societal changes to take into consideration through their opinions and proposals founded upon their life experience and knowledge: their expertise.

The Development Council has a hybrid membership:

6 colleges - 200 members

The aim of this composition is to give the floor both to organised civil society and voluntary citizens to connect them and facilitate their discussions.

##### **1. The economic actors college: 30 members**

Consular chambers, businesses, syndicates, professional bodies, social and welfare economy ...

##### **2. Public entities and equivalent: 30 members**

Higher education, research and innovation, culture, housing, urban planning, social, employment and training, health ...



3. **Associations/not-for-profit bodies: 30 members**  
Cultural activities, housing, solidarity and the fight against exclusion, transport, environment and sustainable development, consumers, youth, citizen action ...
4. **Inhabitants' regional representation: 45 members**  
District councils, local interest committees, or similar organisations
5. **Voluntary citizens: 45 members**  
Drawn by lots after applications are invited to ensure representation that is both diverse and based on expression of motivation.
6. **Qualified personalities: 20 members**  
Appointed by the President on the proposal of the president of the Development Council.

Thematic committees

The number and area of authority of the thematic committees, formed for the duration of the mandate, are defined by the Metropolitan Council. Under the current mandate, there are seven such committees:

- Travel and highways committee;
- Economic development, digital, integration and employment committee;
- Solidarity development and social action committee;
- Education, culture, heritage and sport committee;
- Finance, institutions, resources and regional organisation committee;
- Proximity, environment and agriculture committee; and
- Urban planning, living conditions, housing and Towns policy committee.

The thematic committees are responsible for studying the reports submitted to the Standing Committee and the Metropolitan Council within their area of authority. At the request of the President, a report prepared by a thematic committee may occasionally be submitted for information to another thematic committee.

The composition of the thematic committees is defined by the Metropolitan Council, upon the proposal of the elected official group presidents. It respects the principle of proportional representation, with each president nominating at least one representative to each committee.

The thematic committees meet in accordance with the timetable determined by the President. In addition, the committee presidents may call committee meetings to consider issues within their respective areas of authority.

The committee president, in consultation with the vice-presidents and delegee councillor members of the thematic committee, determines the agenda having due regard to the business to be included on the agenda for the Standing Committee and Metropolitan Council meetings. The thematic committees may propose that the President refer certain topics for inclusion on the agenda of a subsequent meeting of the Standing Committee or the Metropolitan Council.

### 3. THE ISSUER'S ECONOMY

#### 3.1 Description of the Métropole de Lyon's economy

Economic development has always been one of the priorities of the Communauté Urbaine de Lyon and then the Métropole de Lyon. This is reflected by the deployment of an ambitious programme of initiatives revolving around four priorities:

- The competitiveness of its business fabric in particular through its policy to support innovation and research;
- The attractiveness of its territory with the development of major urban projects and support for three sectors of excellence (life sciences, eco-technologies, digital) which offer differentiation and international appeal;
- Support for the emergence and establishment of new businesses;
- Strengthening its international dimension and outreach whether through its universities, tourism, events etc.

With a GDP of nearly 75 Bn€, the Métropole de Lyon is consistently ranked in the European top 10. It is positioned today and increasingly as a real challenger amongst the major European metropolises.

With the arrival of a new executive, the concept of economic development has been redefined.

This paradigm shift, this new path, is that of a "positive impact" economy. A model where the global responsibility (social, environmental, cooperative, economic, etc.) of the company and therefore its global impact becomes the very backbone of governance; the Métropole de Lyon intends to establish a territory where each actor (entrepreneur, company, association, etc.) is "paying attention" (to its footprint, its employees, its customers, etc.) and questions the impact it will generate.

The economic development policy of the Métropole de Lyon aims to support this transformation of the territory by relying on 4 main areas of intervention:

- Support sustainable business transitions and promote the transition from a linear to a circular economy.
- Support industry and strategic sectors (textiles, food, sustainable construction, health, mobility, responsible digital technology) in their development.
- Develop support for entrepreneurship, including the Social and Solidarity Economy.
- Rebalance the metropolitan area by strengthening the development of town centres.

In addition to the main areas of economic development of the territory, the main principles that now guide the economic action of the Métropole de Lyon are:

- Defending "natural capital" and the preservation of resources
- Decarbonise the territory
- Support sustainable employment for all
- Preserve the well-being and health of the inhabitants
- Promote virtuous cooperation

The unemployment rate in the the Métropole de Lyon stood at 6.8% in the second quarter of 2023 (unemployment rate in metropolitan France: 6.9%). (Source: [https://auvergne-rhone-alpes.dreets.gouv.fr/sites/auvergne-rhone-alpes.dreets.gouv.fr/IMG/pdf/2023\\_t2\\_taux\\_de\\_chomage\\_region\\_et\\_departements.pdf](https://auvergne-rhone-alpes.dreets.gouv.fr/sites/auvergne-rhone-alpes.dreets.gouv.fr/IMG/pdf/2023_t2_taux_de_chomage_region_et_departements.pdf))

### 3.2 Structure of the Issuer's economy

- Distribution of population by age range:

	2009	%	2014	%	2020	%
<b>Overall</b>	<b>1,284,927</b>	<b>100.0</b>	<b>1,354,476</b>	<b>100.0</b>	<b>1,416,545</b>	<b>100.0</b>
0 to 14 years	233,044	18.1	251,387	18.6	259,196	18.3
15 to 29 years	308,039	24.0	319,450	23.6	330,861	23.4
30 to 44 years	262,216	20.4	274,920	20.3	286,219	20.2
45 to 59 years	224,359	17.5	230,682	17.0	241,903	17.1
60 to 74 years	155,359	12.1	168,721	12.5	181,963	12.8
75 years or older	101,910	7.9	109,316	8.1	116,402	8.2

Sources: Insee, RP2009, RP2014 and RP2020, main operations, geography as of 01/01/2023.

- Distribution of population by age group and gender:

	Men	%	Women	%
<b>Overall</b>	<b>676,450</b>	<b>100.0</b>	<b>740,095</b>	<b>100.0</b>
0 to 14 years	132,527	19.6	126,669	17.1
15 to 29 years	160,344	23.7	170,518	23.0
30 to 44 years	140,606	20.8	145,613	19.7
45 to 59 years	117,526	17.4	124,377	16.8
60 to 74 years	81,076	12.0	100,887	13.6
75 to 89 years	39,956	5.9	59,960	8.1
90 years or older	4,415	0.7	12,071	1.6
0 to 19 years	180,090	26.6	176,749	23.9
20 to 64 years	400,641	59.2	426,409	57.6
65 years or older	95,720	14.2	136,937	18.5

Source: INSEE, RP2020 main operation, geography on 01/01/2023.

- Distribution of population (age 15 and older) by activity

	2009	%	2014	%	2020	%
<b>Overall</b>	<b>1,051,649</b>	<b>100.0</b>	<b>1,102,915</b>	<b>100.0</b>	<b>1,157,130</b>	<b>100.0</b>
Farmer operators	608	0.1	429	0.0	395	0.0
Craftsmen, traders, business leaders	29,642	2.8	33,471	3.0	36,953	3.2
Managers and higher intellectual professions	132,229	12.6	152,120	13.8	176,850	15.3
Middle-level occupations	167,733	15.9	177,990	16.1	186,344	16.1
Services employee	168,645	16.0	175,610	15.9	174,607	15.1
Blue-collar workers	111,847	10.6	108,417	9.8	103,596	9.0
Retirees	232,023	22.1	239,718	21.7	241,947	0.9
Other persons without professional activity	208,922	19.9	215,163	19.5	236,438	20.4

Sources: Insee, RP2009, RP2014 and RP2020, additional operations, geography as of 01/01/2023.

### 3.3 Issuer's activity sectors

- Population age 15 and above by gender, age and socio-professional category:

	Men	Women	Percentage share of population aged		
			15 to 24 years	25 to 54 years	55 or older
<b>Overall</b>	<b>543,601</b>	<b>613,529</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Farmer operators	293	102	0.0	0.0	0.0
Craftsmen, traders, business leaders	27,096	9,857	0.6	4.8	2.2
Managers and higher intellectual professions	101,391	75,458	4.1	25.1	7.0
Middle-level occupations	83,541	102,803	10.0	24.9	6.3
Services employee	49,484	125,123	13.7	21.2	6.7
Blue-collar workers	84,274	19,322	7.0	13.0	4.0
Retirees	104,124	137,823	0.0	0.1	64.7
Other persons without professional activity	93,398	143,040	64.6	10.9	8.9

Sources: INSEE, RP2020 additional operations, geography on 01/01/2023.

- Breakdown of establishments by activity sector:

Métropole de Lyon	
Industry, energy, environment	6%
Building/Construction	8%
Wholesale and automotive trade	8%
Retail	12%
Transport-logistics	3%
Business services, finance, real estate	36%
Services to individuals	27%

Source: Acoiss-Urssaf 31-12-2018

- Business start-ups by activity sector:

	Companies created		Of which individual companies	
	Number	%	Number	%
<b>Overall</b>	<b>31,826</b>	<b>100.0</b>	<b>23,017</b>	<b>72.3</b>
Industry	1,015	3.2	737	72.6
Construction	2,475	7.8	1,290	52.1
Wholesale and retail trade/transport/accommodations and food service activities	7,451	23.4	5,419	72.7
Information/communication	2,288	7.2	1,730	75.6
Financial and insurance activities	1,073	3.4	122	11.4
Real estate activities	1,188	3.7	443	37.3
Professional/scientific/technical activities/administrative and support service activities	9,647	30.3	7,379	76.5
Public administration/education/healthcare/social work	3,744	11.8	3,273	87.4
Other service activities	2,945	9.3	2,624	89.1

Scope: market activities outside agriculture.

Source: Insee, Directory of companies and establishments (Sirene), geography at 01/01/2023.

## **4. METROPOLE DE LYON'S INVESTMENT PROGRAMME**

### **4.1 Multi-annual investment plan (PPI)**

The Métropole's 2021-2026 PPI was adopted by the Metropolitan Council on 25 January 2021. It represents €3.6 billion of investment in the metropolitan area and illustrates a new dynamic based on 3 main principles:

- A leading metropolis in the ecological transition;
- A metropolis of solidarity;
- A metropolis committed to a partnership approach with its constituent communes and neighbouring local authorities, attentive to the needs of its residents and their collective actions, and receptive to innovations from the private sector and the world of research.

Through this PPI, the Métropole is ensuring that each of its actions promotes the preservation of common goods such as air quality, water, health and biodiversity.

The PPI is structured around 25 themes grouped into 9 areas representing the competences and actions of the Métropole:

- transport and active mobility, intermodality, roads: €579.9m;
- economic development, employment, integration, universities and research, tourism, information systems: €392.2m;
- environment, energy, agriculture, water and waste: €517m;
- health, social care, education and quality of life: €335m;
- housing: €518.1m;
- town planning: €944.6m;
- property and general resources: €98.5m;
- regional envelopes: €200m;
- external contributions: €15m.

Link to the PPI deliberation :

<https://agora.grandlyon.com/portail/jsp/openfile.jsp?pdf=A9iCZwGvgK5FubNtu322bcS53GS0sK4fqUNzpPiImFcNNkx%2BTqSn6NcCoEvAfojpQXos53usMrnofZUeuR6NXXBsHjDs3Nu2LyiswhQGSu%2FS56prLsH4IA%3D%3D>.

### **4.2 The Métropole's investment programme for 2024**

In line with the 2021-2026 PPI, the payment appropriations voted in the 2024 budget amount to €755m and the new programme authorisations opened amount to €960m. The amounts committed by the local authority demonstrate its high level of ambition to work for its region and its citizens.

The 2024 budget report sets out the local authority's investment ambitions for this year: [https://www.grandlyon.com/fileadmin/user\\_upload/media/pdf/institution/budget/20240206\\_bp2024\\_rapportbudgetaire.pdf](https://www.grandlyon.com/fileadmin/user_upload/media/pdf/institution/budget/20240206_bp2024_rapportbudgetaire.pdf).

## 5. PUBLIC FINANCES

### 5.1 Tax and budgetary system

#### (a) Taxation system

##### (i) *Overview of the Issuer's tax powers*

Local authorities are not allowed to introduce new taxes to feed their budgets. However, since the adoption of Law No. 80-10 of 10 January 1980 on the development of direct local taxation, they have the freedom to vote on direct tax rates<sup>1</sup>. But the law provides a very strict framework for this freedom in order to avoid unequal treatment between taxpayers (households / companies) and an excessive growth of the tax burden.

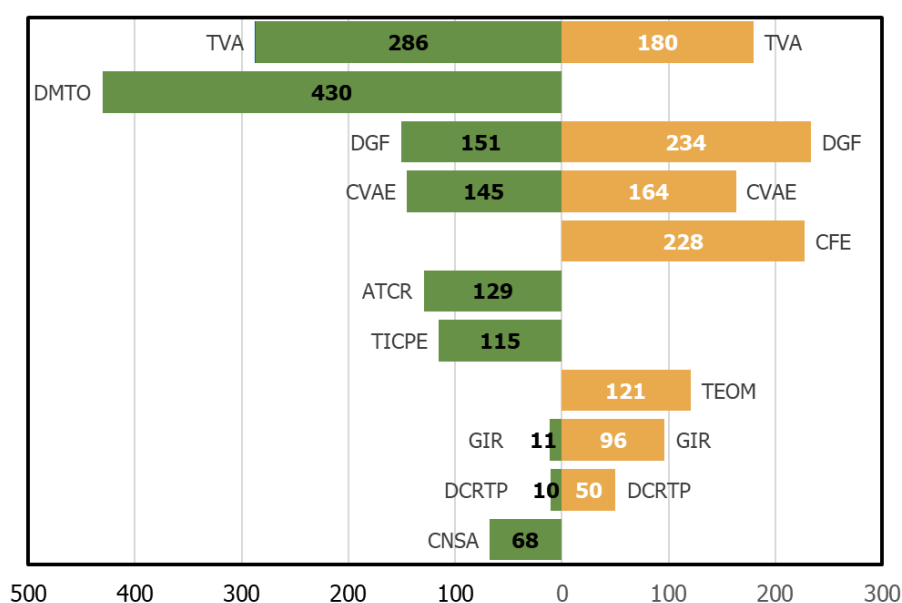
The status of metropolis and the related competences mean that the Métropole de Lyon collects both the revenues of economic and household taxation, but also the tax revenues specific to its competences.

#### Breakdown of the operating revenue of the main budget for 2022 in millions of euro (€ M)

The breakdown of the operating revenues of the Métropole de Lyon in its two departmental and inter-municipal parts makes it possible to contextualise the community of interest of the community with the departments, in the areas relating to the structure of their revenues.

Several successive reforms concerning the financing of local authorities have led to significant changes in the resource basket of the Métropole de Lyon since 2020. The value added tax (VAT), which has been substituted for several direct tax revenues, now represents the first revenue of the Métropole de Lyon, ahead of duties of transfers for valuable consideration (DMTO) and the global operating allowance (DGF).

The tax revenues for the year 2022 are shown in the chart below. The Métropole's "département" revenues appear on the left side of the chart, its "EPCI" revenues are shown on the right side.



<sup>1</sup> Housing tax on second homes, tax on built property, tax on non-built property, business property tax, household waste collection tax, transport contribution and GEMAPI tax.

Tax revenues account for 57% of Métropole de Lyon's operating revenue.

**Table of abbreviations**

Abbreviation	Meaning
ATCR	Regional/departmental compensation allowance ( <i>attribution de compensation régionale/départementale</i> )
CFE	Business real estate contribution ( <i>cotisation foncière des entreprises</i> )
CNSA	National solidarity fund for autonomy ( <i>caisse nationale de solidarité pour l'autonomie</i> )
CVAE	Companies' value added contribution ( <i>cotisation sur la valeur ajoutée des entreprises</i> )
DCRTP	Professional tax reform compensation endowment ( <i>dotation de compensation de la réforme de la taxe professionnelle</i> )
DEPT	Department ( <i>département</i> )
DGF	Global operating endowment ( <i>dotation globale de fonctionnement</i> )
DMTO	Duty on transfers for valuable consideration ( <i>droits de mutation à titre onéreux</i> )
EPCI	Inter-communal cooperation public establishment ( <i>établissement public de coopération intercommunale</i> )
GIR	Individual revenue guarantee ( <i>garantie individuelle de ressources</i> )
REVIMMEUBLES	Building income ( <i>revenus des immeubles</i> )
TEOM	Household waste collection tax ( <i>taxe d'enlèvement des ordures ménagères</i> )
TFPB	Property tax on built properties ( <i>taxe foncière sur les propriétés bâties</i> )
TH	Housing tax ( <i>taxe d'habitation</i> )
TICPE	Domestic energy products consumption tax ( <i>taxe intérieure de consommation sur les produits énergétiques</i> )
TSCA	Tax on insurance agreements ( <i>taxe sur les conventions d'assurance</i> )

"Household" taxation

It corresponds to:

- The housing tax on second homes (THRS): the housing tax contribution paid by individual owners, tenants or occupiers for free using an unused furnished dwelling for their principal residence, results from the proceeds of the housing tax bases as well as the rates adopted by the municipality and the EPCI of which it is a member. This is in addition to the management fee levied by the State. The tax base is calculated on the basis of the cadastral valuation of the premises in question (rental value resulting from the characteristics of each dwelling, the rebate policy defined by the municipality and the EPCI and the composition of the households). Its proceeds are intended solely for the municipal sector.

Residence tax on secondary residences

	2017	2018	2019	2020	2021	2022
Tax assessment base (M€)	68.9	68.3	85.5	84.1	103.9	98.6
<i>Change n/n-1</i>		- 0.8%	+ 25.1%	- 1.6 %	+ 23.6%	- 5.2 %
Number of items (u)	28,970	29,071	32,688	32,301	37,685	35,903
<i>Change n/n-1</i>		+ 0.3 %	+ 12.4 %	- 1.2 %	+ 16.7 %	- 4.7 %
Average tax assessment base (€)	2,378	2,350	2,615	2,604	2,758	2,746
<i>Change n/n-1</i>		- 1.2 %	+ 11.3 %	- 0.4 %	+ 5.9 %	- 0.4 %

The tax on built land: tax paid by the owners, usufructuaries, or trustees of a building. The tax base is equal to 50% of the cadastral rental value of the property constituting the basis of this tax. Its departmental part was transferred to the municipalities in 2021, in compensation for the loss of the housing tax on main residences. The Métropole de Lyon receives an inter-municipal part.

### Built property tax

	2017	2018	2019	2020	2021	2022
Tax assessment base (M€)	2,191.4	2,245.5	2,297.6	2,350.5	2,301.8	2,407.6
<i>Change n/n-1</i>		+ 2.5 %	+ 2.3 %	+ 2.3 %	- 2.1 %	+ 4.6 %
Rate (%)	11.58%	+ 11.58%	+ 11.58%	+ 11.58%	+ 0.55%	+ 0.55%
<i>Change n/n-1</i>		-	-	-	- 95.3 %	-
General rolls income (M€)	253.8	260.2	266.3	272.2	12.7	13.2
<i>Change n/n-1</i>		+ 2.5 %	+ 2.4 %	+ 2.2 %	- 95.3 %	+ 4.6 %

- The tax on undeveloped property is a marginal revenue in generally dense urban areas, the proceeds of the property tax on undeveloped properties (TFPNB) represent only €0.125M in 2022.

An additional tax to the TFPNB, only applicable to local authorities with a single professional tax system, represents a slightly more important revenue: €0.9237M in 2022. Local authorities benefiting from this additional tax do not have the authority to set the rate (it has been set at 17.03% since the tax was created in 2011).

- The household waste collection tax (TEOM): the public waste collection and treatment service is mainly financed by the household waste collection tax. This is an additional tax to the property tax on built properties. It covers all properties subject to property tax on built properties or which are temporarily exempt from it, as well as housing for civil and military officials or employees. The tax is based on the net income used as a basis for the property tax. Article 1379-0 bis VI of the French General Tax Code provides that metropolitan areas are substituted for municipalities for the application of the provisions relating to the household waste collection tax. In addition, Article L.5217-2 of the General Code of Local Authorities, created by the Law of 27 January 2014 on the modernisation of territorial public action and the affirmation of metropolitan areas, specifies that the Métropole de Lyon automatically exercises, in lieu of the member municipalities, the management of household and similar waste.

There have been three significant changes in TEOM rates:

- decrease in the average rate, from 6.10% in 2018 to 5.01% in 2019 (-18%);
- removal of the rate distinction for services with door-to-door collection provided six times per week;
- decrease in the average rate to 4.93% in 2021;
- in 2022, this single rate remains unchanged at 4.93%.

The Metropolitan Council's choices followed the guidelines proposed in the report of the fact-finding and evaluation mission on the household waste collection tax and its changes, which conducted its work throughout 2018.



### Household waste collection tax (TEOM)

	2017	2018	2019	2020	2021	2022
Tax assessment base (M€)	2,140.6	2,194.7	2,254.3	2,301.6	2,347.2	2,443.6
<i>Change n/n-1</i>		+ 2.5 %	+ 2.7 %	+ 2.1 %	+ 2.0 %	+ 4.1 %
Rate (%)	+ 6.09%	+ 6.10%	+ 5.01%	+ 5.01%	+ 4.93%	+ 4.93%
<i>Change n/n-1</i>		+ 0.1 %	- 17.8 %	-	- 1.6 %	-
General rolls income (M€)	130.4	133.8	112.9	115.3	115.8	120.5
<i>Change n/n-1</i>		+ 2.6 %	- 15.6 %	+ 2.1 %	+ 0.4 %	+ 4.1 %

### Household waste collection tax (TEOM)

	2017	2018	2019	2020	2021	2022
<b>Rate applied according to the type of door-to-door collection</b>						
6 collections/week "full service"	+ 6.79%	+ 6.79%	+ 5.35%	+ 5.35%	+ 4.93%	+ 4.93%
6 collections/week "normal service"	+ 6.32%	+ 6.32%	+ 5.35%	+ 5.35%	+ 4.93%	+ 4.93%
5 collections/week "normal service"	+ 5.05%	+ 5.05%	+ 4.43%	+ 4.43%	+ 4.93%	+ 4.93%
4 collections/week "normal service"	+ 5.05%	+ 5.05%	+ 4.43%	+ 4.43%	+ 4.93%	+ 4.93%
3 collections/week "normal service"	+ 5.05%	+ 5.05%	+ 4.43%	+ 4.43%	+ 4.93%	+ 4.93%
2.5 collections/week "normal service"	+ 4.12%	+ 4.12%	+ 3.71%	+ 3.71%	+ 4.93%	+ 4.93%
2 collections/week "normal service"	+ 4.12%	+ 4.12%	+ 3.71%	+ 3.71%	+ 4.93%	+ 4.93%
1.5 collection/week "normal service"	+ 2.97%	+ 2.97%	+ 2.97%	+ 2.97%	+ 4.93%	+ 4.93%
1 collection/week "normal service"	N/A	N/A	N/A	N/A	-	-
Average rate, all types of services	+ 6.09%	+ 6.10%	+ 5.01%	+ 5.01%	+ 4.93%	+ 4.93%

#### "Economic" taxation

This includes:

- The Territorial Economic Contribution (TEC) which is composed of:
  - o the business real estate contribution (CFE), the basis of which corresponds to that of the former property component of the business tax (TP), and the rate of which remains voted by local elected representatives within the framework of capping and linking rules. Its proceeds are intended for municipalities and groups with own tax systems;

### Business real estate contribution

	2017	2018	2019	2020	2021	2022
Tax assessment base (M€)	790.3	820.8	817.9	856.6	755.8	776.7
<i>Change n/n-1</i>		+ 3.9 %	- 0.4 %	+ 4.7 %	- 11.8 %	+ 2.8 %
Rate (%)	28.62%	28.62%	28.62%	28.62%	28.62%	28.62%
<i>Change n/n-1</i>		-	-	-	-	-
General rolls income (M€)	226.5	235.4	234.6	245.4	216.3	222.3
<i>Change n/n-1</i>		+ 3.9 %	- 0.3 %	+ 4.6 %	- 11.9 %	+ 2.8 %

- and a companies' value added contribution (CVAE), which is calculated at the uniform rate of 1.5% on the value added produced by companies exceeding €152,500 in turnover.

### Companies' value added contribution (CVAE)

	2017	2018	2019	2020	2021	2022
<b>Distribution of revenue between local authorities</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
... inter-communal share	26.5%	26.5%	26.5%	26.5%	53.0%	53.0%
... département share	23.5%	23.5%	23.5%	23.5%	47.0%	47.0%
... région share	50.0%	50.0%	50.0%	50.0%	-	-
<b>Territorial revenue allocation (M€)</b>	<b>558.7</b>	<b>558.2</b>	<b>592.1</b>	<b>638.4</b>	<b>309.0</b>	<b>308.4</b>
<i>Change n/n-1</i>		- 0.1 %	+ 6.1 %	+ 7.8 %	- 51.6 %	- 0.2 %
... inter-communal share	148.1	147.9	156.9	169.2	163.8	163.4
... département share	131.3	131.2	139.1	150.0	145.2	144.9
... région share	279.4	279.1	296.1	319.2	-	-
<b>Métropole de Lyon revenue allocation (M€)</b>	<b>279.4</b>	<b>279.1</b>	<b>296.1</b>	<b>319.2</b>	<b>309.0</b>	<b>308.4</b>
<i>Change n/n-1</i>		- 0.1%	+ 6.1%	+ 7.8%	- 3.2%	- 0.2%

The sum of the two components "CFE+CVAE" is capped at 2% of the value added produced by the company. Article 1379-0 bis of the French General Tax Code provides that metropolitan areas collect the property tax from companies, therefore, it is up to the Metropolitan Council to approve the CFE rate before 15 April of each year.

- The various components of the flat-rate tax on network companies (IFER) are calculated according to a scale defined at the national level.

#### Flat-rate taxation on network companies

	2017	2018	2019	2020	2021	2022
Income (M€)	7.9	8.2	8.6	8.8	9.4	9.9
... inter-communal share	6.0	6.2	6.4	6.6	7.2	7.3
... département share	2.0	2.0	2.2	2.2	2.4	2.6
<i>Change n/n-1</i>		+ 3.7%	+ 4.3%	+ 3.0%	+ 6.2%	+ 5.0%

- The tax on commercial premises (TASCOM): it is payable by all retail shops whose annual turnover is greater than or equal to 460,000 euros and exceeding 400 m<sup>2</sup> of sales area or belonging to a network with a total surface area of more than 4,000 m<sup>2</sup>.

#### Tax on commercial premises

	2017	2018	2019	2020	2021	2022
Income (M€)	19.2	15.7	16.2	14.9	15.6	15.1
<i>Change n/n-1</i>		- 18.3 %	+ 2.9 %	- 8.1 %	+ 4.7 %	- 2.8 %
Rate Multiplier:	1.10	1.10	1.10	1.10	1.10	1.10

#### Other taxes

- Duties on transfers for valuable consideration (DMTO): on the occasion of the purchase of a dwelling (house or apartment), taxes calculated on the basis of the sale price are to be paid. They include two taxes:
  - the departmental land registration tax and departmental registration fees;
  - the municipal tax additional to the land registration tax and registration fees;

Over the last year, the evolution of the proceeds of the DMTO is attributable in full to the volume effect, because we note that the prices begin to decrease.

#### Duty on transfers for valuable consideration

	2017	2018	2019	2020	2021	2022
Income (M€)	308.3	350.1	370.6	381.2	422.6	435.4
<i>Change n/n-1</i>		+ 13.5 %	+ 5.9 %	+ 2.9 %	+ 10.9 %	+ 3.0 %

- The development tax (TA): its triggering event is the issuance of an urban planning authorisation, usually a building permit. Individuals and professionals are subject to this tax. The development tax is composed of an inter-municipal part and a departmental part:
  - The inter-municipal part is allocated to the financing of the projects of the Métropole de Lyon, after repayment of a fraction of its amount (1/8<sup>th</sup> currently) to the municipalities of the metropolitan area.
  - The departmental part is allocated on the one hand to the financing of the policy of protection of sensitive natural areas and, on the other hand, to the financing of the expenses of the Council of Architecture, Urbanism and the Local Environment.

#### Development tax

	2017	2018	2019	2020	2021	2022
"Departmental" part (TDCAUE, TDENS, TA, in € M)	15.5	9.0	1.6	0.1	0.1	16.7
"Municipal" part (TLE, TA in € M)	18.1	27.8	35.6	28.7	30.5	20.8
Overall	33.6	36.7	37.2	28.8	30.6	37.4
<i>Change n/n-1</i>		+ 9.3 %	+ 1.2 %	- 22.5 %	+ 6.3 %	+ 22.3 %

The specificities of the Métropole de Lyon have led to difficulties in allocating both parts between 2018 and 2021. In 2022, duties for transfers for valuable consideration are still dynamic and amount to €435.4M, the highest level since the creation of the Métropole.

- The local tax on final electricity consumption applies to electricity delivered by a supplier and consumed at a delivery point located within the territory of the Métropole de Lyon.

The following may be liable for tax:

- electricity suppliers: persons who produce or purchase electricity with a view to reselling it to an end user;
- people who produce electricity that they use for the purposes of their economic activity.

The base consists only of the volumes of electricity delivered by a supplier to an end user or produced by a person using it for the purposes of his professional activity.

A legal amendment to the tax repayment rules led to an exceptional increase in the amount for 2022.

#### Departmental tax on final electricity consumption

	2017	2018	2019	2020	2021	2022
Income (M€)	13.5	11.9	11.7	10.1	10.2	20.2
<i>Change n/n-1</i>		- 11.5 %	- 1.9 %	- 13.7 %	+ 0.6 %	+ 98.1 %

- The tourist tax is paid by people staying in tourist establishments and guest rooms. Given its dual nature, the Métropole de Lyon collects the tourist tax (resource of the local

authorities of the municipal block) and the additional tax to the tourist tax (resources of the departments).

The tourist tax is used to finance expenses related to tourist visits or the protection of their tourist natural areas for tourism purposes.

#### Tourist tax

	2017	2018	2019	2020	2021	2022
Proceeds (including additional tax, € M)	6.8	8.6	10.0	8.8	6.6	12.0
<i>Change n/n-1</i>		+ 26.4 %	+ 17.0 %	- 12.1 %	- 24.9 %	+ 81.2 %

#### (ii) Taxation forecasts for the Issuer

The main tax revenues (in millions of €)	2022 Single Financial Account	2024 Primary Budget	Change
<b>Household taxation</b>	<b>102,272,549</b>	<b>119,772,791</b>	<b>17.11%</b>
TFPB – Property tax on built properties	8,742,844	9,726,072	11.25%
THRS - Housing tax on secondary residences	7,953,876	9,972,219	25.38%
TEOM - household waste collection tax	85,575,829	100,074,500	16.94%
<b>Company taxation</b>	<b>575,783,463</b>	<b>292,859,766</b>	<b>-49.14%</b>
CVAE - companies' value added contribution	308,507,200	0	-100.00%
CFE - business real estate contribution	227,818,867	246,973,866	8.41%
TFPB – Property tax on built properties	4,503,889	5,010,400	11.25%
TEOM - household waste collection tax	34,953,507	40,875,500	16.94%
<b>Other tax revenues</b>	<b>1,133,012,844</b>	<b>1,416,992,373</b>	<b>25.06%</b>
VAT – Portion of the national value added tax	466,463,042	849,742,246	82.17%
DMTO - duty on transfers for valuable consideration	430,299,675	331,000,000	-23.08%
ATCR - regional compensation allowance in respect of transferred CVAE	128,655,403	128,655,403	0.00%
GIR - national individual revenue guarantee fund	107,594,724	107,594,724	0.00%
<b>State grants</b>	<b>488,758,191</b>	<b>490,476,794</b>	<b>0.35%</b>
DGF - global operating allowance	384,491,076	379,085,636	-1.41%
DCRTP - business tax reform compensation allocation	59,910,271	58,800,000	-1.85%
Tax compensatory allowances	44,356,844	52,591,158	18.56%

#### (iii) Tax transfers

Each year, the State transfers certain national tax revenue to the Local Authorities to compensate (sometimes in part) for expenditure transferred to them. It also transfers certain revenue towards local authorities which do not enjoy the same level of revenue since the substitution of the professional tax. Lastly, since 2021, the State has chosen to transfer the national value added tax (VAT) to the Local Authorities instead of abolished local tax revenues.

Thus the EPCIs collect VAT instead of the housing tax on main residences, and the Departments collect VAT instead of the property tax on built properties. The Métropole de Lyon is concerned by these two transfers.

#### Value Added Tax

	2020	2021	2022
Total TVA (M€)	N/A	425.7	466.5
<i>Change n/n-1</i>	<i>N/A</i>	<i>N/A</i>	+ 9.6 %
... of which VAT substituted for THRP collected as EPCI	<i>N/A</i>	164.3	180.0
... of which VAT substituted for TFPB collected as Department	<i>N/A</i>	261.4	286.5

Within the Lyon inter-municipal area, significant financial flows exist between the municipalities and the Métropole de Lyon, first and foremost the compensation allocations to ensure the neutrality of the tax specialisation since it began to apply in 2003.

- The individual revenue guarantee (Garantie Individuelle de Ressources, GIR): following the abolition of the professional tax in 2010, some local authorities have not regained their previous level of revenue with the new tax revenues awarded to them. They receive an allocation of the national individual revenue guarantee fund (*Fonds National des Garanties Individuelles de Ressources, FNGIR*), a transfer of tax from the “winner” local authorities to “loser” local authorities.

In principle, the reform is "zero-sum":

- the "collecting" local authorities are subject to a levy on their tax resources (they contribute to the national individual revenue guarantee fund) and the losing communities benefit from a repayment of this fund;
- because the levies do not cover the expected repayments of the "losing" local authorities, a supplement is paid to them in the form of financial assistance from the State: the business tax reform compensation allocation (see point 1.2.3 below).

The Métropole de Lyon is one of the “losing” local authorities and benefits from an individual revenue guarantee payment of 107.6 M€, in respect of the former communauté urbaine and the former Département.

#### Individual revenue guarantee

	2017	2018	2019	2020	2021	2022
Intercommunal share	96.2	96.1	96.2	96.2	96.2	96.2
Département share	11.4	11.4	11.4	11.4	11.4	11.4
FNGIR, together	107.6	107.5	107.6	107.6	107.6	107.6
<i>Change n/n-1</i>		- 0.1 %	+ 0.1 %	-	-	-

- The compensation allocations constitute the main part of the tax repayments from the Métropole de Lyon to the municipalities of the territory. They have a dual purpose:
  - ensure the financial neutrality of the tax specialisation (the application of the single professional taxation), both for the municipalities and for the Métropole de Lyon;
  - ensure the financial neutrality of the transfer of powers, for the municipalities and for the Métropole de Lyon.

### Compensation allocations

	in millions of euros					
	2017	2018	2019	2020	2021	2022
Compensation allowances paid (Métropole □ Communes)	213.7	213.0	213.0	213.0	213.0	213.0
Compensation allowances received (Communes □ Métropole)				10.7	10.8	10.8
						10.8

- The compensation allowance of the CVAE: the transfer of 25 CVAE points from the Départements to the Régions reduced the fiscal revenues received by the Métropole de Lyon.

In 2022, the Auvergne-Rhône-Alpes region paid the Métropole de Lyon €129.8 million corresponding to the 25 CVAE points transferred from the Métropole de Lyon to the Auvergne-Rhône-Alpes region, in 2016 value.

- The repayment of the levy for social housing deficit: some municipalities are subject to a levy for social housing deficit, provided for by the French Construction and Housing Code. Having authority to make land reserves for the construction of social housing and with a local housing program, the Métropole de Lyon is allocated this levy. The amount collected in 2022 amounts to €2.2M.

The special tax on insurance agreements (TSCA): it is intended to finance the transfer of powers to the departments provided for by the law on local freedoms and responsibilities of 13 August 2004.

### Special tax on insurance agreements

	2017	2018	2019	2020	2021	2022
TSCA “article 52” (miscellaneous powers)	39.1	41.0	39.5	36.6	42.0	48.6
TSCA “article 53” (SDIS/SDMIS)	22.8	23.7	22.9	21.3	24.2	28.3
TSCA, together	61.9	64.7	62.4	57.8	66.2	76.9
<i>Change n/n-1</i>		+ 4.6 %	- 3.6 %	- 7.3 %	+ 14.5 %	+ 16.1 %

- The domestic energy products consumption tax (Taxe Intérieure de Consommation sur les Produits Energétiques, TICPE): The départements receive two portions of revenue from the domestic petroleum products consumption tax (Taxe Intérieure de Consommation sur les Produits Pétroliers, which is now the TICPE).

- The first component, introduced by the 2004 finance law, is intended to compensate for the decentralisation of the RMI/RMA as from 1<sup>st</sup> January 2004. This represents M€104.7 for the Métropole de Lyon.
- Due to the increase in the compensation rights owed to the *départements*, a second portion was transferred as from 2008, allocating, for all *départements*, a fraction of the tariff for this tax to the volumes of fuels sold each year throughout the national territory.

This represented a revenue of 10.5 M€ for the Métropole de Lyon in 2022.

#### Domestic tax on consumption of energy products

	2017	2018	2019	2020	2021	2022
TICPE “article 59” (RMI/RSA)	104.7	104.7	104.7	104.7	104.7	104.7
TICPE “article 52” (miscellaneous powers)	9.4	9.2	9.2	6.9	8.8	10.5
TICPE, together	114.0	113.9	113.9	111.5	113.4	115.1
<i>Change n/n-1</i>		- 0.1 %	- 0.0 %	- 2.0 %	+ 1.7 %	+ 1.5 %

#### (iv) *Allocations, compensation allocations and equalisations of the Issuer*

##### State financial support:

Financial transfers from the State to local authorities represented 135 Bn€ in 2022, included among which were the operating endowments and tax compensation. However, this envelope has sharply decreased since 2014, because it is the vector which the State uses to increase the contribution of local authorities towards restoring the public finances.

- Global operating endowment (Dotation Globale de Fonctionnement, DGF):

The global operating endowment is the main financial contribution paid by the State to local authorities. Its amount and allocation criteria are determined each year under the finance law.

Due to its particular status, the Métropole de Lyon receives endowments specific to EPCI and départements.

From 2014 to 2017, the DGF was the primary vector for contribution by local authorities towards the restoration of the public finances.

#### Overall DGF

	2017	2018	2019	2020	2021	2022
<b>Intercommunal share</b>	<b>249.4</b>	<b>246.8</b>	<b>244.0</b>	<b>241.5</b>	<b>237.8</b>	<b>233.8</b>
... of which intercommunality endowment	30.4	31.7	33.7	35.0	35.4	35.7
... of which compensation endowment	219.0	215.1	210.3	206.5	202.5	198.1
<b>Département share</b>	<b>150.3</b>	<b>151.0</b>	<b>151.2</b>	<b>150.7</b>	<b>150.7</b>	<b>150.7</b>
... of which compensation endowment	40.2	40.2	40.2	40.2	40.2	40.2



... of which lump sum endowment	88.8	88.8	88.8	88.3	88.2	87.9
... of which urban equalisation endowment	21.3	22.0	22.2	22.3	22.4	22.6
<b>Overall</b>	<b>399.7</b>	<b>397.8</b>	<b>395.2</b>	<b>392.2</b>	<b>388.5</b>	<b>384.5</b>

Generally, the components of the DGF are determined by reference to the population of the recipient local authority. One of the particular features of the Métropole de Lyon relates to the existence of two “DGF populations”, one intercommunal and the other *département* based.

- Professional tax reform compensation endowment (Dotation de Compensation de la Réforme de la Taxe Professionnelle, DCRTP)

Local authorities which previously benefited from the professional tax have, since 2011, received substitute revenues. When the amounts of housing tax (previously departmental), CET (CFE and CVAE, new professional taxation), and other smaller revenues, have not made it possible to be financed at previous levels, the local authorities collect a DCRTP, financial assistance from the State.

After a few years of stability, the two parts of the DCRTP allocated to the Métropole de Lyon were cut in 2017, 2019 and 2020 to finance other national equalisation envelopes.

#### Professional tax reform compensation endowment

	2017	2018	2019	2020	2021	2022
Total DCRTP (M€)	58.9	58.9	57.7	57.3	59.9	59.9
<i>Change n/n-1</i>		- 0.0 %	- 2.1 %	- 0.6 %	+ 4.5 %	-
... of which intercommunal share (M€)	50.4	50.4	49.8	49.4	49.4	49.4
<i>Change n/n-1</i>		-	- 1.2 %	- 0.7 %	-	-
... of which département share (M€)	8.5	8.5	7.9	7.9	10.5	10.5
<i>Change n/n-1</i>		- 0.3 %	- 7.2 %	-	+ 32.5 %	-

- Tax compensation:

Tax compensation also includes compensatory allowances paid by the State to compensate for exemptions it has itself decided on relating to the revenues of local authorities. In 2022, it includes:

- CFE's compensatory allowance, for an amount of €43.6M, which includes exemptions for starting up establishments, exemptions for micro-enterprises with a turnover of less than €5,000 and the 50% reduction on the basis of industrial premises,
- the allocation for transfers of compensation for local direct tax exemptions, which concerns only the departmental part of the Métropole de Lyon, and represents €2.1M. It is also in constant decline.

## Local tax compensatory allowances

	2017	2018	2019	2020	2021	2022
Professional taxation (CFE and CVAE)	0.1	0.2	4.9	5.6	41.1	43.6
Property taxes	1.5	1.3	1.4	1.5	0.6	0.6
Residence tax (TH)	6.1	6.4	6.8	7.1	0.0	0.0
Additional tax DMTO	0.0	0.0	0.0	0.4	0.2	0.2
Allocation for transfers of compensation for local direct tax exemptions (DTCE-FDL)	3.3	3.3	3.0	2.5	2.1	2.1
Single Allowance for Specific Compensation TP (DUCSTP)	1.2	0.0	0.0	0.0	0.0	0.0

### Equalisation resources:

Equalisation is a redistribution mechanism which aims to reduce regional wealth inequality. It may be horizontal, in other words between local authorities of the same level, or vertical, in other words emanating from the State and directed towards local authorities. The Métropole de Lyon is for the most part a contributor to these mechanisms insofar as horizontal equalisation is concerned, whether at the level of the communes, at the level of the départements or in relation to a specific mechanism for the territory of the former Département du Rhône.

Since the Métropole de Lyon is a grouping formed by an EPCI and a *département*, a twin equalisation mechanism applies:

### **Equalisation specific to the local authorities of the communal bloc**

- The national inter-communal and communal revenue equalisation fund (*Fonds national de Péréquation des ressources Intercommunales et Communales*, FPIC): article 144 of the 2012 finances law introduced a horizontal equalisation mechanism for the commune sector. This intercommunal and communal revenue equalisation fund involves deducting part of the revenue of certain intercommunalities and communes and transferring them to less fortunate intercommunalities and communes. Depending on synthetic index calculations, an intercommunal bloc may be a contributor, recipient or both.

The FPIC is financed by a levy on the tax revenues of communal bloc entities which have an aggregate financial potential per inhabitant of greater than 90% of the average aggregate financial potential per inhabitant. For the purpose of distribution, the fund is shared between 60% of the intercommunal blocs the most in need, classified in decreasing order by an index of synthetic revenue and expenditure constituted by the fiscal potential, average revenue and fiscal burden.

### FPIC

	2017	2018	2019	2020	2021	2022
<b>National envelope (M€)</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>
<i>change n/n-1 (%)</i>		-	-	-	-	-
<b>Overall lyonnais intercommunal contribution (M€)</b>	<b>35.4</b>	<b>34.5</b>	<b>33.9</b>	<b>33.6</b>	<b>33.9</b>	<b>32.7</b>

<i>change n/n-1 (%)</i>		- 2.5 %	- 1.9 %	- 0.9 %	+ 0.9 %	- 3.3 %
<b>Métropole de Lyon contribution (M€)</b>	<b>20.6</b>	<b>20.2</b>	<b>19.8</b>	<b>19.6</b>	<b>19.6</b>	<b>16.9</b>
... of which base contribution	18.3	18.0	17.6	17.5	17.4	14.5
... of which assumption of certain communes' contributions	2.3	2.2	2.1	2.1	2.2	2.4
<i>change n/n-1 in the Métropole's contribution (%)</i>		- 2.0 %	- 1.8 %	- 1.1 %	+ 0.2 %	- 13.9 %

The community solidarity endowment (Dotation de Solidarité Communautaire) is a budget envelope introduced and voted by the Community Council and renewed by the Metropolitan Council for the benefit of the communes within its territory. Having been frozen from 2014 to 2018, the Metropolitan Council voted for an increase in the 2019 envelope, bringing it to 27 M€.

In 2022, following its total overhaul, it has 6 portions:

- Two portions relating to the municipal wealth and representing 50% of the total envelope, in accordance with the law
- Four portions taking into account the number of RSA beneficiaries, the number of accommodation places for adults in difficulty, the communal area classified as protection of peri-urban natural and agricultural areas, and economic development.

This redefinition of the criteria is accompanied by a guarantee for the losing municipalities, which increases the amount of the total envelope to €31.2M in 2022.

#### Community solidarity endowment

	2017	2018	2019	2020	2021	2022
Community solidarity endowment (M€)	20.5	20.5	27.0	27.0	27.0	31.2
<i>Change n/n-1</i>		-	+ 31.9 %	-	-	+ 15.6 %

#### Equalisation specific to the departments

Table summarising the various equalized compensation schemes:

#### Department equalisation mechanisms

	2017	2018	2019	2020	2021	2022
<b>Métropole as contributor</b>						
Overall (M€)	110.6	114.5	123.9	133.1	138.3	128.6
... of which metropolitan compensation endowment (M€)	72.3	72.3	72.3	72.3	72.3	72.3
... of which DMTO equalisation fund (M€)	27.4	30.7	35.0	58.1	60.2	53.5
... of which Département solidarity fund (M€)	5.5	6.3	7.0	0.0 *	0.0 *	0.0 *
... of which inter-département support fund (M€)	N/A	N/A	6.9	0.0 *	0.0 *	0.0 *

... of which CVAE equalisation fund (M€)	5.3	5.2	2.6	2.7	5.8	2.7
<b>Métropole as beneficiary</b>						
Overall (M€)	15.1	23.2	16.0	16.0	16.1	31.6
... of which compensation equalisation mechanism (M€)	15.1	15.3	16.0	16.0	16.1	17.7
... of which Département solidarity fund (M€)	0.0	8.0	0.0	0.0	0.0	13.9

(\*) fund abolished as from 2020

(v) *The Issuer's tax potential*

Indicator of wealth of the local authority, the EPCI tax potential of the Métropole of Lyon is calculated by adding the proceeds determined by the application to the tax bases of housing tax, property tax on developed and undeveloped properties and business real estate contribution of the national average tax rate to each of these taxes; the sum of the proceeds received as the companies' value added contribution (for the inter-municipal part of the contribution), the additional tax to the property tax on undeveloped properties and flat-rate taxes on network companies as well as TASCOM; the portion of VAT collected in compensation for the abolition of the housing tax (inter-municipal share); the "industrial premises" compensation of the TFPB and the "industrial premises" compensation of the CFE; the sum of the positive amounts resulting from the business tax reform compensation allocation (inter-municipal share) and the national individual revenue guarantee fund received by the Métropole de Lyon the previous year, the amount received the previous year as compensation allocation for the abolition of the salary share included in the compensation allocation (inter-municipal share) of the DGF.

The aggregated tax potential of the inter-municipal area corresponds to the aggregation of the municipal tax wealth and of the Métropole de Lyon in the territory of the "inter-municipal area". It is obtained by summing the tax potential of the member municipalities, except that the national average rates applied differ somewhat. In order to smooth the impact of the reform of financial indicators, a correction fraction of 90% is taken into account for the year 2022.

The aggregated financial potential (AIFP) is the sum of the wealth of main local authorities and their inter-municipalities that makes it possible to compare territories regardless of their institutional organisation and therefore to neutralise the tax choices of inter-municipalities and to compare EPCI of different categories. It is equal to the aggregated tax potential, to which is added the lump sum allocation of the overall operating allowance from the State, received by the municipalities of the inter-municipal group the previous year (excluding compensation for "salary share", compensation for reductions in the business tax reform compensation allocation and consolidation allocation).

The departmental tax potential of Métropole de Lyon includes the net VAT income of the department, the correction fraction, the IFER income of the department, the CVAE income received by the department, the remainder of the State share of the special tax on insurance agreements received by the department, the average of 5 years of the gross income received under the DMTO, the amount of the lump sum allocation corresponding to the former compensation of the salary share, the sum of the positive amounts resulting from the business tax reform compensation allocation (inter-municipal share) and the national individual revenue guarantee fund received by the Métropole de Lyon the previous year

The aggregated financial potential for the financial year 2023 of the Métropole de Lyon, calculated on the basis of 2022, results from the notification of the FPIC 2023.

	2023
<b>PFIA</b>	2,189,264,713 euros
<b>PFIA per capita</b>	752.16 euros

Source: Notification by the Rhône prefecture, 2023

(vi) **Other income received by Métropole de Lyon:**

– Sewage treatment fee

The law provides that a sewage treatment fee is payable in respect of any public sewage treatment service: all consumers must help to protect water resources through a financial contribution.

From the user's point of view, the contribution is equal to the volume of water consumed multiplied by the tariff per-cubic-metre of water voted each year by the Metropolitan Council. It is clearly identified in the water bill. From the local authority's point of view, the proceeds of the fee contribute towards financing the works designed for the collection, transportation and treatment of sewage to enable it to be released into the natural environment without polluting.

The sewage treatment fee is collected through the water bill in proportion to consumption. It is allocated exclusively to the sanitization ancillary budget. It reached €73.8M in 2022.

Sewage treatment fee

	2017	2018	2019	2020	2021	2022
Income (M€)	70.8	97.6	75.9	76.9	75.9	73.8
Change n/n-1		+ 37.9 %	- 22.3 %	+ 1.3 %	- 1.3 %	- 2.7 %

– Social sector revenue

To finance social expenditure as part of departmental powers, the Métropole de Lyon receives various types of revenue:

- in respect of the personal autonomy allowance (APA), the Métropole de Lyon receives a revenue from the Caisse Nationale de Solidarité pour l'Autonomie (CNSA), in an amount of 45.6 M€ in 2022;
- in respect of the personal disability allowance (MDMPH), the Métropole de Lyon receives a revenue from the Caisse Nationale de Solidarité pour l'Autonomie (CNSA), in an amount of 2.2 M€ in 2022;
- in respect of active solidarity income (RSA), in addition to the TICPE, which is a tax revenue transferred by the State to the Métropole de Lyon, the Métropole de Lyon receives a revenue from the departmental mobilisation fund for integration (**FMDI**) in an amount of 11.7 M€ in 2022;
- in respect of the disability compensation scheme (**PCH**), the Métropole de Lyon receives a revenue from the CNSA in an amount of €19.9 M in 2022.

## Social sector revenue

	2017	2018	2019	2020	2021	2022
CNSA APA (M€)	34.2	35.6	36.3	39.9	44.0	45.6
CNSA MDMPH (M€)	1.3	1.3	1.5	1.4	1.5	2.2
CNSA PCH (M€)	10.4	13.3	14.3	14.2	13.0	19.9
FMDI (M€)	12.2	11.3	11.5	10.7	12.1	11.7

### – Other tax revenues

The Métropole de Lyon receives other revenues in very differing amounts. One of the largest are the proceeds from toll roads (péages) on the north section of the ring-road (BPNL), which is formed by a tunnel for most of its length.

#### Tolls on BPNL

	2017	2018	2019	2020	2021	2022
BPNL toll roads (M€)	31.7	36.9	44.9	32.3	33.6	45.3
<i>Change n/n-1</i>		+ 16.3 %	+ 21.6 %	- 28.1 %	+ 4.2 %	+ 34.8 %

## (b) Budgetary system

### (i) *Reminder of the main public finance budgetary principles*

The CGCT, together with the accounting classifications applicable to local authorities, set forth the budgetary and accounting principles. These principles are as follows:

- the annuality principle, which requires that the budget is set for a period of 12 months running from 1st January to 31st December and that each local authority adopts its budget for the following year prior to 1st January. The law permits a grace period up to 15th April of the year to which the budget applies, or in local assembly election years, 30th April. However, order n° 2005-1027 of 26 August 2005 on the simplification and adaptation of budgetary and accounting rules applicable to local authorities greatly relaxes this principle by extending multi-year mechanisms;
- the balanced budget principle, which means that, based on a fair assessment of revenue and expenditure, revenue must be equal to expenditure, in both the operating<sup>2</sup> and capital sections;
- the principle of unity, which requires that all revenue and expenditure items appear in a single budgetary document, the community's general budget. However, other budgets, so-called "ancillary" budgets, may supplement the general budget to record the activities of some services; and
- the universality principle, which implies that all revenue and expenditure operations shall be specified in full and without modification in the budget.

<sup>2</sup> Ordinary operations (general expenditure, staff costs and similar expenses and other ordinary management expenditure).

This is in addition to the requirement of truth and accuracy of budgetary documents under which expenditure is financed by revenue without distinction.

The principles under which local authority budgets have been prepared are subject to control by the Prefect, in collaboration with the regional audit office (*Chambre Régionale des Comptes or CRC*).

**(ii) *Budgetary and accounting instructions***

The budgetary and accounting instructions applicable to local authorities differ depending on the relevant local authority. The Métropole de Lyon follows budgetary instruction M57. They have all recently been reformed to bring them into line with the general chart of accounts (*plan comptable général*) of 1982 by applying some of the main principles applicable to companies generally. It is an accrual basis double-entry<sup>3</sup> accounting system kept by a Trésor accountant.

**(iii) *Local authority budgetary framework***

Local authorities have, as legal entities, their own assets and budget. To implement its multiple powers, each local authority is legally recognised with financial autonomy.

This financial autonomy is reflected by the annual voting of its primary budgets which specify and authorise revenue and expenditure. Recorded transactions are then entered in the administrative accounts (AA) or the single financial accounts (CFU) voted by the local authority. Budgets are prepared by the authority's executive branch.

The budget is a document that specifies and authorises revenue and expenditure. The budgets of all local authorities are structured in two sections: the operating section and the capital section.

The operating section includes:

- all expenditure necessary for the operation of the authority; and
- all revenue receivable by the authority, from expenditure transfers, provision of services, Government endowments, taxes and duties, and, if any, reversals of amortisation expense and provisions that the authority has been able to make.

The capital section includes:

- in expenditure: repayment of debt and the authority's equipment expenditure; and
- in revenue: borrowings, State endowments and public subsidies.

During the course of the year, supplemental budgets (SB) or amending decisions (DM) may be necessary to adjust expenditure and revenue to the reality of their execution. The form of the supplemental budget reflects the structure of the primary budget (PB) which includes two sections. Credits are presented by section or article.

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<sup>3</sup> Correspondence between uses and sources of funds.

(iv) **Local financing rules**

The CGCT imposes financial constraints on local authorities and EPCI by prohibiting them from borrowing to repay principal on debt.

This restriction, set forth in article L 1612-4 of the CGCT, provides as follows: "*The budget of the local authority is in true balance when the operating and investment sections voted are in balance, revenue and expenditure having been assessed truthfully, and when the transfer of revenue from the operating section to the capital section, added to the revenue specific to this section, and excluding revenue from borrowings and allocations to amortisation expense and provisions, provides sufficient funds to cover the repayment of annual loan principal instalments falling due during the year*".

## 5.2 Partnership contracts

Partnership contracts are a significant source of revenue for the Métropole de Lyon. Entered into between Europe, the State, the Region and the Métropole, they are used to finance joint, principally investment, projects.

(a) **Revenue at national level**

National level revenues include the State-Region planning contract (**CPER**), the DSIL and the Departmental investment support allocation (**DSID**), the water agency financial support, subsidies of the national urban renovation agency (**ANRU**) and also those available under the State's Recovery Plan. The Métropole de Lyon regularly participates in the various schemes introduced by the State to stimulate the territory based on three pillars: ecological transition, competitiveness and territories cohesion.

(i) **CPER**

The CPER is a contract under which the State, the Région Auvergne Rhône Alpes and the Métropole commit to the programming and financing of multi-year investment projects to strengthen planning and development policy for the benefit of regional equality.

The territorial component and the higher education research and innovation component (ESRI) of the 2021-2027 CPER were approved by the Metropolitan Council on 27 March 2023.

To meet the challenges of the metropolitan area, priority projects are identified by the State, the Auvergne Rhône Alpes region and the Métropole, which ensures project management. The entire planning contract covers an amount of €678.63M, including the ESRI component.

The State has committed an amount of €277.43 M, the Région Auvergne Rhône Alpes an amount of €228.98 M and the Métropole's contribution totals €172.22 M.

This CPER will be supplemented later by infrastructure projects, in particular rail and road, at the end of the formalisation of the mobility component.

For the record, under the CPER 2015-2020, the State has committed an amount of 254.73 M€, the Région Auvergne Rhône Alpes an amount of 283.70 M€ and the Métropole's contribution totalled 310.79 M€.



The rate of completion of this contract is high (> 80%).

(ii) **Investment support endowments**

(A) The local public investment support endowment

In 2022, the amount drawn was €7,119,881 compared to €662,094 in 2021.

YEARS	Total amount of the subsidy granted
DSIL 2016	€1,894,505
DSIL 2017	€10,210,000
DSIL 2018	€1,999,567
DSIL 2019	€2,999,966
DSIL 2020	€3,287,916
DSIL 2021	€5,037,264
DSIL 2022	€4,704,353
DSIL 2023	€ 177,840
<b>TOTAL</b>	<b>€30,311,411</b>

(B) The departmental investment support endowment

In a circular dated 11 March 2019, the Government wished to modernise the investment support offered by the State to departmental councils, by transforming the former general equipment endowment (DGE) into an investment support endowment for the *départements* (DSID). The year 2019 was the first year of implementation of the DSID (the Métropole de Lyon received no DGE payments in 2018).

As such, the Métropole was awarded a grant of €369,004 for the year 2023, €366,153 for the year 2022, €1,072,450 in 2021, €366,000 in 2020 and €133,465 in 2019.

(iii) **Other grants**

The Métropole is also seeking financial assistance from the Water Agency, the National Housing Agency, as well as the ANRU.

In 2022 this financial support represent €16.41M in terms of revenue received, of which €13.56M in social housing assistance (aides à la pierre), and €2.85M from the Water Agency.

In March 2022, an agglomeration contract was concluded between the Métropole and the Water Agency for a period of 3 years (2022-2025).

The challenges of this contract relate to the preservation and improvement of the quality of aquatic environments to reduce sources of pollution and restore these environments. It also concerns the control of water withdrawals from natural resources, the preservation and/or restoration the quality of raw water from catchments.

With regard to the actions carried out by the Métropole, they amounted to €65M over the contract period in 2022. The Water Agency provided a subsidy of €16.9M in 2022.

In 2022, the "Urban logistics in dense neighbourhoods" project of the ZAC Gratte-Ciel won the "Demonstrator of the sustainable city" call for projects under the France 2030 programme.

The objective is to implement an innovative site model to limit the nuisances and impacts of the many sites under construction of the ZAC.

**(b) European revenues**

European aid to the Métropole consists of:

- European funding from the European Commission's direct access programmes; and
- European Structural Investment Funds distributed between the European Social Fund (**ESF**) and the European Regional Development Fund (**ERDF**) from the cohesion policy led mainly by the State and the Auvergne Rhône Alpes region.

The year 2022 was still part of a transition between 2 European programmes with, on the one hand, the closure of the 2014-2020 programming and, on the other hand, the implementation of the new 2021-2027 programming with a significant delay in the adoption of the cohesion policy programmes adopted only at the end of 2022. The appropriations mobilised within the framework of the European recovery mechanism REACT EU made it possible to ensure, in part, the transition between these two periods.

**(i) *The European Support Fund (ESF)***

As part of its integration competence, the Métropole manages an envelope of ESF appropriations delegated by the State within the framework of a multiannual global grant agreement.

Closing of the global grant 2017-2021 (€27M):

The expenditure claims in March and November 2022 made it possible to request the ESF advance payments of €4.7M for the projects co-financed in the territory.

ESF appropriations from the European recovery plan REACT EU:

Allocation to the Métropole de Lyon of €3M of ESF as part of the European recovery plan and the deployment of REACT-EU appropriations. These appropriations finance 2 internal projects of the Métropole de Lyon (Information and Guidance Meetings set up as part of the overall support for RSA beneficiaries and Skills Employment Course – support for assisted contracts) and the extension of part of the employment integration action plan for the year 2022.

As such, the Métropole received an advance of €0.9M in July 2022.

Negotiations and framework for the new €34M ESF+ global grant delegated by the State for the 2021-2027 programming:

The envelope delegated to the Métropole was officially notified by the Prefect for a total amount of €34M and voted on at the September Metropolitan Council.

The ESF global grant application was submitted at the beginning of July and made it possible to develop and disseminate the first calls for ESF+ projects for 2022.

(ii) ***The European regional development fund (ERDF or FEDER)***

ERDF subsidies:

In 2022, the following projects made it possible to obtain €1.6M:

- Innomob;
- Self data;
- Pôle entrepreneurial de Givors;
- Vallée de la Chimie.

REACT EU Recovery Mechanism (ERDF/ESF):

The Métropole was granted €4.48M for the acquisition of personal protective equipment.

In addition, the projects for a new integration and digital agenda of the Métropole de Lyon; project to accelerate the dematerialisation of tools for the sustainable inclusion of people far from employment as well as the INSERTIS – DIE tool obtained €0.88 M under the ERDF.

(iii) ***Requests for and monitoring of European funding in 2022***

In 2022, the Métropole was the winner of the following calls for projects:

- HORIZON EUROPE programme – AP HORIZON-MISS-2021-CIT-02-04 – ASCEND project - Development of positive energy neighbourhoods. Métropole de Lyon (€0.38 M)

The Métropole is a partner (with the city of Lyon) of the ASCEND project selected in 2022 under the HORIZON EUROPE – AP HORIZON programme and for which it receives a grant of €1,129,625 (city of Lyon: 382,125 euros). This project, led by 39 partners and coordinated by SPL Confluence, will be spread over 5 years and will aim to accelerate the creation of positive and clean energy neighbourhoods (PCED) for the transition of cities towards climate neutrality and social justice in Europe. As part of the project, two large-scale demonstrations will be implemented in flagship cities, one in Lyon and the other in Munich.

The project will also aim to develop sets of solutions throughout the life of the neighbourhood: from design to implementation and maintenance. Eight partner cities will also implement their own PCED, at the same time as the development of solution packages and feedback from large-scale demonstrations.

- HORIZON EUROPE programme – AP HORIZON – Project "Designing inclusive, safe, affordable and sustainable urban mobility" - Project to transform public spaces around schools and parking – Métropole de Lyon (€0.39M).

This call for projects is part of the "100 Climate Neutral and Smart Cities" mission. It aims to test new urban mobility practices in living labs.

The city of Lyon and the Métropole de Lyon have jointly responded to this call for projects. They have partnered with a consortium of 9 other cities coordinated by The University College Dublin.

- As part of the CERV programme “Citizens, Equality, Rights and Values”: CERV-2021-CITIZENS-TON-NT – Project "NECTO" - Exchange project on collective housing.

The Métropole de Lyon has joined a consortium of 16 partners to participate in the NECTO project – *Network Cities for Collaborative Housing* – aimed at promoting mutual learning and the exchange of good practices between local authorities and associations active on the issue of collective housing. The Habitat and Housing Department will benefit from a €5,000 grant to participate, by mid-2024, in two webinars and four on-site visits to Berlin, Barcelona, Bologna and Brussels.

In 2022, the Metropolis applied for:

- The Asylum, Migration and Integration Fund: call for projects of the Ministry of the Interior, “Strengthening and developing legal migration to Member States according to their economic and social needs, and promoting and contributing to the effective integration and social inclusion of third-country nationals.”
- Directorate of Prevention and Child Protection: deployment of a resource platform for professionals who support unaccompanied minors and young adults with a view to successful integration into the territory (request €0.56M). This project has been selected and will start in 2024.
- HORIZON EUROPE – Call Bauhaus “PLAY! “ Métropole de Lyon (Action and Transition Department) and city of Lyon (green spaces): €5,000 Métropole and €5,000 city of Lyon.

The project “PLAY! ” aims to co-create and test a service for the shared use of leisure and cultural facilities in public spaces, aimed at reaching at least 300 citizens. The project aims to raise citizens' awareness of sustainable consumption behaviours and give them responsibilities by co-creating a new experience for public space in a spirit of sustainability, inclusion, accessibility and play.

In 2023, the Métropole won the following European projects:

- Increase in the level of protection of the Vaulx-en-Velin Villeurbanne Saint-Jean containment system (ERDF for €602,477.60).

The project involves the renovation of the Villeurbanne Saint-Jean / Vaulx-en-Velin containment system in order to better protect residents from the risk of flooding, in particular the bicentennial flood of the Rhône River Q200. The ERDF will finance the studies, works and management of the project from January 2022 to June 2026.

- Deployment of a resource platform for professionals who support unaccompanied minors (MNA) and former unaccompanied minors who have reached the age of majority with a view to successful integration on the territory of the Métropole - DPPE – AMIF (Asylum, Migration and Integration Fund) programme for €561,380.85.

The objectives of this platform are:

- to professionalise the teams of social workers on the legal aspect of support and provide support to partner structures;
  - to develop tools and partnerships to secure the socio-professional integration of unaccompanied minors. These tools will be focused more on professionals responsible for supporting unaccompanied minors who have reached the age of majority once they have been regularised; and
  - expand the possibilities of access to housing for the public (common law and development of referral processes towards specific mechanisms).
- AMI Ukraine: participation of the services of the Métropole in information webinars with Ukrainian cities with a view to reconstruction (metropolitan governance, mobility, green cities).

European project submitted in 2023:

The project for an entrepreneurial hub in Vénissieux was submitted by the Métropole de Lyon to the Auvergne-Rhône-Alpes region for co-financing of a just transition fund of €2,950,000.

### 5.3 Issuer's public debt

The following definitions are used in this section:

- consolidated debt: this is equal to the sum of the Issuer's debt under the main budget and under the ancillary budgets;
- guaranteed consolidated debt: this corresponds to the part of the consolidated debt in respect of which the Issuer guarantees the obligations of the entity that incurred the debt in the event of default; and
- annuities: this is the sum of the interest payable on debt and repayment of the principal amount of the debt.

(a) **Consolidated debt of the Issuer (all budgets combined)**

The outstanding consolidated debt for all of the Métropole de Lyon's budgets as at 31 December 2022 was 1.660 Bn € split amongst four budgets. Since 2017, the Métropole de Lyon has initiated a process of rationalisation and optimisation of its outstanding debt. The outstanding debt was reduced by €232.7 million between 2021 and 2022.

<b>Métropole de Lyon Consolidated Debt</b>						
<i>In millions €</i>	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Main Budget	1483.1	1700.5	1876.9	1625.2	1740.3	1,971.90
Sanitization Budget	93.2	101.5	111.3	117.4	145.8	165.9
Water Budget	21.4	30.08	32.7	30	28.7	38.8
Heating Networks Budget	9.7	10.6	11.7	7.8	11.4	11.9
Waste Budget	53.4	50.7	52.7			
<b>Total</b>	<b>1660.8</b>	<b>1893.38</b>	<b>2085.3</b>	<b>1780.4</b>	<b>1926.2</b>	<b>2,188.50</b>

*NB: There is no outstanding debt under the other ancillary budgets (Ancillary budget for directly managed urban planning operations and administration restaurant ancillary Budget).*

The average interest rate on the Métropole de Lyon's consolidated debt is 1.39% at 31 December 2021 compared with 1.98% at 31 December 2022. At 31 December 2022, the remaining term of the debt is 11 years and 11 months, identical to that at 31 December 2021, the average life is 8 years and 2 months compared to 7 years and 10 months at 31 December 2021.

**(b) Debt annuity per budget**

<b>2022 Single Financial Account Annuity</b>	<b>Capital</b>	<b>Interest</b>
Main Budget	150,032,751.00	23,016,697.00
Sanitization Budget	10,648,720.00	3,437,658.00
Water Budget	3,298,366.00	687,091.00
Heating Networks Budget	1,035,360.00	297,518.00
Waste Budget	4,268,884.00	576,930.00
<b>TOTAL</b>	<b>169,284,081.00</b>	<b>28,015,894.00</b>

**(c) Additional consolidated debt indicator**

The average rate is calculated on the basis of the following rates:

- variable rate loans = the daily rate on the data extraction date;
- for loans at a post-fixed rate (or other rates not known on the relevant date) = the anticipated daily rate;
- for fixed rate loans = the fixed rate, each such rate being calculated on an actual/actual (i.e. 365/365) basis.

The average life (AL) refers to the average rate of repayment of a loan (expressed in years). The average life is the time necessary to repay half of the outstanding principal amount of the debt, given its amortisation schedule.  $AL = \text{sum of } (P_i \times i) / \text{sum of the } P_i$  where:  $P_i$  represents the principal repaid in  $i$ -th year; The residual life (expressed in years) is the time remaining before repayment in full of a debt or loan;

Debt repayment capacity (DRC) is the main solvency ratio. It measures the following ratio: Outstanding debt / gross savings. The debt repayment capacity (expressed in years) means the time necessary to repay outstanding debt in full using the entire amount of all savings generated.

The following table is derived from the 2022 single financial account:

	<b>Average annual rate</b>	<b>Average life</b>	<b>Residual life</b>	<b>Debt repayment capacity</b>
Main Budget	1.93%	8 years 4 months	12 years 1 month	2 years and 8 months
Sanitization Budget	3.17%	6 years	9 years 9 month	3 years
Water Budget	1.74%	6 years	11 years 7 month	1 an et 5 months
Heating Networks Budget	3.28%	6 years 9 months	12 years 5 months	5 years and 4 months
Waste Budget	1.37%	7 years 10 month	12 years 6 month	3 years and 10 months

(d) **Gissler Charter**

Introduced in 2008, the aim of the Gissler Charter (the **Charter**) is to formalise the respective commitments of banks and local authorities which agree to consider that:

- it is legitimate for a local authority to develop a debt management policy aiming on the one hand to benefit from developments that are or may be favourable to it and, on the other hand, to avoid changes in interest rates that are or may be unfavourable;
- a good conduct Charter is the instrument which best reconciles the constitutional principle of freedom of administration of local authorities, on the one hand, and respect for the rules on competition between banks, on the other hand;
- this Charter is also able to ensure complementarity between the use of financially innovative techniques which have often enabled local authorities to make substantial gains in terms of interest and the specific constraints by which they are bound as public entities.

The Charter contains six commitments (four for banks and two for local authorities).

- The aim of the first two commitments is to set limits in terms of "product" risk. The signatory banks agree not to offer local authorities products based on certain high-risk indices (for example, exclusion of financial products linked to certain indices, such as indices relating to commodities, equities, currencies, etc.) and snowball-type products;
- The aim of the third commitment is to promote clearer presentation and comparability of products offered by requiring banks to present their products in a common classification matrix (including rankings of risk by reference to the underlying indices and of product structure by level of complexity);
- The fourth commitment is to define the formal content of commercial offers. The signatory banks, while recognising that local authorities are not financial professionals, undertake to provide commercial information that is as clear as possible together with analysis on product structures and underlying indices, *stress scenarios*, and valuations of derivative products as at 31 December in year N-1 during the first quarter of year N;
- The fifth and six commitments are undertakings on the part of local authorities: their aim is to improve the information provided by the executive branch of the deliberative assembly and to ensure greater transparency, as regards the elected officials, of decisions taken by the executive (with, in particular, a presentation by the executive of an annual report on the local authority's debt management policy).

Consolidated budget as at 31/12/2022:

IV - APPENDICES	IV
BALANCE SHEET ITEMS – STATEMENT OF DEBT – TYPE OF BREAKDOWN OF OUTSTANDING AMOUNTS	A1.4

A1.4 - TYPE OF BREAKDOWN OF OUTSTANDING AMOUNTS (1)

Other indices		(1) Euro-zone indices	(2) French or Eurozone inflation indices or spreads between such indices	(3) Euro-zone index spreads	(4) Non-Eurozone indices and index spreads one of which indices is a non Euro-zone index	(5) Non Euro- zone index spreads	(6) Other indices
<b>Structure</b>							
<b>(A) Simple fixed rate. Simple floating rate. Fixed-for-floating rate swap or vice versa. Structured-for-fixed / floating rate swap (one-way). Plain vanilla floating rate with cap / tunnel</b>	Number of products	127	2				
	% of outstanding amount	98.91%	1.09%				
	Amount in euros	€ 1,642,807,603	€ 18,021,223				
<b>(B) Plain vanilla barrier. No leverage</b>	Number of products						
	% of outstanding amount						
	Amount in euros						
<b>(C) Swaption</b>	Number of products						
	% of outstanding amount						
	Amount in euros						
<b>(D) Multiplier up to 3; multiplier up to 5 capped</b>	Number of products						
	% of outstanding amount						
	Amount in euros						
<b>(E) Multiplier up to 5</b>	Number of products						
	% of outstanding amount						
	Amount in euros						
<b>(F) Other types of structure</b>	Number of products						
	% of outstanding amount						
	Amount in euros						

(e) **Presentation of consolidated debt structure**

The Métropole de Lyon's outstanding debt as at 31 December 2022 was made up of 67.7% fixed-rate debt (fixed and cancellable), and 32.3% floating rate debt (floating, Livret A, Inflation).

**Debt by risk type (with derivatives)**

Type	Outstanding amount	% of exposure	Average rate (ExEx, Annual)
Fixed	€1,117,685,486	67.30%	1.70%
Variable	€481,622,116	29.00%	2.50%
Livret A	€37,500,000	2.26%	1.44%
Inflation	€18,021,223	1.09%	6.77%
Cancellable	€6,000,000	0.36%	2.60%
<b>Overall risks</b>	<b>€1,660,828,826</b>	<b>100.00%</b>	<b>1.98%</b>

Statement generated on 31/12/2022



In respect of its “cancellable” and “barrier” debt, the risk as defined in the Charter was 1A and 1B respectively.

For the purposes of active debt management, the Métropole de Lyon has the option of implementing an interest rate derivatives strategy. As at 31/12/2022, 7.12% of its total debt was protected by interest rate derivatives.

**(f) Consolidated guaranteed debt in the 2024 PB**

The majority of loan guarantees granted by the Métropole de Lyon concern the social housing sector. The 4.266 Bn€ of guaranteed debt, at an average rate of 3.25%, is distributed as follows:

- 95% for social housing;
- 3.4% for solidarities;
- 1% for planning and development;
- 0.6% for education.

In respect of social housing loan guarantees, 45% are guaranteed as to 100% by the three main public housing authorities, housing associations of the territory. The remaining 55% are co-guaranteed as to 85% by the Métropole de Lyon and 15% by the communes concerned by the operations.

The financial structure of its borrowings is as follows:

- 85.2% are Livret A indexed;
- 13.5% are fixed rate;
- 1% are variable rate;
- 0.6% are inflation indexed.

## **5.4 Cash flow management**

Article 26 (3°) of the organic finance law n° 2001-692 of 1st August 2001 provides that "unless expressly provided otherwise in a finance law, local authorities and their public establishments are obliged to deposit all of their available funds with the State".

As part of cash management, the Métropole de Lyon has:

- a €2 billion Negotiable European Commercial Paper (NEUCP) program rated F1+ by Fitch Ratings (hereinafter "**Fitch**"). The programme dealers are Métropole de Lyon, Crédit Agricole CIB, BRED Banque Populaire, Natixis, La Banque Postale, Arkéa Crédit Mutuel and Société Générale. The paying agent is UPTEVIA.
- an available Revolving line of credit available due in 2029, with an available capital of €12.9M as at 31 December 2023.

Depending on its cash requirements and market opportunities, the Métropole de Lyon regularly uses the NEUCP programme or a liquidity facility.

**5.5 2024 Primary Budget 2021 Administrative Account and 2022 Single Financial Account of the Issuer**

(a) The 2021 Administrative Account and the 2022 Single Financial Account

The 2021 Administrative Account (**2021 AA**) was voted on 27 June 2022. The 2022 Single Financial Account (**2022 SFA**) was voted on 26 June 2023.

<b>All Budgets (in €M)</b>	<b>2019 AA</b>	<b>2020 AA</b>	<b>2021 AA</b>	<b>2022 SFA</b>
Gross internal financing excluding prepayments *	545.4	503.5	584.6	601.3
outstanding debt	1,780.4	2,085.4	1,893.6	1,660.8
debt repayment capacity	3 years 3 months	4 years 1 month	3 years 2 months	2 years 9 month

*\*excluding early redemption*

(b) The 2024 Primary Budget

The 2024 Primary Budget (2024 PB) was voted on 29 January 2024.

Main budget (M57 in euros)

Operating revenue	2021 AA	2022 SFA	2024 PB	Operating expenditure	2021 AA	2022 SFA	2024 PB
013 - expense mitigation	7,278,078	4,244,950	4,497,825	011 - general expenses	216,543,626	233,918,737	291,900,316
016 - APA	45,535,937	47,199,691	41,350,000	012 - payroll expenses and similar costs	389,669,850	407,920,112	447,063,414
017 - RSA	122,759,750	124,402,350	121,160,724	014 - income mitigation	337,237,711	330,563,269	311,837,361
70 - income from services, estate, misc. sales	105,137,097	118,780,765	112,168,721	016 - APA	117,888,598	115,855,635	129,922,430
73 - duties and taxes (except 731)	691,205,846	747,728,788	1,121,507,475	017 - RSA	286,407,669	285,750,532	307,115,592
731 - local taxes	1,108,931,477	1,166,458,407	755,080,244	65 - other ordinary management expenses	915,014,266	969,977,563	1,074,250,069
74 - endowments and contributions	563,428,993	552,366,498	574,798,987	6586 - elected official group operating costs	936,750	942,931	1,091,671
75 - other ordinary management income	79,610,240	84,023,988	79,662,351	<b>ordinary management expenditure</b>	#####	#####	#####
<b>Ordinary management income</b>	#####	#####	#####	66 - finance costs	26,372,001	25,557,613	42,373,012
76 - financial income	26,738,111	20,348,939	16,358,807	67 - specific expenses	1,237,476	1,218,180	2,110,000
77 - specific income	37,289,400	43,800,162	1,000	68 - allocation to provisions, depreciation		1,704,701	647,794
78 - reversals of amortisation, depreciation, prov.	15,097,208	4,270,413	2,700,000	<b>Other operating expenditure</b>	<b>27,609,477</b>	<b>28,480,494</b>	<b>45,130,806</b>
<b>Other operating revenue</b>	<b>79,124,719</b>	<b>68,419,513</b>	<b>19,059,807</b>	<b>Actual operating expenditure</b>	#####	#####	#####
<b>Actual operating revenue</b>	#####	#####	#####	023 - transfer to capital section			
042 - balancing transactions transfer between sections	28,945,523	42,430,387	31,096,400	042 - balancing transactions transfer between sections	286,782,010	307,978,581	252,070,875
<b>Balancing operating revenue</b>	<b>28,945,523</b>	<b>42,430,387</b>	<b>31,096,400</b>	<b>Balancing operating expenditure</b>	<b>286,782,010</b>	<b>307,978,581</b>	<b>252,070,875</b>
<b>Total operating revenue</b>	#####	#####	#####	<b>Total operating expenditure</b>	#####	#####	#####

Capital revenue	2021 AA	2022 SFA	2024 PB	Capital expenditure 018 - RSA	2021 AA	2022 SFA	2024 PB
018 - RSA				018 - RSA	25,000	224,800	325,200
13 - capital grants received	45,619,714	62,660,366	78,246,370	20 - intangible fixed assets	19,998,895	20,518,654	48,350,051
16 - borrowings and equivalent debt	51,000,000	57,000,000	521,516,267	204 - equipment grants paid	98,260,987	96,167,979	159,727,087
20 - intangible fixed assets	42,758	2,460		21 - tangible fixed assets	168,385,679	135,832,175	153,302,021
204 - equipment grants paid	3,170,892	1,397,226		23 - fixed assets in progress	214,378,777	187,272,154	277,087,252
21 - tangible fixed assets	1,741,641	2,796,376		<b>Equipment expenditure</b>	<b>501,049,338</b>	<b>440,015,761</b>	<b>638,791,611</b>
23 - fixed assets in progress	642,865	213,990		10 - endowments, misc. funds and reserves (except 1068)	2,442,092	4,120,710	2,000,000
<b>Equipment revenue</b>	<b>102,217,870</b>	<b>124,070,418</b>	<b>599,762,637</b>	13 - capital grants received	171,709	16,872	123,561
10 - endowments, misc. funds and reserves (except 1068)	88,402,205	62,759,752	48,500,000	16 - borrowings and equivalent debt	236,495,869	196,671,341	242,444,856
1068 - capitalised operating surplus	175,762,504	230,782,636		26 - holdings and attached receivables	236,139	2,024,708	17,500,000
16 - borrowings and equivalent debt	128,002	145,978		27 - other financial fixed assets	6,903,611	7,734,846	39,423,528
27 - other financial fixed assets	10,724,799	6,984,701	39,651,894	<b>Finance costs</b>	<b>246,249,420</b>	<b>210,568,477</b>	<b>301,491,945</b>
024 - fixed asset disposal proceeds			20,000,000	<b>45 - transactions for third parties</b>	<b>37,063,602</b>	<b>41,356,193</b>	<b>16,333,318</b>
<b>Financial income</b>	<b>275,017,510</b>	<b>300,673,067</b>	<b>108,151,894</b>	<b>Actual capital expenditure</b>	<b>784,362,360</b>	<b>691,940,431</b>	<b>956,616,874</b>
45 - transactions for third parties	24,658,040	31,129,166	27,727,868	040 - balancing transactions transfer between sections	28,945,523	42,430,387	31,096,400
<b>Actual capital revenue</b>	<b>401,893,420</b>	<b>455,872,651</b>	<b>735,642,399</b>	041 - patrimonial transactions	88,765,893	12,678,184	167,790,000
021 - transfer from operating section				<b>Balancing capital expenditure</b>	<b>117,711,415</b>	<b>55,108,571</b>	<b>198,886,400</b>
040 - balancing transactions transfer between sections	286,782,010	307,978,581	252,070,875	<b>Total capital expenditure</b>	<b>902,073,775</b>	<b>747,049,002</b>	#####
041 - patrimonial transactions	88,767,143	12,680,575	167,790,000				
<b>Balancing capital revenue</b>	<b>375,549,154</b>	<b>320,659,157</b>	<b>419,860,875</b>				
<b>Total capital revenue</b>	#####	<b>776,531,808</b>	#####				

## Sanitization ancillary budget (M49 in euros)

Operating revenue	2021 AA	2022 SFA	2024 PB
013 - expense mitigation	331,946	314,233	362,564
70 - income from services, estate, misc. sales	111,280,862	110,437,220	120,781,055
74 - endowments and contributions	6,876,540	4,346,959	5,340,218
75 - other ordinary management income	4,329,872	1,700,806	1,800,000
<b>Ordinary management income</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
76 - financial income			385,692
77 - specific income	729,094	461,038	161,000
78 - reversal of amort., deprec., prov.	150,000		
<b>Other operating revenue</b>	<b>879,094</b>	<b>461,038</b>	<b>546,692</b>
<b>Actual operating revenue</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
042 - balancing transactions transfer between sections	7,031,235	7,252,922	7,013,000
<b>Balancing operating revenue</b>	<b>7,031,235</b>	<b>7,252,922</b>	<b>7,013,000</b>
<b>Total operating revenue</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>

Capital revenue	2021 AA	2022 SFA	2024 PB
13 - capital grants received	5,845,897	2,412,669	6,811,327
16 - borrowings and equivalent debt	0	6,000,000	43,918,010
23 - fixed assets in progress	8,393	53,558	
Equipment revenue	5,854,290	8,466,227	50,729,337
<b>106 - other reserves</b>	<b>#####</b>	<b>762,783</b>	
Financial income	16,850,480	762,783	
Actual capital revenue	22,704,769	9,229,010	
021 - transfer from operating section			500,000
<b>040 - balancing transactions transfer between sections</b>	<b>35,773,811</b>	<b>#####</b>	<b>#####</b>
<b>041 - patrimonial transactions</b>	<b>657,130</b>	<b>1,403,595</b>	<b>11,790,000</b>
Balancing capital revenue	36,430,941	37,694,761	49,054,000
<b>Total capital revenue</b>	<b>59,135,710</b>	<b>#####</b>	<b>#####</b>

Operating expenditure	2021 AA	2022 SFA	2024 PB
011 - general expenses	41,459,245	48,369,052	57,832,075
012 - payroll expenses and similar costs	31,667,545	32,647,152	34,805,978
65 - other ordinary management expenses	1,633,825	1,602,266	1,829,000
<b>Services management expenditure</b>	<b>#####</b>	<b>82,618,470</b>	<b>#####</b>
66 - finance costs	3,161,167	3,066,367	3,543,086
67 - specific expenses	694,239	801,234	569,390
68 - allocation to provisions, depreciation		73,565	
<b>Other operating expenditure</b>	<b>3,855,407</b>	<b>3,941,167</b>	<b>4,112,476</b>
<b>Actual operating expenditure</b>	<b>78,616,021</b>	<b>#####</b>	<b>#####</b>
023 - transfer to capital section			500,000
042 - balancing transactions transfer between sections	35,773,811	36,291,166	36,764,000
<b>Balancing operating expenditure</b>	<b>35,773,811</b>	<b>36,291,166</b>	<b>#####</b>
<b>Total operating expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>

Capital expenditure 018 - RSA	2021 AA	2022 SFA	2024 PB
20 - intangible fixed assets	1,434,026	2,312,565	4,233,785
21 - tangible fixed assets	2,079,060	2,426,700	3,210,696
23 - fixed assets in progress	32,265,568	34,194,204	52,853,656
<b>Equipment expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
16 - borrowings and equivalent debt	10,249,967	10,648,720	20,682,200
13 - capital grants			
27 - other financial fixed assets			
<b>Finance costs</b>	<b>#####</b>	<b>10,648,720</b>	<b>#####</b>
<b>Actual capital expenditure</b>	<b>#####</b>	<b>49,582,190</b>	<b>#####</b>
040 - balancing transactions transfer between sections	7,031,235	7,252,922	7,013,000
041 - patrimonial transactions	657,130	1,403,595	11,790,000
<b>Balancing capital expenditure</b>	<b>7,688,365</b>	<b>8,656,517</b>	<b>#####</b>
<b>Total capital expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>

Heating networks ancillary budget (M41 in euros)

Operating revenue	2021 AA	2022 SFA	2024 PB
70 - income from services, estate, misc. sales	2,005,964	2,434,196	
74 - endowments and contributions			
75 - other ordinary management income	2,512,011	1,193,000	
<b>Ordinary management income</b>	<b>#####</b>	<b>#####</b>	
76 - financial income			
77 - specific income		511,394	
78 - reversals of amortisation , depreciation, prov.			
<b>Other operating revenue</b>		<b>511,394</b>	
<b>Actual operating revenue</b>	<b>#####</b>	<b>#####</b>	
042 - balancing transactions transfer between sections	266,284	266,284	
<b>Balancing operating revenue</b>	<b>266,284</b>	<b>266,284</b>	
<b>Total operating revenue</b>	<b>#####</b>	<b>#####</b>	

Capital revenue	2021 AA	2022 SFA	2024 PB
13 - capital grants received			
16 - borrowings and equivalent debt			1,300,000
<b>Equipment revenue</b>			
1068 - capitalised operating surplus	3,664,916		
<b>Financial income</b>	<b>#####</b>		
<b>Actual capital revenue</b>	<b>#####</b>		<b>#####</b>
021 - transfer from operating section			70,024
040 - balancing transactions transfer between sections	1,398,558	1,401,108	1,100,000
041 - patrimonial transactions			30,000
<b>Balancing capital revenue</b>	<b>#####</b>	<b>1,401,108</b>	<b>#####</b>
<b>Total capital revenue</b>	<b>#####</b>	<b>1,401,108</b>	<b>#####</b>

Operating expenditure	2021 AA	2022 SFA	2024 PB
011 - general expenses	1,887,974	1,927,702	2,151,335
012 - payroll expenses and similar costs	122,751	115,833	63,550
65 - other ordinary management expenses		2	1,200
<b>ordinary management expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
66 - finance costs	340,357	298,574	325,078
67 - specific expenses			8,100
68 - allocation to provisions, depreciation			
<b>Other operating expenditure</b>	<b>340,357</b>	<b>298,574</b>	<b>333,178</b>
<b>Actual operating expenditure</b>	<b>#####</b>	<b>2,342,111</b>	<b>#####</b>
023 - transfer to capital section			70,024
042 - balancing transactions transfer between sections	1,398,558	1,401,108	1,100,000
<b>Balancing operating expenditure</b>	<b>#####</b>	<b>1,401,108</b>	<b>#####</b>
<b>Total operating expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
Capital expenditure 018 - RSA	2021 AA	2022 SFA	2024 PB
21 - tangible fixed assets			
23 - fixed assets in progress	38,415		1,334,000
<b>Equipment expenditure</b>	<b>38,415</b>		<b>#####</b>
16 - borrowings and equivalent debt	1,643,448	1,216,843	869,737
<b>Finance costs</b>	<b>#####</b>	<b>#####</b>	<b>869,737</b>
<b>Actual capital expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
040 - balancing transactions transfer between sections	266,284	266,284	266,287
041 - patrimonial transactions			30,000
<b>Balancing capital expenditure</b>	<b>266,284</b>	<b>266,284</b>	<b>296,287</b>
<b>Total capital expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>

## Household and similar waste prevention and management ancillary budget (M57 in euros)

Operating revenue	2021 AA	2022 SFA	2024 PB
013 - expense mitigation	371,847	362,166	425,170
016 - APA			
017 - RSA			
70 - income from services, estate, misc. sales	26,862,055	34,010,268	32,862,560
73 - duties and taxes (except 731)			
731 - local taxes	116,145,624	120,752,254	140,950,000
74 - endowments and contributions	11,558,774	10,934,611	11,638,200
75 - other ordinary management income	1,674,682	547,965	1,084,300
<b>Ordinary management income</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
76 - financial income	49,514	11,665	
77 - specific income	66,345	91,758	
78 - reversals of amortisation , depreciation, prov.	500,000		3,700,000
<b>Other operating revenue</b>	<b>615,860</b>	<b>103,422</b>	
<b>Actual operating revenue</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
042 - balancing transactions transfer between sections		351,727	361,000
<b>Balancing operating revenue</b>		<b>351,727</b>	<b>361,000</b>
<b>Total operating revenue</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>

Operating expenditure	2021 AA	2022 SFA	2024 PB
011 - general expenses	98,220,843	104,550,175	129,486,160
012 - payroll expenses and similar costs	46,128,628	46,849,424	47,923,274
014 - income mitigation			
016 - APA			
017 - RSA			
65 - other ordinary management expenses	903,573	723,089	1,363,846
6586 - elected official group operating costs			
<b>ordinary management expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
66 - finance costs	610,962	561,534	627,950
67 - specific expenses	37	301,119	390,000
68 - allocation to provisions, depreciation		23,774	
<b>Other operating expenditure</b>	<b>610,999</b>	<b>886,427</b>	<b>1,017,950</b>
<b>Actual operating expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
023 - transfer to capital section			
042 - balancing transactions transfer between sections	10,083,575	9,650,648	11,230,000
<b>Balancing operating expenditure</b>	<b>10,083,575</b>	<b>9,650,648</b>	<b>11,230,000</b>
<b>Total operating expenditure</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>

Capital revenue	2021 AA	2022 SFA	2024 PB
018 - RSA			
13 - capital grants received	0	104,708	2,916,794
16 - borrowings and equivalent debt	2,000,000	7,000,000	24,099,351
20 - intangible fixed assets			
204 - equipment grants paid			
21 - tangible fixed assets			
23 - fixed assets in progress	1,009		
<b>Equipment revenue</b>	<b>2,001,009</b>	<b>7,104,708</b>	<b>27,016,145</b>
10 - endowments, misc. funds and reserves (except 1068)	1,735,738	1,534,462	1,700,000
1068 - capitalised operating surplus			
16 - borrowings and equivalent debt			
27 - other financial fixed assets			
024 - fixed asset disposal proceeds			
<b>Financial income</b>	<b>1,735,738</b>	<b>1,534,462</b>	<b>1,700,000</b>
45 - transactions for third parties			
<b>Actual capital revenue</b>	<b>3,736,746</b>	<b>8,639,170</b>	<b>28,716,145</b>
021 - transfer from operating section			
040 - balancing transactions transfer between sections	10,083,575	9,650,648	11,230,000
041 - patrimonial transactions	48,475		10,320,000
<b>Balancing capital revenue</b>	<b>#####</b>	<b>9,650,648</b>	<b>21,550,000</b>
<b>Total capital revenue</b>	<b>#####</b>	<b>18,289,818</b>	<b>50,266,145</b>

Capital expenditure 018 - RSA	2021 AA	2022 SFA	2024 PB
018 - RSA			
20 - intangible fixed assets	321,050	242,002	1,105,608
204 - equipment grants paid			
21 - tangible fixed assets	13,955,913	17,258,623	15,987,070
23 - fixed assets in progress	4,846,457	1,397,259	8,103,767
<b>Equipment expenditure</b>	<b>19,123,420</b>	<b>18,897,883</b>	<b>#####</b>
10 - endowments, misc. funds and reserves (except 1068)			
13 - capital grants received			
16 - borrowings and equivalent debt	3,966,827	4,268,884	14,388,700
26 - holdings and attached receivables			
27 - other financial fixed assets			
<b>Finance costs</b>	<b>3,966,827</b>	<b>4,268,884</b>	<b>#####</b>
<b>45 - transactions for third parties</b>			
<b>Actual capital expenditure</b>	<b>#####</b>	<b>23,166,767</b>	<b>#####</b>
040 - balancing transactions transfer between sections		351,727	361,000
041 - patrimonial transactions	48,475		10,320,000
<b>Balancing capital expenditure</b>	<b>48,475</b>	<b>351,727</b>	<b>10,681,000</b>
<b>Total capital expenditure</b>	<b>23,138,721</b>	<b>23,518,494</b>	<b>#####</b>

## Urban planning operations under direct management Ancillary Budget- (M57 in euros)

Operating revenue	2021 AA	2022 SFA	2024 PB	Operating expenditure	2021 AA	2022 SFA	2024 PB
013 - expense mitigation				011 - general expenses	6,516,982	7,364,769	19,299,770
016 - APA				012 - payroll expenses and similar costs			
017 - RSA				014 - income mitigation			
70 - income from services, estate, misc. sales	2,294,535	1,070,988	4,871,372	016 - APA			
73 - duties and taxes (except 731)				017 - RSA			
731 - local taxes				65 - other ordinary management expenses	1	119,921	1,728,420
74 - endowments and contributions	4,146,555	1,477,960	7,054,107	6586 - elected official group operating costs			
75 - other ordinary management income	155,024	4,894,057	9,102,711	<b>ordinary management expenditure</b>	<b>6,516,982</b>	<b>7,484,690</b>	<b>21,028,190</b>
<b>Ordinary management income</b>	<b>6,596,113</b>	<b>#####</b>	<b>#####</b>	66 - finance costs			
76 - financial income				67 - specific expenses	37,446		
77 - specific income				68 - allocation to provisions, depreciation			
78 - reversals of amortisation , depreciation, prov.				<b>Other operating expenditure</b>	<b>37,446</b>		
<b>Other operating revenue</b>				<b>Actual operating expenditure</b>	<b>6,554,428</b>	<b>7,484,690</b>	<b>21,028,190</b>
<b>Actual operating revenue</b>	<b>6,596,113</b>	<b>#####</b>	<b>#####</b>	023 - transfer to capital section			14,428,398
042 - balancing transactions transfer between sections	6,511,267	8,175,657	19,299,770	042 - balancing transactions transfer between sections	2,294,535	1,070,988	4,871,372
<b>Balancing operating revenue</b>	<b>6,511,267</b>	<b>8,175,657</b>	<b>#####</b>	<b>Balancing operating expenditure</b>	<b>2,294,535</b>	<b>1,070,988</b>	<b>19,299,770</b>
<b>Total operating revenue</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>	<b>Total operating expenditure</b>	<b>8,848,963</b>	<b>8,555,678</b>	<b>40,327,960</b>

Capital revenue	2021 AA	2022 SFA	2024 PB	Capital expenditure 018 - RSA	2021 AA	2022 SFA	2024 PB
018 - RSA				018 - RSA			
13 - capital grants received				20 - intangible fixed assets			
16 - borrowings and equivalent debt				204 - equipment grants paid			
20 - intangible fixed assets				21 - tangible fixed assets			
204 - equipment grants paid				23 - fixed assets in progress			
21 - tangible fixed assets				<b>Equipment expenditure</b>			
23 - fixed assets in progress				10 - endowments, misc. funds and reserves (except 1068)			
<b>Equipment revenue</b>				13 - capital grants received			
10 - endowments, misc. funds and reserves (except 1068)	0	0		16 - borrowings and equivalent debt			
1068 - capitalised operating surplus	2,968,579	4,216,732		26 - holdings and attached receivables			
16 - borrowings and equivalent debt				27 - other financial fixed assets			
27 - other financial fixed assets				<b>Finance costs</b>			
024 - fixed asset disposal proceeds				<b>45 - transactions for third parties</b>			
<b>Financial income</b>	<b>#####</b>	<b>4,216,732</b>		<b>Actual capital expenditure</b>			
45 - transactions for third parties				040 - balancing transactions transfer between sections	6,511,267	8,175,657	19,299,770
<b>Actual capital revenue</b>	<b>#####</b>	<b>4,216,732</b>		041 - patrimonial transactions			
021 - transfer from operating section			14,428,398	<b>Balancing capital expenditure</b>	<b>6,511,267</b>	<b>8,175,657</b>	19,299,770
040 - balancing transactions transfer between sections	2,294,535	1,070,988	4,871,372	<b>Total capital expenditure</b>	<b>6,511,267</b>	<b>8,175,657</b>	19,299,770
041 - patrimonial transactions							
<b>Balancing capital revenue</b>	<b>#####</b>	<b>1,070,988</b>	<b>#####</b>				
<b>Total capital revenue</b>	<b>5,263,114</b>	<b>5,287,720</b>	<b>#####</b>				

## Administration restaurant ancillary budget - M57 in euros

Operating revenue	2021 AA	2022 SFA	2024 PB	Operating expenditure	2021 AA	2022 SFA	2024 PB
013 - expense mitigation	570	540	1,000	011 - general expenses	865,695	1,022,262	1,538,180
016 - APA				012 - payroll expenses and similar costs	1,724,832	1,723,249	1,933,000
017 - RSA				014 - income mitigation			
70 - income from services, estate, misc. sales	594,719	704,881	1,022,250	016 - APA			
73 - duties and taxes (except 731)				017 - RSA			
731 - local taxes				65 - other ordinary management expenses		5,511	1,600
74 - endowments and contributions				6586 - elected official group operating costs			
75 - other ordinary management income	2,000,301	2,068,830	2,496,530	<b>ordinary management expenditure</b>	#####	#####	#####
<b>Ordinary management income</b>	#####	#####	#####	66 - finance costs			
76 - financial income				67 - specific expenses	-		1,000
77 - specific income				68 - allocation to provisions, depreciation			
78 - reversals of amortisation , depreciation, prov.				<b>Other operating expenditure</b>	-		1,000
<b>Other operating revenue</b>				<b>Actual operating expenditure</b>	#####	#####	#####
<b>Actual operating revenue</b>	#####	#####	#####	023 - transfer to capital section			
042 - balancing transactions transfer between sections	24,605			042 - balancing transactions transfer between sections	29,667	26,960	46,000
<b>Balancing operating revenue</b>	24,605			<b>Balancing operating expenditure</b>	29,667	26,960	46,000
<b>Total operating revenue</b>	#####	#####	#####	<b>Total operating expenditure</b>	#####	#####	#####

Capital revenue	2021 AA	2022 SFA	2024 PB	Capital expenditure 018 - RSA	2021 AA	2022 SFA	2024 PB
018 - RSA				018 - RSA			
13 - capital grants received	2,504		111,000	20 - intangible fixed assets			
16 - borrowings and equivalent debt				204 - equipment grants paid			
20 - intangible fixed assets				21 - tangible fixed assets	7,566	22,184	122,000
204 - equipment grants paid				23 - fixed assets in progress		1,045	35,000
21 - tangible fixed assets				<b>Equipment expenditure</b>	7,566	23,228	157,000
23 - fixed assets in progress				10 - endowments, misc. funds and reserves (except 1068)			
<b>Equipment revenue</b>	2,504		111,000	13 - capital grants received			
10 - endowments, misc. funds and reserves (except 1068)				16 - borrowings and equivalent debt			
1068 - capitalised operating surplus				26 - holdings and attached receivables			
16 - borrowings and equivalent debt				27 - other financial fixed assets			
27 - other financial fixed assets				<b>Finance costs</b>			
024 - fixed asset disposal proceeds				45 - transactions for third parties			
<b>Financial income</b>				<b>Actual capital expenditure</b>	7,566	23,228	157,000
45 - transactions for third parties				040 - balancing transactions transfer between sections	24,605		
<b>Actual capital revenue</b>	2,504		111,000	041 - patrimonial transactions			
021 - transfer from operating section				<b>Balancing capital expenditure</b>	24,605		
040 - balancing transactions transfer between sections	29,667	26,960	46,000	<b>Total capital expenditure</b>	32,172	23,228	157,000
041 - patrimonial transactions							
<b>Balancing capital revenue</b>	29,667	26,960	46,000				
<b>Total capital revenue</b>	32,172	26,960	157,000				



## 5.6 Audit and control procedures applicable to the Issuer's accounts

The law n° 82-213 of 2 March 1982 abolished all upstream control of acts of local authorities. The budgets voted by local authorities are henceforth automatically effective and enforceable upon publication and notification to the Prefect, the representative of the State in the *département*.

Budgetary acts of local authorities are subject to two *ex post facto* control mechanisms:

- as administrative acts, they are subject to control of legality under the general law; and
- as budgetary acts, they are subject to special budgetary, jurisdictional and management control procedures conducted by the regional audit offices (chambres régionales des comptes - CRC).

The Issuer's budgetary acts and accounts are not independently audited within the meaning of directive 2014/56/EU and regulation (EU) 537/2014.

### (a) Laws applicable to the Issuer

The legislative and regulatory framework applicable to the Issuer is set out in:

- the CGCT;
- the organic law n° 2001-692 of 1st August 2001 concerning finance laws and decree n° 2012-1246 of 7 November 2012 on public budgetary and accounts management;
- the Finance Laws; and
- applicable accounting instructions:
  - instruction M57: the accounts of communes are governed by the order dated 21 December 2016 relating to budgetary and accounting instruction M57 as it applies to single local authorities, métropoles and their administrative public establishments;

Accordingly, by virtue of the Issuer's status, the financial information concerning the Issuer has not been prepared in accordance with international financial information standards as adopted in the European Union pursuant to regulation (EC) n° 1606/2002 and it is possible that such information may differ significantly compared to what would be the case if that regulation applied.

However, as specified in the budgetary and accounting instruction M57, reiterating the last subparagraph of article 56 of the decree 2012-1246 dated 7 November 2012 relating to single budgetary and accounting management, "the general accounting rules applicable to legal entities referred to in article 1 can be distinguished from those applicable to enterprises only by reason of the specific nature of the action of these legal entities. "

Pursuant to regulation (EC) n° 1606/2002, the international accounting standards adopted by the European Union must satisfy "the criteria of understandability, relevance, reliability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management". Whereas, in accordance with budgetary and accounting instruction M57, the accounting standards applicable to the Issuer must pursue the following objectives:

- “1° the accounts must comply with applicable rules and procedures;
- 2° they must be prepared in accordance with consistent methods to ensure comparability between different accounting periods;
- 3° they must discern all management events, depending on the degree of awareness of the facts, and their relative importance, obeying the principle of caution;
- 4° they must endeavour to ensure cogency of the accounting information supplied over successive financial years, whilst being careful to correctly link transactions to the financial year to which they relate;
- 5° they must be exhaustive and be based on a separate assessment and discrete accounting of all assets and liabilities as well as income and expenditure items, with no possible set-off;
- 6° they must rely on reliable, intelligible and pertinent accounting entries with the aim of presenting an accurate view of assets and liabilities and financial position.”

Budgetary and accounting instruction M57 also requires that the accounting standards applicable to the Issuer must satisfy the principles of “continuing existence”, “prudence”, “comparability”, “specialisation of financial years”, and “no set-off”.

The fundamental difference between the accounting principles under budgetary and accounting instruction M57, as applied by the Issuer, and the international financial information standards as adopted in the European Union pursuant to regulation (EC) n°1606/2002 is as follows: the Issuer’s accounts are subject to the principle of separation between originator (*ordonnateur*) and accountant, under which (i) the *ordonnateur* (in this instance, the Issuer’s executive) orders execution of income and expenditure and (ii) the accountant, solely responsible for handling the public funds, collects or pays income and expenditure, having, under his personal and financial responsibility (until 1 January 2023), performed controls aimed at determining the regularity of such income or expenditure, without regard to their appropriateness; this public accounting principle is alien to the standards derived from regulation (EC) n°1606/2002. On 1 January 2023, ordinance no. 2022-408 of 23 March 2022 entered into force, introducing a new unified system of liability for authorising officers and accountants, which abolishes the personal and pecuniary liability of public accountants. The guiding principles of the new financial liability regime are: to limit the judge’s role to cases of proven seriousness, to punish the person who commits the fault, to remind the public employer of his managerial responsibility, and to maintain and reinforce the principle of separation of authorising officers and accounting officers. The penalties attached to the new system are twofold: fines based on the remuneration of the staff member concerned (1 to 6 months’ salary depending on the seriousness of the misconduct, as well as making up the deficit generated by the misconduct (the terms and conditions of which will be specified by a decree to be issued by the Council of State)).

Public accounting follows the principles laid down in the general chart of accounts as it applies in the private sector: double entry, accrual based accounting (correlation between sources and uses of funds). For both expenditure and

revenue, it distinguishes between operating transactions (income and expenditure) of the entity and its capital transactions (asset transactions).

The Métropole de Lyon mandatorily applies Instruction M57 and the following main regulations:

- Law n°2014-58 dated 27 January 2014 on modernisation of regional public action and affirmation of métropoles (MAPTAM);
- Order n°2014-1335 dated 6 November 2014 on the adaptation and entry into force of various provisions of the CGCT, the general tax code and other legislative provisions applicable to the Métropole de Lyon;
- Decree n°2014-1626 dated 24 December 2014 setting the budgetary, financial and accounting rules applicable to the Métropole de Lyon;
- Order n°2014-1490 dated 11 December 2014 supplementing and clarifying the budgetary, financial, tax and accounting rules applicable to métropoles;
- Decree n°2014-1746 dated 29 December 2014 setting the budgetary, financial and accounting rules applicable to métropoles;
- Instruction M4: accounts of local industrial and commercial public services (SPIC). This comprises several separate classifications, including M49 which sets the framework for public water treatment and drinking water distribution services; and M41 which applies to public energy distribution services; and
- Codifying instruction n°11-022-M0 of 16 December 2011 on the collection of revenue of local authorities and local public institutions.

**(b) Control by the Public Auditor**

The public auditor executes financial transactions and keeps management accounts in which all of the local authority's revenue and expenditure are recorded.

He verifies that expenditure is recorded in the correct budgetary chapter and that the source of all revenue is legal. He has no power to verify appropriateness. Indeed he may not judge the appropriateness of political choices made by local authorities since they are administratively autonomous. Otherwise, the instructing party (*ordonnateur*) may "requisition" the public auditor, in other words oblige him to make a payment.

If the public auditor uncovers an unlawful act, he rejects the payment decided by the instructing party.

Public auditors are personally and financially liable for payments that they make. If a problem arises, the Finance minister can issue a reversal order that forces the public auditor to pay the relevant sum immediately out of his own pocket.

These provisions from chapter VII of the first section in book VI of part one of the CGCT concerning the public auditor, apply to EPCI.

**(c) Prefect's control of legality**

Article L. 2131-6 of the CGCT provides that the prefect shall refer to the administrative Tribunal acts which it considers to be unlawful within two months of their notification to the *Préfecture*.

Control of legality relates to the manner of preparation, adoption or presentation of budgetary and ancillary documents.

The provisions of the CGCT relating to control of legality and the enforceability of acts of *communes*, *départements* and *régions* also apply to EPCI in accordance with article L. 5211-3 of the CGCT.

**(d) The role of the regional audit office (CRC)**

The law n° 82-213 of 2 March 1982 established CRCs, run by magistrates appointed for life: this is the *quid pro quo* of the abolition of State *a priori* supervision of local authority acts which previously involved upstream control of their acts. The powers of the CRC are defined by law and have been codified under articles L.211-1 et seq. of the French financial jurisdictions code.

The powers of the CRC extend to all local authorities within its geographical jurisdiction, whether *communes*, *départements* or *régions*, and also to their public establishments (including EPCI).

CRC are invested with triple powers of control. First, budgetary control, which replaced that exercised by the prefect prior to the above-mentioned law n° 82-213. Secondly, jurisdictional control whose purpose is to ensure the regularity of transactions actioned by the public auditor. Thirdly, management control the purpose of which is to control the regularity of a commune's revenue and expenditure.

Ordinance no. 2022-408 of 23 March 2022 modified the terms of the CRC's judicial control aimed at ensuring the regularity of transactions undertaken by public accountants. The new system of financial responsibility is characterised by a unified jurisdictional organisation competent for both accounting officers and authorising officers with, at first instance, a single chamber of the public accounts court (*Cour des Comptes*) comprising members of the Court and magistrates from the regional and territorial audit chambers (CRTC); on appeal to a mixed panel chaired by the President of the public accounts court (*Cour des Comptes*) and comprising 4 members of the French Council of State (*Conseil d'Etat*), 4 members of the public accounts court (*Cour des Comptes*) and two qualified staff, the appeal has suspensive effect; and the French Council of State remains the court of cassation.

**Budgetary control**

Pursuant to articles L. 1612-2 et seq. of the GLAC, the CRC controls the Primary Budget (PB), the DM and the AA or the CFU.

The CRC may act in four situations:

- where the PB is adopted out of time (after 31 March, except in any deliberative assembly election year, where the period is extended to 15 April of the financial year), after a fifteen (15) day period for transmission, the Prefect must instruct the CRC which shall formulate its proposals within one month;
- if the approved budget is not in true balance (revenue not equal to expenditure), three monthly periods are triggered: one month for the prefect to instruct the CRC, one month for the CRC to formulate its proposals, a third month for the deliberative assembly of the local authority to rectify the situation, failing which the Prefect settles the budget itself;

- if a mandatory expense is not entered in the budget, the same time periods apply but the CRC, which may also be instructed by the public auditor, issues a formal notice to the local authority in question; and
- lastly, when execution of the budget is in deficit (where the sum of the results of the two sections of the administrative account or the single financial account is negative) by more than 5% or 10% of operating section revenue, depending on the size of the local authority, the CRC proposes restorative measures within a period of one month from the date of its instruction. Furthermore, it approves the primary budget for the following financial year.

### **Jurisdictional control**

The CRC controlled all accounts of the public auditors of local authorities and their public establishments. This jurisdictional control was the original purpose of the CRC. The purpose was to control the regularity of transactions carried out by public auditors. It involved verifying not only that the accounts are regular, but above all that the public auditor has properly carried out all of the controls that it is obliged to perform.

Ordinance no. 2022-408 of 23 March 2022 modified the terms of the CRC's jurisdictional control aimed at ensuring the regularity of transactions undertaken by the public accountant. The new system of financial responsibility is characterised by a unified jurisdictional organisation with jurisdiction over both accounting officers and authorising officers before a single chamber of the public accounts court (*Cour des Comptes*) comprising members of the court and magistrates from the regional and territorial audit chambers.

Law n°2001-1248 of 21 December 2001 on CRCs and the public accounts court (*Cour des Comptes*) prohibiting any control of appropriateness by the accountant remains applicable.

### **Management control**

CRCs also have a duty to control the management of local authorities. The purpose of this control is to verify the regularity and quality of their management. It concerns not only the financial equilibrium of management operations and the methods chosen for their implementation, but also the results achieved by reference to such methods and the results of measures undertaken. CRCs judge the regularity of management operations and the financial soundness of the methods used, and not the appropriateness of the actions taken by local authorities. CRCs aim above all to help and encourage local authorities to comply with the law to avoid any penalties.

### *Impact of CRC observation letters*<sup>4</sup>

Observation letters raise three major areas of consideration:

- balanced use of public finances;
- controlled management of public services; and
- compliance with the broad principles of the civil service.

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<sup>4</sup> Following an audit of a local authority's management, the CRC may deliver a letter of provisional observations on their management. Following the ensuing bilateral exchanges phase, the CRC formulates its definitive observations. These are notified to the relevant local authority and its executive must communicate these observations to the deliberative assembly at its next meeting. These observations then become official communicable administrative documents.

This function may however not be fit for purpose because CRCs issue their final observation letters two to five years after the budgetary year-end. These letters are available to any citizen requesting a copy.

### Forms of control

The way CRC's operate has changed.

The law n° 88-13 of 5 January 1988 on improving decentralisation imposed a preliminary interview between the reporting magistrate and the head of the local authority at the time of the control, but also with those responsible of the control during the period indicated. These provisions are aimed at improving external controls (consistent practices throughout the country, confidentiality).

CRCs pay particular attention to the verification of the public policy effectiveness. While it is not their role to form opinions on the local authorities' decisions, they ensure that these authorities have implemented an organised structure with clear objectives, providing services and a system of monitoring and control using management dashboards to evaluate the measures implemented.

## **6. RECENT EVENTS AFFECTING THE ISSUER THAT ARE MATERIAL IN ASSESSING ITS SOLVENCY**

As at today's date, there has been no significant deterioration to the Issuer's prospects since the end of the last budgetary year ending on 31 December 2022 and there has been no material change to the Issuer's financial performance between the end of the last financial period for which financial information has been published and the date of this Offering Circular.

There has been no significant change to the Issuer's financial situation since the end of the last budgetary year ending on 31 December 2022.

## **7. DISPUTES**

### **7.1 Disputes to which the Issuer is a party**

During the normal course of its activities, the Issuer is involved in a number of judicial, governmental, arbitration and administrative proceedings. These disputes are not material, regarding the Issuer's budget, and are usual for all entities employing staff or owning assets. The issues raised by disputes in which the Métropole de Lyon is currently involved do not require any particular comment.

Within the twelve (12) months preceding the date of this Offering Circular, the Issuer is not and has not been involved in any administrative, judicial or arbitration proceedings (including procedures pending or threatened of which the Issuer is aware) that could have or has recently had a material effect on the Issuer's financial situation or profitability.

### **7.2 Issuer's immunity from enforcement**

Given its status as an EPCI with separate legal personality and financial autonomy, the Issuer's real and personal properties and rights are governed by the general public entities property code (CGPPP). Its assets are therefore immune from seizure (art. L.2311-1 of the CGPPP).

Pursuant to article L.111-1 of the civil enforcement procedures code and jurisprudence, it is not possible to bring private law enforcement proceedings against it. Similarly, it is not possible to take real property security over its assets. Finally, the Issuer's debtors may not operate any set-off between their debts and the claims they hold against it (ex: Cass., Civ. 1, 10 December 2014, n°13-25114).

However, the repayment and servicing of debt constitutes a mandatory expense for local authorities. Any person with standing may petition the CRC to issue a formal demand to the local authority, or even request the State's representative to record ex officio this expense in the budget (art. L.1612-15 of the CGCT).

Furthermore the law n° 80-539 dated 16 July 1980 requires public law legal entities to order execution of amounts they owe within two months from notification of the judicial decision ordering them to pay their debts. If they fail to comply, creditors may rely on a final and binding judicial decision ordering a public entity to make payment, even as provisional measure, of a sum of money, by application of the specific rules laid down by this law (Cass. Civ. 1, 21 December 1987, n° 86-14167).

## **8. FINANCIAL RATING OF THE ISSUER**

On 23 June 2023, the credit rating agency Fitch confirmed the Issuer's "AA" long term and "F1+" short term ratings. The long term rating outlook is stable.

The report and press release of the rating agency Fitch may be consulted on the Fitch's website: <https://www.fitchratings.com/research/fr/international-public-finance/fitch-affirms-lyon-metropolis-at-aa-outlook-stable-23-06-2023>

On 15 December 2023, the rating agency Fitch carried out a review of the ratings of the Métropole de Lyon, which were confirmed without any particular communication from Fitch.

## **9. DOCUMENTS AVAILABLE TO THE PUBLIC**

The Issuer's latest budgetary presentations may be consulted online at the addresses specified below:

2021 Administrative Account presentation document:

- Decision:  
[https://www.grandlyon.com/fileadmin/user\\_upload/media/pdf/institution/budget/20220711\\_CA-2021-deliberation.pdf](https://www.grandlyon.com/fileadmin/user_upload/media/pdf/institution/budget/20220711_CA-2021-deliberation.pdf)
- Summary:  
[https://www.grandlyon.com/fileadmin/user\\_upload/media/pdf/institution/budget/20220721\\_CA-2021-synthese.pdf](https://www.grandlyon.com/fileadmin/user_upload/media/pdf/institution/budget/20220721_CA-2021-synthese.pdf)

2022 Single Financial Account presentation Document:

- Decision:  
[https://www.grandlyon.com/fileadmin/user\\_upload/media/pdf/institution/budget/20230706\\_cfu2022\\_deliberation2023-1738.pdf](https://www.grandlyon.com/fileadmin/user_upload/media/pdf/institution/budget/20230706_cfu2022_deliberation2023-1738.pdf)
- Summary:  
[https://www.grandlyon.com/fileadmin/user\\_upload/media/pdf/institution/budget/20220222\\_syntese-budgetaire.pdf](https://www.grandlyon.com/fileadmin/user_upload/media/pdf/institution/budget/20220222_syntese-budgetaire.pdf)

2024 Primary Budget presentation document:

- Decision:  
[https://www.grandlyon.com/fileadmin/user\\_upload/media/pdf/institution/budget/20240206\\_bp2024\\_deliberation.pdf](https://www.grandlyon.com/fileadmin/user_upload/media/pdf/institution/budget/20240206_bp2024_deliberation.pdf)

The deliberations voted by the Metropolitan Council may be viewed on the Issuer's website: <https://www.grandlyon.com/metropole/actes-et-seances.html>

The budgetary documents for the primary budgets, administrative accounts and single financial account of the primary budget and ancillary budgets are available in digital and paper format from the Finance Department at the following address:

Métropole de Lyon  
Direction des Finances  
20 rue du Lac  
CS 33569 - 69505 Lyon Cedex 03

Public opening times: Monday to Friday from 07.30 to 18.30.



## USE OF PROCEEDS

The net proceeds of the issue of the Notes shall (as specified in the applicable Pricing Supplement) be used by the Issuer either:

- (i) to finance the Issuer's investments; or
- (ii) in the case of green bonds (**Green Bonds**), social bonds (**Social Bonds**) or sustainability bonds (**Sustainability Bonds**), to finance or refinance Eligible Projects, as defined below and more fully described in the Issuer's Green, Social and Sustainability Bond Framework (as amended or supplemented from) (the **Green, Social and Sustainability Bond Framework**) which is available on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>); or
- (iii) as specified in the applicable Pricing Supplement for any particular issue of Notes for which there is a specifically identified use of the proceeds (other than as specified in (i) or (ii) above).

The Green, Social and Sustainability Bond Framework respects the four main principles respectively of the *Green Bond Principles (GBP)*, the *Social Bond Principles (SBP)* and the *Sustainability Bond Guidelines (SBG)*, each published by the International Capital Market Association - 2021 editions respectively (or any more recent version specified in the applicable Pricing Supplement) namely: (i) the use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds, and (iv) reporting.

The Green, Social and Sustainability Bond Framework may be updated from time to time to reflect changes in market practice, regulation and the Issuer's activities. The Green, Social and Sustainability Bond Framework establishes the eligible categories of environmental and social projects (**Eligible Projects**) that the Issuer has identified as promoting a positive impact or mitigating a negative impact on the environment and/or having a positive social impact, and which meet certain environmental, social and sustainability criteria.

The Issuer has mandated Moody's ESG Solutions to issue a second party opinion on the responsible nature of the Issuer's Green, Social and Sustainability Bonds (**the Second Party Opinion**) by assessing: (i) the connection between the Green, Social and Sustainability Bonds and Métropole de Lyon's responsible investment strategy and (ii) conformity of the Green, Social and Sustainability Bond Framework with the *GBP* and the *SBP*. This Second Party Opinion, and any other opinion or certification issued in connection with an issue of Notes in accordance with the Green, Social and Sustainability Bond Framework, shall be available for consultation on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>). For the avoidance of doubt, neither the Second Party Opinion, nor any other opinion or certification is, or shall be deemed to be incorporated in and/or form part of this Offering Circular.

In accordance with the Green, Social and Sustainability Bond Framework, the Issuer undertakes to publish annually, until the proceeds have been fully allocated if such date occurs before the notes mature or otherwise until the notes mature, and in the event of material developments affecting the financed projects, information on the amounts allocated to Eligible Projects, and the impact of such financing, through an allocation report and an impact report respectively. These reports will be published on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>).

The above-mentioned allocation report shall include a detailed list of the Eligible Projects and information on the financial allocation for each Eligible Project and its rate of consumption, the proportion of green, social or sustainability financing allocated to Eligible Projects as well as the proportion co-financed, if relevant, the proportion of refinancing for existing projects and the proportion yet to be allocated.

The above-mentioned impact report shall contain information on the impact of the Eligible Projects to which funds have been allocated, based on the indicators listed in the Green, Social and Sustainability Bond Framework.

In accordance with the Green, Social and Sustainability Bond Framework, the net proceeds of the issues of Green, Social or Sustainability Bonds shall be deposited in the French Treasury's centralised account (*Compte Unique du Trésor Public*). The Issuer's Finance and Management Control Department and the operational services of the selected Eligible Projects shall monitor the allocation of the net proceeds of Green, Social or Sustainability Bonds. The Issuer's Finance and Management Control Department shall take an annual snapshot of the consumption of the funds for each transaction and the multi-year programming of investment relating to all issues of Green, Social or Sustainability Bonds.

## SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in an amended French language dealer agreement dated 5 March 2024 entered into between the Issuer, the Permanent Dealers and the Arranger (the **Dealer Agreement**), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer reserves the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between themselves in respect of Notes subscribed by such Dealer. If appropriate, the commissions in respect of an issue of Notes on a syndicated basis will be specified in the applicable Pricing Supplement. The Issuer has agreed to reimburse the Arranger for the expenses incurred by them in connection with the updating of the Programme and the Dealers for certain expenses in relation to their role under this Programme.

The Issuer has agreed to indemnify the Dealers against certain types of liability it may incur in connection with the offer and sale of Notes. The Dealer Agreement entitles the Dealers, under certain circumstances, to terminate any agreement they may enter into for the subscription of Notes prior to payment for such Notes being made to the Issuer.

### 1. GENERAL

These selling restrictions may be amended by mutual agreement between the Issuer and the Dealers in particular following any change to any applicable law, regulation or directive. Any such amendments shall be set out in a supplement to this Offering Circular.

Each Dealer has undertaken to comply, to the fullest extent of the information in its possession, with all relevant laws, regulations and directives in each country in which it buys, offers, sells or delivers Notes or in which it holds or distributes the Offering Circular, any other offer document or any Pricing Supplement and neither the Issuer nor any of the other Dealers shall incur any liability in respect thereof.

### 2. UNITED STATES OF AMERICA

The Notes have not and will not be registered pursuant to the *US Securities Act of 1933*, as amended (the **US Securities Act**) or by any securities regulatory authority of any state or other jurisdiction of the United States of America. Subject to certain exceptions, Notes may not be offered or sold in the territory of the United States of America or, in the case of Materialised Notes, offered, sold or delivered in the territory of the United States of America, or to, or for the account or benefit of, a U.S. Person as defined in Regulation S of the US Securities Act (**Regulation S**). Each Dealer has undertaken and each new Dealer will be required to undertake, not to offer or sell any Note, or in the case of bearer Materialised Notes, to deliver such Notes in the territory of the United States of America except in compliance with the Dealer Agreement.

Bearer Materialised Notes with a maturity of greater than one year are subject to US tax rules and may not be offered, sold or delivered in the territory of the United States of America or any of its possessions or to U.S. Persons, with the exception of certain transactions which are permitted under US tax laws. Terms used in this paragraph shall have the meaning given to them in the U.S. Internal Revenue Code of 1986, as amended, and regulations made thereunder.

Materialised Notes shall be issued pursuant to Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(D) of the U.S. Treasury Regulations (**D Rules**) unless (a) the applicable Pricing Supplement provides that such Materialised Notes are issued pursuant to Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(C) of the U.S.

Treasury regulations (**C Rules**), or (b) the Materialised Notes are not issued pursuant to C Rules or D Rules, but under such conditions that these Materialised Notes shall not constitute "registration required obligations" by the United States Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), in such case the applicable Pricing Supplement shall indicate that the transaction is outside the scope of the TEFRA rules.

The TEFRA rules do not apply to Dematerialised Notes.

In addition, the offering or sale by any Dealer (whether or not participating in the offering) of any identifiable tranche of Notes within the United States of America within the first forty (40) calendar days after the later of the commencement date of the offering of the identified tranche or the closing date, may violate the registration requirements under the US Securities Act.

### 3. UNITED KINGDOM

Each Dealer has represented and agreed and each new Dealer will be required to represent and agree that:

- (a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve acquiring, holding, managing or selling financial products (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom, other than to persons whose ordinary activities involve acquiring, holding, managing or selling financial products (as principal or agent) for the purposes of their business or to persons who may reasonably be expected to acquire, hold, manage or sell financial products (as principal or agent) for the purposes of their business, where the issue of the Notes would otherwise constitute a violation of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**);
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not and will not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### 4. ITALY

Each Dealer has represented and agreed, and each new Dealer will be required to represent and agree, that the offering of Notes has not been registered with the Italian securities legislation and, accordingly, the Notes may not be and shall not be, offered, sold or delivered in the Republic of Italy (**Italy**), and no copy of this Offering Circular, nor any other document relating to the Notes may be, nor shall be, distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 2 of Regulation (EU) No 2017/1129 of 14 June 2017 (**Prospectus Regulation**) and any applicable provisions of Italian laws and regulations; or
- (ii) *in any circumstances which are outside the scope of, or benefit from an exemption to, the rules applicable to public offerings in accordance with Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 dated 14 May 1999, as amended from time to time, and the applicable Italian legislation.*

Any offer, sale or delivery of Notes or any distribution of a copy of this Offering Circular or any other document relating to the Notes in Italy in the circumstances described in (i) and (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary authorised to conduct such activities in Italy in accordance with the the Law Decree No 58 of 24 February 1998, as amended, the CONSOB Regulation No. 20307 dated 15 February 2018 as amended from time to time and the legislative decree No. 385 of 1 September 1993 as amended from time to time (the **Banking Act**);
- (b) in accordance with all other laws, regulations or requirements imposed by CONSOB, the Bank of Italy (including all disclosure obligations, as applicable, in accordance with article 129 of the Banking Act and the guidelines of the Bank of Italy, as amended from time to time) of any other Italian authority.

## **5. FRANCE**

Each of the Dealers and the Issuer has represented and warranted, and each new Dealer shall represent and agree, that it undertakes to comply with all current laws and regulations applicable in France in relation to the offering, placement or sale of Notes and the distribution in France of the Offering Circular and any other documents relating to the Notes.

## **6. BELGIUM**

Each Dealer has represented and warranted, and each other Dealer appointed under the Programme shall represent and warrant, that no offer of Notes may be advertised to any physical person in Belgium considered as a consumer within the meaning of Article I.1 of the Belgian economic law code, as amended from time to time (a Belgian Consumer) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes and, that it has not distributed and will not distribute, directly or indirectly, any prospectus, information memorandum, offering circular, brochure or any other similar document in connection with the Notes to any Belgian Consumer.

Furthermore, each Dealer has represented and warranted, and each other Dealer appointed under the Programme shall represent and warrant, that Notes issued in bearer form may not be physically delivered in Belgium, except to a liquidation entity (or securities central depository), a depository or any other institution in order to immobilise them in accordance with article 4 of the Belgian Law dated 14 December 2005 on the abolition of bearer securities.

## FORM OF PRICING SUPPLEMENT

Set out below is the Form of Pricing Supplement which will be completed for each Tranche of Notes:

**[MiFID II Product Governance / Target Market: eligible counterparties and professional clients only –** Solely for the purposes of the product approval process of [the/each] manufacturer, the target market assessment in respect of the Notes, taking into consideration the five categories referred to in paragraph 19 of the Guidelines published by the European Securities and Markets Authority on 3 August 2023, has led to the conclusion that: (i) the target market for the Notes includes eligible counterparties and professional clients only, each as defined by the Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person who subsequently offers, sells or recommends the Notes (a **distributor**) should take into consideration the [the/each] manufacturer[’s/s’] target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (and either adopting or refining [the/each] manufacturer[’s/s’] target market assessment) and determining the appropriate distribution channels.]

**[UK MiFIR Product Governance / Target Market: eligible counterparties and professional clients only -** Solely for the purposes of the product approval process of [the/each] manufacturer, the target market assessment in respect of the Notes, taking into consideration the 5 categories referred to in paragraph 18 of the Guidelines published by the European Securities and Markets Authority on 5 February 2018 (in accordance with the statement of principle of the United Kingdom’s Financial Conduct Authority entitled “*Brexit: our approach to EU non-legislative materials*”), has led to the conclusion that: (i) the target market for the Notes includes eligible counterparties, as defined in the United Kingdom Financial Conduct Authority’s *FCA Handbook Conduct of Business Sourcebook (COBS)*, and professional clients, as defined in Regulation (EU) no. 600/2014 which forms part of United Kingdom domestic law in accordance with the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties or professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration [the/each] manufacturer[’s/s’] target market assessment. However a distributor bound by the United Kingdom Financial Conduct Authority’s *FCA Handbook - Product Intervention and Product Governance Sourcebook* (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (and either adopting or refining [the/each] manufacturer’s target market assessment) and determining the appropriate distribution channels.]

Pricing Supplement dated [●]



**METROPOLE DE LYON**  
Euro Medium Term Note Programme  
€1,000,000,000

*Legal Entity Identifier (LEI): 969500QEDZVVBAI2EX39*

**SERIES No:** [●]

**TRANCHE No:** [●]

**[Brief description and aggregate nominal amount of Notes]**

Issue Price: [●] %

**[Name(s) of Dealer(s)]**

## PARTIE 1

### CONTRACTUAL TERMS

This document constitutes the Pricing Supplement in respect of the issue of notes described below (the **Notes**) and contains the final terms of the Notes. This Pricing Supplement completes the offering circular dated 5 March 2024 [and the supplement to the offering circular dated [●]] relating to the Issuer's €1,000,000,000 euro medium term note programme, which [together] constitute[s] an offering circular (the **Offering Circular**) and must be read in conjunction therewith in order to obtain all relevant information. Terms used below shall have the meaning given to them in the Offering Circular. The Notes shall be issued in accordance with the provisions of this Pricing Supplement together with the Offering Circular. This Pricing Supplement and the Offering Circular are available on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>). [The Offering Circular is also available [on/at] [●].]<sup>5</sup>

[The following language applies if the first Tranche of an issue the amount of which is being increased was issued under an offering circular with an earlier date.]

Terms used below shall be deemed to have been defined for the purposes of the [2020/2022] Conditions incorporated by reference in the offering circular dated 5 March 2024. This document constitutes the Pricing Supplement relating to the issue of the Notes hereinafter described and should be read together with the Offering Circular, with the exception of the Terms and Conditions of the Notes which are replaced by the [2020/2022] Conditions. The Notes shall be issued in accordance with the provisions of this Pricing Supplement together with the Offering Circular. Full information on the Issuer and the offer of Notes is available solely on the combined basis of this Pricing Supplement and the Offering Circular. The Pricing Supplement and the Offering Circular are available on the dedicated page of the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>). [Furthermore, the Pricing Supplement and the Offering Circular are available [on/at] [●].]<sup>6</sup>

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

- |    |  |   |
|----|--|---|
| 1. | <b>Issuer:</b>   | Métropole de Lyon   |
| 2. | (a) Series:  | [●]   |
|    | (b) Tranche:   | [●]   |
|    | (c) Date on which the Notes will be consolidated and form a single Series: | [The Notes shall be consolidated ( <i>assimilable</i> ) and form a single Series with [ <i>describe the relevant Series</i> ] issued by the Issuer on [ <i>insert the relevant date</i> ] (the <b>Existing Notes</b> ) as of [ <i>insert the relevant date</i> ]. Once the Notes are admitted to trading, they shall be fully fungible with the Existing Notes, and shall form a single Series.] [Not Applicable] |
| 3. | <b>Specified Currency:</b>   | Euro (€)  |

<sup>5</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

<sup>6</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.



4. **Aggregate Nominal Amount:**
- (a) Series: [●]
- [(b) Tranche: [●]]
5. **Issue Price:** [●] % of the Aggregate Nominal Amount [plus accrued interest since *[insert the date]* (in case of fungible issues or first broken coupon, if any)
6. **Specified Denomination(s):** [●] (*only one Denomination for Dematerialised Notes*)
7. (a) Issue Date: [●]
- (b) Interest Period Commencement Date: [●] [*Specify / Issue Date / Not Applicable*]
8. **Maturity Date:** [*Specify the date or (for the Floating Rate Notes) the Interest Payment Date of the relevant month and year or the nearest date from the Interest Payment Date of the relevant month and year*]
9. **Interest Basis:** [ [●] % Fixed Rate]
- [EURIBOR, CMS Rate, TEC10 or €STR] +/- [●] % Floating Rate]
- [Fixed/Floating Rate] [Zero Coupon Note] (other details indicated below)
10. **Redemption Basis:** Subject to repurchase and cancellation or anticipated redemption, the Notes will be redeemed at the Maturity Date at [100]/[●] % of their Aggregate Nominal Amount.
- [Redemption by Instalments]
11. **Change of Interest Basis:** [Applicable (other details indicated below) (*for the Fixed/Floating Rate Notes*)/Not Applicable]
12. **Redemption at the option of the Issuer/Noteholders:** [Redemption at the option of the Issuer]/[Redemption at the option of the Noteholders][Not applicable] [*other details indicated below*]
13. (a) Status of the Notes: Senior
- (b) Authorisation date for the issue of the Notes: [●]
14. **Distribution Method:** [Syndicated/Non-syndicated]

**PROVISIONS RELATED TO INTERESTS (IF ANY) TO BE PAID**

15. **Provisions relating to Fixed Rate Notes:** [Applicable/Not Applicable]
- (If this paragraph is not applicable, delete other sub-paragraphs)
- (a) Interest Rate: [●]% per year [payable [annually/half-yearly/quarterly/monthly] at maturity]
- (b) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any relevant Business Centre(s) for the "Business Day" definition]/not adjusted]
- (c) Fixed Coupon Amount[(s)]: [●] per Specified Denomination of [●]
- (d) Broken Amount[(s)]: [Include information relating to the initial or final Broken Amount which are different to the Fixed Coupon Amount(s) and Interest Payment Date(s) to which they relate][Not Applicable]
- (e) Day Count Fraction (Condition 4.1): [Actual/365 / Actual/365-FBF / Actual/Actual-[ICMA/FBF] / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360 - FBF.]
- (f) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] / [Not adjusted]
- (g) Determination Date(s) of the Coupon (Condition 4.1): [[●] in each year (specify the regular Interest Payment Dates, excluding the Issue Date and the Maturity Date in the case of a first or last long or short Coupon.)] [Not Applicable]
- N.B.: only applicable where the Day Count Fraction is Actual/Actual (ICMA) Basis.*
16. **Provisions relating to Floating Rate Notes:** [Applicable/Not Applicable]
- (If this paragraph is not applicable, delete other sub-paragraphs).
- (a) Interest Period(s)/ Interest Accrual Period Date: [●]
- (b) Interest Payment Date(s): [●]
- (c) First Interest Payment Date: [●]
- (d) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention]

	Convention/Modified Following Business Day Convention/Preceding Business Day Convention] / [Not adjusted]
(e) Business Centre(s) (Condition 4.1):	[●]
(f) Manner in which the Interest Rate[s] is/[are] to be determined:	[Screen Rate Determination/FBF Determination]
(g) Party responsible for calculating the Interest Rate(s) and Coupon Amount(s) (if other than the Calculation Agent):	[●][Not Applicable]
(h) Screen Rate Determination (Condition 4.3(c)(ii)):	[Applicable/Not Applicable]
	<i>(If this sub-paragraph is not applicable, delete the remaining sub-paragraphs)</i>
• Relevant Rate:	[●]
• Screen Page:	[●]/[Not Applicable]
	<i>(Where €STR is the Benchmark, delete this paragraph)</i>
• Relevant Time:	[●]
• Coupon Determination Date:	[[●] [T2] Business Days in [ <i>specify the city</i> ] for [ <i>specify the currency</i> ] before [the first day of each Interest Period/each Interest Payment Date]]
• Primary source for the Floating Rate:	[ <i>Specify the relevant Screen Page or "Reference Banks"</i> ]
• Reference Banks (if the primary source is "Reference Banks"):	[ <i>Specify four entities/ Not Applicable</i> ]
• Relevant Financial Centre:	[ <i>The financial centre most closely connected with the Benchmark– specify, if other than Paris</i> ]
• Benchmark:	[EURIBOR, TEC10, CMS Rate, €STR]
	<i>(If the Interest Rate is determined through a linear interpolation in respect with the [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the two applicable interest rates used for the aforementioned determination)</i>

	• Representative Amount:	[Specify if quotations published on a Screen Page or offered by Reference Banks must be given for a transaction of a specific amount]
	• Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Period]
	• Specified Duration:	[Specify period for quotation if other than duration of Interest Period]
	• [Observation “Look-Back” Period:	[●] ( <i>Applicable only if €STR is the Benchmark</i> )/Not Applicable]
(i)	FBF Determination (Condition 4.3(c)(i))	[Applicable/Not Applicable]  <i>(If this sub-paragraph is not applicable, delete the remaining sub-paragraphs)</i>
	• Floating Rate:	[●]  <i>(If the Interest Rate is determined through a linear interpolation in respect with the [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the two applicable interest rates used for the aforementioned determination)</i>
	• Determination Date for Floating Rate:	[●]
	• FBF Definitions:	[●]
(j)	Margin(s):	[[+/-] [●] % per annum/ Not Applicable]
(k)	Minimum Interest Rate:	[●]/[zero]% per annum
(l)	Maximum Interest Rate:	[[●] % per annum/ Not Applicable]
(m)	Day Count Fraction (Condition 4.1):	[Actual/365 / Actual/365-FBF / Actual/Actual-[ICMA/FBF] / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360 - FBF.]
(n)	Rate Multiplier:	[●]
17.	<b>Provisions relating to Zero Coupon Notes:</b>	[Applicable/Not Applicable]  <i>(If this paragraph is not applicable, delete the remaining sub-paragraphs)</i>
(a)	Amortisation Yield:	[●]% per annum

- (b) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-[ICMA/FBF] / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360 - FBF.]
18. **Provisions relating to Fixed/Floating Rate Notes:** [Applicable/Not Applicable]
- (If this paragraph is not applicable, delete other sub-paragraphs)*
- (a) Change of Interest Basis: [Interest Basis Change at the Option of the Issuer]/[Automatic Change of Interest Basis]
- (b) Interest Basis Change Date: [●]
- (c) Interest Rate applicable to the Interest Periods preceding the Interest Basis Change Date (excluded): Determined in accordance with Condition [4.2 of the Terms and Conditions, as if the Notes were Fixed Rate Notes] / [4.3 of the Terms and Conditions, as if the Notes were Floating Rate Notes], as supplemented by paragraph [15/16] of this Pricing Supplement.
- (d) Interest Rate applicable to the Interest Periods following the Interest Basis Change Date (inclusive): Determined in accordance with Condition [4.2 of the Terms and Conditions, as if the Notes were Fixed Rate Notes] / [4.3 of the Terms and Conditions, as if the Notes were Floating Rate Notes], as supplemented by paragraph [15/16] of this Pricing Supplement.
- (e) Notice period: [●][Not Applicable]
- (only applicable in the event of an Interest Basis Change at the Option of the Issuer)*

## PROVISIONS RELATING TO REDEMPTION

19. **Issuer Call:** [Applicable/Not Applicable]
- (If this paragraph is not applicable, delete the remaining sub-paragraphs)*
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) for each Note: [●] per Note [of Specified Denomination [●]]
- (c) If redeemable in part:
- (i) Minimum redemption amount: [●]
- (ii) Maximum redemption amount: [●]

- (d) Notice period (Condition 5.3):
20. **Noteholder Put:**  [Applicable/Not Applicable]  
*(If this paragraph is not applicable, delete the remaining sub-paragraphs)*
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount(s) for each Note:  per Note [of Specified Denomination
- (c) Notice period (Condition 5.4):
21. **Final Redemption Amount for each Note:**  per Note [of Specified Denomination of
22. **Instalment Amount:**  [Applicable/Not Applicable]  
*(If this sub-paragraph is not applicable, delete the remaining sub-paragraphs)*
- (a) Instalment Date(s):
- (b) Instalment Amount(s) for each Note:
23. **Early Redemption Amount:**
- (a) Early Redemption Amount(s) for each Note paid on redemption for tax reasons (Condition 5.6), for illegality (Condition 5.9) or on Event of Default (Condition 8):  [Pursuant to the Terms]/ per Note [of Specified Denomination
- (b) Redemption for tax reasons on dates other than Interest Payment Dates (Condition 5.6):  [Yes/No]
- (c) Unmatured coupons to be cancelled on early redemption (Materialised Notes only (Condition 6.2(b))):  [Yes/No/Not Applicable]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. **Form of the Notes:**  [Dematerialised Notes/Materialised Notes]  
*(Materialised Notes are issued in bearer form only) (Delete as appropriate)*

- (a) Form of Dematerialised Notes: *[In bearer form/ registered form/Not Applicable]*
- (b) Registration Agent: *[Not Applicable/[●] (if applicable name and information) (N.B. a Registration Agent may be appointed in respect of Dematerialised Notes in pure registered form (au nominatif pur) only).*
- (c) Temporary Global Certificate: *[Not Applicable/Temporary Global Certificate exchangeable for Physical Notes on [●] (the **Exchange Date**), forty calendar days after the issue date, unless postponed, as specified in the Temporary Global Certificate.]*
25. **Financial Centre(s) (Condition 6.6):** *[Not Applicable/Specify]. (N.B. this relates to the date and place for payment and not the Interest Payment Dates referred to in paragraphs 15(ii) and 16(i).)*
26. **Talons for future Coupons or Receipts to be attached to Physical Notes:** *[Yes/No/Not Applicable]. (If yes, specify) (Only applicable to Materialised Notes.)*
1. **Masse (Condition 10):** *(Specify details relating to the initial and alternate Representatives and their remuneration)*
- Name and contact details of the initial Representative are: [●]
- [Name and contact details of the alternate Representative are: [●]]
- The Representative of the Masse [shall receive a remuneration of €[●] per year with respect to its functions]/[shall not receive compensation with respect to its functions].
- [For as long as the Notes are held by a single Noteholder, and if no Representative has been appointed in respect of that Series, the relevant Noteholder shall exercise all powers conferred upon the Masse by the provisions of the French Commercial Code, as supplemented by the Terms and Conditions.
- The Issuer shall keep (or shall cause any authorised agent to keep) a register of all decisions adopted by the Single Noteholder in such capacity and shall make it available, upon request, to any subsequent Noteholder. A Representative shall be appointed whenever the Notes of any Series are held by more than one Noteholder.]

## PURPOSE OF THE PRICING SUPPLEMENT

This document constitutes the Pricing Supplement required for the issue [and] [admission to trading of the Notes on [Euronext Paris/other (*specify*)] described herein pursuant to the €1,000,000,000 Euro Medium Term Note Programme of the Métropole de Lyon.

## 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 it 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.]<sup>7</sup>

Signed on behalf of the Issuer:

By: .....  
Duly authorised

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<sup>7</sup> To be included if information is supplied by a third party.



## PARTIE 2

### OTHER INFORMATION

#### 1. ADMISSION TO TRADING

- (a) Admission to trading: [An application for admission of the Notes to trading on [Euronext Paris/other (*specify*)] as from [●] has been made.]
- [An application for admission of the Notes to trading on [Euronext Paris/other (*specify*)] as from [●] shall be made by the Issuer (or on its behalf).]
- [Not Applicable]
- (in the case of fungible issues, specify that the original Notes have already been admitted to trading.)*
- (b) Total estimated costs relating to admission to trading: [●]/[Not Applicable]

#### 2. RATINGS

Ratings: The Programme has been assigned an [AA-] rating by Fitch Ratings Ireland Limited (**Fitch**).

At the date of this Offering Circular, Fitch is a rating agency established in the European Union and is registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council dated 16 September 2009 on credit rating agencies as amended (the **CRA Regulation**) and is included on the list of rating agencies published on the website of the European Securities and Markets Authority (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

Notes to be issued [have not been assigned any rating]/[have been/should be] assigned the following rating:  
[Fitch: [●]]  
[[Other]: [●]]

[[●] is a rating agency established in the EU and is registered in accordance with the CRA Regulation. Accordingly, it is included in the list of rating agencies published on the website of the European Securities and Markets Authority (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.]

[[●] is not established in the United Kingdom and is not registered pursuant to Regulation (EU) N° 1060/2009 as such regulation forms part of United Kingdom domestic

law pursuant to EUWA (the **UK CRA Regulation**). The notes rating issued by [UK CRA entity], in accordance with the UK CRA Regulation has not been withdrawn. As such, the rating issued by [UK CRA entity] may be used for United Kingdom regulatory purposes in accordance with the UK CRA Regulation].<sup>8</sup>

*(The rating assigned to the Notes issued under the Programme must be specified above or, if an issue of Notes has been assigned a specific rating, such specific rating should be specified above. Give a brief indication of this rating if it has already been published by the issuing agency.)*

### **3. [THIRD PARTY INFORMATION AND EXPERTS' REPORTS]<sup>9</sup>**

*Where a statement or report attributed to a person acting as an expert is included in this Pricing Supplement, indicate the name of such person, his/her professional address, qualifications and, if relevant, any material interest that such person has in the Issuer. If such statement or report has been produced at the Issuer's request, indicate that such declaration or report has been included in this Pricing Supplement with the consent of the person who has approved the contents of such part of the Pricing Supplement.*

*Where information has been sourced from a third party, provide a certificate confirming that such information has been faithfully reproduced and that in so far as the Issuer is aware and is able to verify based on information published by such third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Furthermore, the Issuer shall identify the source(s) of the information.]*

### **4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

*The purpose of this section is to describe any interest, including any conflict of interest that may have a material impact on the issue of Notes, identifying each person concerned and the nature of such interest. This may be satisfied by inserting the following statement:*

["Except commissions related to the issue of Notes paid to the Dealer(s), to the knowledge of the Issuer, no other person involved in the issue of Notes has any interest material to it. The dealer(s) and its/their affiliate(s) have engaged and may engage in investment banking and/or commercial banking transactions with the Issuer, and may perform other services for it in the ordinary course of business."]

### **5. USE AND ESTIMATED AMOUNT OF NET PROCEEDS**

Use of Proceeds:

[specify] [The Notes constitute [Green Bonds]/[Social Bonds]/[Sustainability Bonds] and the net proceeds of the issue shall be used to finance or refinance one or more projects included within the Eligible Projects described below: *describe the specific projects included in Eligible Projects and/or the availability of a Second Party Opinion and all opinions supplied by third parties and/or where such information can be obtained*]

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<sup>8</sup> To be used only for issues where a placement in the United Kingdom is contemplated and note ratings issued by the EEA rating agency are to be endorsed by a United Kingdom rating agency.

<sup>9</sup> Note that certain regulatory authorities may require that such information is inserted, even where the nominal value of the Notes is equal to or greater than 100,000 €.

([See the “Use of Proceeds” section of the Offering Circular] *(If relevant, explain reasons for the offer here)*).

Estimated net proceeds: [●]

*(If the proceeds are to be used for several purposes, provide a breakdown and order of priority. If the proceeds are insufficient to finance all proposed uses, indicate the amount and sources of other funding.)*

## 6. [YIELD<sup>10</sup>

Yield: [●]

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

## 7. BENCHMARKS

The amounts of interest payable under the Notes shall be calculated by reference to [●], which is supplied by [●]. As at the date of this Pricing Supplement, [●] [is/is not] registered on the public register of administrators and benchmarks established and held by the European Securities and Markets Authority in accordance with article 36 of Regulation (EU) No. 2016/1011 (as amended, the **Benchmarks Regulation**). [To the Issuer’s knowledge, the transitional provisions of article 51 of the Benchmarks Regulation apply, such that [●] is not currently obliged to obtain any authorisation or registration (or, if located outside the European Union, any recognition, endorsement or equivalent). [As of [●], [●] is registered on the administrators and benchmarks register maintained by the Financial Conduct Authority in the United Kingdom.]]

## 8. DISTRIBUTION

- (a) If it is syndicated, names of the Placement Syndicate Members: [Not applicable/give names]  
*(if this paragraph is not applicable, please delete the following subsections)*
- (i) Institution responsible for the Regularisation Transactions (if any): [Not applicable/give names]
- (ii) Date of the underwriting agreement: [●]
- (b) If it is not syndicated, names of the Dealer: [Not applicable/give name]
- (c) Selling restrictions – United States of America: [Regulation S Compliance Category 1: Rules TEFRA C / Rules TEFRA D / Not applicable] *(Rules TEFRA are not applicable to the Dematerialised Notes)*

## 9. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]

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<sup>10</sup> Applicable to Fixed Rate Notes only.

- (b) Common Code:
- (c) Depositary:
- (i) Euroclear France acting as Central Depository:  [Yes/No]
- (ii) Common Depository for Euroclear and Clearstream:  [Yes/No]
- (d) Any clearing system other than Euroclear France, Euroclear and Clearstream and the relevant identification numbers:  [Not Applicable/give name(s) and number(s)]
- (e) Delivery:  Delivery [against/free of payment]
- (f) Names and addresses of initial Paying Agents appointed for the Notes:
- (g) Names and addresses of additional Paying Agents appointed for the Notes: /[Not Applicable]

## GENERAL INFORMATION

1. The Issuer has obtained all consents, approvals and authorisations necessary in France in connection with the updating of the Programme. Any issue of Notes shall be authorised by a resolution of the Metropolitan Council (*Conseil de la Métropole*) of the Issuer. Pursuant to deliberation n°2023-1998 dated 11 December 2023 and deliberation n°2024-2120 dated 29 January 2024, the *Conseil de la Métropole* of the Issuer authorised its President to raise financing of any nature, subject to compliance with certain conditions, notably bonds issue including under an EMTN programme until the end of his term subject to the authorised limits set forth in the budget and to enter into necessary acts, contracts and amendments in that respect.

**This Offering Circular, as supplemented (if applicable), shall be valid until 5 March 2025.**

2. As of today's date, there has been no significant deterioration in the Issuer's prospects since the end of the latest budgetary year ending 31 December 2022 and there has been no material change in the Issuer's financial performance between the end of the latest financial year for which financial information has been published and the date of this Offering Circular.
3. Unless specified otherwise in the Offering Circular, there has been no material change to the Issuer's financial situation since the end of the latest budgetary year ending on 31 December 2022.
4. This Offering Circular and any supplement to this Offering Circular shall be published on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>). So long as any Notes are admitted to trading on a Regulated Market in the EEA, the applicable Pricing Supplement shall be published on the Issuer's website (<https://www.grandlyon.com/metropole/financement.html>).
5. Save as disclosed under the heading "Disputes" of the Description of the Issuer, the Issuer is not involved in, nor are there any governmental, legal or arbitration proceedings pending or threatened, of which the Issuer is aware, which may have or have had a material effect on the financial position of the Issuer during the twelve (12) months prior to the date of this Offering Circular.
6. There is no potential conflict of interest between the duties owed by any of the members of the Metropolitan Council to the Issuer and its private interests and/or its other duties.
7. An application for acceptance of the Notes for clearance through Euroclear France (10-12 place de la Bourse, 75002 Paris, France), Euroclear (boulevard du Roi Albert II – 1210 Bruxelles – Belgique) and Clearstream (42 avenue JF Kennedy – 1885 Luxembourg – Grand- Duché de Luxembourg) may be made. The Common Code and ISIN number (International Securities Identification Number) or the identification number of any other relevant clearing system for each Series of Notes shall be specified in the applicable Pricing Supplement.
8. So long as any Notes issued under this Offering Circular remain outstanding, copies of the following documents shall be available, upon publication, free of charge, on the Issuer's website:
  - (a) the two most recent primary budgets (as amended, if applicable, by any supplemental budget) and the published administrative accounts or single financial accounts of the Issuer;
  - (b) all Pricing Supplement relating to any Notes admitted to trading on Euronext Paris or any other Regulated Market of an EEA Member State;
  - (c) a copy of this Offering Circular and any supplement to this Offering Circular or any new Offering Circular;
  - (d) the documents incorporated by reference in this Offering Circular; and

- (e) all reports, correspondence and other documents, appraisals and statements issued by any expert at the request of the Issuer, any extracts of which, or references to which, are contained in this Offering Circular relating to any issue of Notes.

The documents listed in paragraphs (i), (ii) and (iii) below will be available on the Issuer's website using the following link (<https://www.grandlyon.com/metropole/financement.html>):

- (i) all Pricing Supplement relating to Notes admitted to trading on Euronext Paris or any other Regulated Market of an EEA Member State;
- (ii) a copy of this Offering Circular together with any supplement to the Offering Circular or any new Offering Circular;
- (iii) the documents incorporated by reference in this Offering Circular.

9. The price and the amount of the Notes issued within the Programme shall be determined by the Issuer and each relevant Dealer at the time of the issue in accordance with the market conditions.
10. For any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes shall be specified in the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Notes on the basis of the Issue Price. The specified yield shall be calculated as the yield to maturity as at the issue date of the notes and shall not be an indication of future yield.
11. Each of the Dealers and their affiliates (including where a Dealer acts as calculation agent) may, now or in the future, in the normal course of business, conduct business with, or act as financial adviser to, the Issuer in connection with notes issued by the Issuer. Each of the Dealers and their affiliates (including where a Dealer acts as calculation agent) conducts or may, in the normal course of business, (i) conduct investment, trading or hedging operations, including brokerage or transactions on derivative products, (ii) act as underwriter for financial instruments offered by the Issuer or (iii) act as financial adviser to the Issuer. In connection with any such transactions, each of the Dealers and their affiliates (including where a Dealer acts as calculation agent) holds or may hold financial instruments issued by the Issuer, in which case each of the Dealers or their affiliates (including where a Dealer acts as calculation agent) shall or may receive the usual commissions in respect of such transactions.

Furthermore, the Issuer and each of the Dealers (including where a Dealer acts as calculation agent) may be involved in transactions relating to an index or derivative products based upon or relating to Notes, which may affect the market price, liquidity or value of the Notes and may have an adverse effect on the interests of Noteholders.

12. In connection with the issue of each Tranche, one of the Dealers may act as stabilisation manager (the **Stabilisation Manager**). The entity acting as Stabilisation Manager shall be specified in the applicable Pricing Supplement. For the purposes of an issue, the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) may over-allot Notes or take action with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail in the absence of such action. However, stabilisation may not necessarily occur. Such stabilisation action may only commence after the date on which the final terms of the issue of the relevant Tranche have been made public and, once commenced, may cease at any time and must end no later than the earlier of the following two dates: (a) thirty (30) calendar days after the issue date of the relevant Tranche and (b) sixty (60) calendar days after the date of allotment of the Notes of the relevant Tranche. Any stabilisation action taken must comply with all applicable laws and regulations.
13. In this Offering Circular, unless specified or the context requires otherwise, any reference to "€", "Euro", "EUR" and "euro" is to the currency that is legal tender in the Member States of the European Union that have adopted the single currency introduced under the Treaty establishing the European Economic Community, as amended.

14. Amounts payable under the Notes may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016, as amended (the **Benchmarks Regulation**). In such case, a statement shall be inserted in the applicable Pricing Supplement indicating whether the "benchmark" administrator is registered on the public register of administrators established and held by the European Securities and Markets Authority in accordance with article 36 of the Benchmarks Regulation or whether, to the Issuer's knowledge, the transitional provisions of Article 51 of the Benchmarks Regulation apply.
15. The Issuer has been assigned an AA-, stable outlook, rating by Fitch Ratings Ireland Limited (**Fitch**). The Programme has been assigned an AA- rating by Fitch. Notes issued under the Programme may or may not be attributed a rating. The rating attributed to the Notes, if any, shall be specified in the applicable Pricing Supplement. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency. At the date of the Offering Circular, Fitch is a credit rating agency established in the European Union and registered in accordance with Regulation (EC) No.1060/2009 of the European Parliament and the Council dated 16 September 2009 on credit rating agencies as amended (the **CRA Regulation**) and is included on the list of rating agencies published on the European Securities and Markets Authority website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.
16. Unless such information has been incorporated by reference in this Offering Circular, the information appearing on the websites mentioned in this Offering Circular do not form part of this Offering Circular.
17. The Issuer's legal entity identifier (LEI) is: 969500QEDZVVBAI2EX39.

**RESPONSIBILITY FOR THE OFFERING CIRCULAR**

**Person assuming responsibility for this Offering Circular**

**On behalf of the Issuer**

I confirm that the information contained in this Offering Circular is, to my knowledge, in accordance with the facts and contains nothing likely to affect its import.

Lyon, 5 March 2024

**METROPOLE DE LYON**

20, rue du Lac  
CS 33569  
69505 Lyon Cedex 3  
France

Represented by: Mr Bertrand Artigny 9<sup>th</sup> Vice-President



**Issuer**

**Métropole de Lyon**  
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69505 Lyon Cedex 3  
France

**Arranger**

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK**

12 place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**Dealers**

**BARCLAYS BANK IRELAND PLC**

One Molesworth Street  
Dublin 2  
Ireland DO2 RF29

**BRED BANQUE POPULAIRE**

18 quai de la Rapée  
75012 Paris  
France

**CRÉDIT AGRICOLE CORPORATE AND  
INVESTMENT BANK**

12 place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**DEUTSCHE BANK  
AKTIENGESELLSCHAFT**

Mainzer Landstr. 11-17  
60329 Frankfurt am Main  
Germany

**HSBC CONTINENTAL EUROPE**

38, avenue Kléber  
75116 Paris  
France

**LA BANQUE POSTALE**

115 rue de Sèvres  
75275 Paris Cedex 06  
France

**Fiscal Agent, Principal Paying Agent and Calculation Agent**

**Banque Internationale à Luxembourg S.A.**

69, Route d'Esch  
L-2953 Luxembourg  
Luxembourg

**Legal Advisers**

**To the Issuer**

**BENTAM Société d'Avocats**  
12, rue La Boétie  
75008 Paris  
France

**To the Arranger and the  
Dealers**

**Allen & Overy LLP**  
32, rue François 1<sup>er</sup>  
75008 Paris  
France