

IMPORTANT NOTICE

Selling restrictions:

The distribution of the Terms and Conditions, the offering or the sale of the Notes may, in some countries, be subject to specific laws and regulations. Persons into whose possession the Terms and Conditions comes should inform themselves about and observe any such restrictions.

No action has been or will be taken by the Issuer or the Sole Bookrunner in any country or jurisdiction that would permit an offering of the Notes to retail investors, or the possession or distribution of any offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and the documents, advertisements or other offering material relating to the Notes may not be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Prohibition of Sales to European Economic Area Retail Investors

The Sole Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area (the EEA). For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU on markets in financial instruments (as amended, **MiFID II**); or*
- (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.*

United States

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the **Securities Act**) or the securities laws of any State or other jurisdiction of the United States. The Notes may not be offered or sold or delivered, directly or indirectly, within the United States or to or for the account or benefit of U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**).*

Terms used in the preceding paragraph and not otherwise defined in the Terms and Conditions have the meanings given to them by Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Sole Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom (UK). For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or*
- (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.*

Other regulatory restrictions

The Sole Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and*
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.*

IMPORTANT – PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the **PRIIPs Regulation**) for offering or selling the*

Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK PRIIPs Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS – *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – *Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by the European Securities and Markets Authority (ESMA) on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.*

SOCIETE FONCIERE LYONNAISE



**€99,000,000 1.500 per cent. Notes due 5 June 2027
to be assimilated (*assimilées*) and form a single series with
the existing €500,000,000 1.500 per cent. Notes due 5 June 2027 issued on 5 June 2020**

***Issue Price: 93.422 per cent. of their principal amount plus an amount of accrued interest of €7,920
corresponding to 2 days from, and including 5 June 2022 to, but excluding, 7 June 2022***

***ISIN Code: FR0013515871
Common Code: 218239153***

Sole Bookrunner:

HSBC

TERMS AND CONDITIONS OF THE NOTES

*The terms and conditions of the Notes (the **Conditions**) will be as follows:*

The issue of €99,000,000 1.500 per cent. notes maturing on 5 June 2027 (the **Notes**) to be assimilated (*assimilées*) and form a single series with the existing €500,000,000 1.500 per cent. notes issued on 5 June 2020 (the **Initial Issue Date**) and maturing on 5 June 2027 (the **Existing Notes**) by Société Foncière Lyonnaise (the **Issuer**) was authorised pursuant to a resolution of the board of directors of the Issuer dated 18 February 2022 and to the issue decision dated 31 May 2022.

The Notes will be issued on the Issue Date (as defined below) and will be assimilated (*assimilées*) and form a single series with the Existing Notes as from the date of assimilation which is expected to be on or about the Issue Date (as defined below) (the **Assimilation Date**) and, from the Assimilation Date, the Noteholders and the holders of Existing Notes will, for the defence of their common interest, be grouped in a single Masse having legal personality.

The Common Code of the Notes after the Assimilation Date will be 218239153. The International Securities Identification Number (ISIN) of the Notes after the Assimilation Date will be FR0013515871.

The Notes are issued at an issue price of 93.422 per cent. of the principal amount of the Notes plus an amount of accrued interest of €7,920 corresponding to 2 days from, and including 5 June 2022 to, but excluding 7 June 2022.

The Notes are issued with the benefit of a fiscal agency agreement dated 3 June 2020 in respect of the Existing Notes (the **Principal Fiscal Agency Agreement**) and a supplemental fiscal agency agreement dated 2 June 2022 in respect of the Notes (the **Supplemental Fiscal Agency Agreement**), and together with the Principal Fiscal Agency Agreement, the **Fiscal Agency Agreement** between the Issuer, BNP Paribas Securities Services, as fiscal agent (the **Fiscal Agent** which expression shall, where the context so admits, include any successor for the time being as fiscal agent) and paying agent (the **Paying Agent** which expression shall, where the context so admits, include any successor for the time being as paying agent) and calculation agent for the purpose of the Conditions (except for Condition 6(c)) (the **Calculation Agent** which expression shall, where the context so admits, include any successor for the time being as calculation agent), and DIIS Group, as make whole calculation agent for the purpose of Condition 6(c) only (the **Make Whole Calculation Agent**).

References below to the **Noteholders** are to the holders of the Notes.

References below to **Conditions** are to the numbered paragraphs below.

1. Form, denomination and title

The Notes will be issued on 7 June 2022 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in book entry form in the books of Euroclear France (**Euroclear France**) which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking S.A. (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

2. Status of the Notes

The obligations of the Issuer under the Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer (*engagements chirographaires*), and rank and will rank *pari passu* without any preference amongst themselves and (subject to such exceptions as are mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

3. Negative Pledge

So long as any of the Notes remains outstanding (as defined below), the Issuer undertakes that it will, and ensures that its Material Subsidiaries will, not create or permit to subsist any mortgage, lien, charge, pledge or other form of encumbrance or security interest upon any of their respective assets or revenues, present or future, to secure any Bond Indebtedness (as defined below) incurred by it or one of its Material Subsidiaries (as defined below) or any guarantee or indemnity assumed or granted by it or one of its Material Subsidiaries (as defined below) in respect of any Bond Indebtedness, unless at the same time or prior thereto, the Issuer's obligations under the Notes are equally and rateably secured therewith.

For the purposes of the Conditions:

Bond Indebtedness means any present or future indebtedness for borrowed money, which is represented by bonds, notes or other securities (including *titres de créances négociables*) which are for the time being, or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market;

Contributory Revalued Assets Value means the product of the Relevant Revalued Assets Value of the relevant Subsidiary and the rate of direct or indirect detention of the Issuer in the relevant Subsidiary;

outstanding means, in relation to the Notes, all the Notes issued other than: (i) those which have been redeemed in accordance with the Conditions; (ii) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable under Condition 5 after such date) have been duly paid to the relevant Account Holders on behalf of the relevant Noteholders; (iii) those in respect of which claims have become prescribed under Condition 9; and (iv) those which have been purchased and cancelled as provided in Condition 6(h) and 6(i);

Subsidiary means each subsidiary, as defined in Article L.233-1 of the French *Code de commerce*, of the Issuer or an entity controlled (within the meaning of Article L.233-3 of the French *Code de commerce*) by the Issuer;

Material Subsidiary means, at any given date, a Subsidiary with a Contributory Revalued Assets Value at least equal to five (5) per cent. of the Revalued Assets Value (as defined below); and

Relevant Revalued Assets Value means for any Subsidiary at any time (i) the block value (excluding transfer duties and latent taxes (*hors fiscalité latente et droits de mutation*)) provided by the Property Valuers of the total Real Estate Assets owned or held directly or indirectly by such Subsidiary (including through financial leases and including the Real Estate Assets used as operating properties) as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Subsidiary in any Person (as defined below) as shown in such financial statements;

4. Restrictions on Secured Borrowings

The Issuer undertakes to the Noteholders that, so long as any of the Notes remains outstanding and except with the prior approval by a Collective Decision (as defined under Condition 12 below) of the Noteholders, the Unsecured Revalued Assets Value (as defined below) shall not be less than the Relevant Debt (as defined below) at any time.

For the purposes of the Conditions:

Assets means, for any Person, all or any part of its property, assets, revenues (including any right to receive revenues) and uncalled capital;

Financial Indebtedness means at any time any obligation of a Person for the payment or repayment of money, whether present or future in respect of:

- (a) any outstanding principal amount (together with any fixed or minimum premium payable on final repayment) of all moneys borrowed (with or without security);
- (b) any amount raised under any acceptance credit opened by a bank or other financial institution;
- (c) any lease, sale-and-lease-back, sale-and-repurchase or hire purchase contract or arrangement which is, in accordance with the relevant accounting principles at the time such contracts or arrangements were entered into, treated as financial debt (*emprunts et dettes financières*);

- (d) any amount raised pursuant to any issuance of shares (or equivalent) which are mandatorily redeemable (whether at final maturity or upon the exercise by the holder of such shares (or equivalent) of any option) prior to the Maturity Date;
- (e) any outstanding amount of the deferred purchase price of Real Estate Assets where payment (or, if payable in instalments, the final instalment) is due more than one year after the date of purchase of such Real Estate Asset; or
- (f) any amount raised under any other transaction which is treated in accordance with the relevant accounting principles in the latest non-consolidated or consolidated balance sheet as financial debt (*emprunts et dettes financières*) (or, in the case of such amounts raised after the Initial Issue Date, would have been so treated had they been raised on or prior to such date);

provided that:

- (i) for the purposes of computing the outstanding principal amount of any Financial Indebtedness in paragraphs (a) to (f) above, any interest, dividends, commissions, fees or the like shall be excluded save to the extent that they have been capitalised; and
- (ii) no amount shall be included or excluded more than once in calculating the amount of principal outstanding in respect of any Financial Indebtedness;

Group means the Issuer and its consolidated subsidiaries taken as a whole;

Person includes any individual, company, corporation, firm, partnership, joint-venture, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality);

Property Valuers means the or those property valuer(s) of the Issuer referred to in its most recent annual report or (in the event that the Issuer publishes semi-annual financial information including revaluations of its Real Estate Assets as provided in the definition of Revalued Assets Value) in its most recent semi-annual management report (or any of their respective successors), or any other recognised property valuer of comparable repute as selected by the Issuer;

Real Estate Assets means those Assets of any Person being real estate properties (being land and buildings (either completed or under construction)) and equity or equivalent investments (*participations*) directly or indirectly in any other Person which is a *société à prépondérance immobilière* (or its equivalent in any other jurisdiction) or in any other Person (whether listed or not listed) whose more than fifty (50) per cent. of the Assets comprise real estate assets;

Relevant Debt means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, excluding any Secured Debt;

Revalued Assets Value means at any time (i) the block value (excluding transfer duties and latent taxes (*hors fiscalité latente et droits de mutation*)) provided by the Property Valuers of the total Real Estate Assets owned or held directly or indirectly by the Issuer (including through financial leases and including the Real Estate Assets used as operating properties) as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Issuer in any Person as shown in the latest consolidated financial statements;

Secured Debt means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, that is secured by or benefits from a Security Interest over any of the Group's Assets;

Security Interest means any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or any other agreement or arrangement having substantially the same economic effect (including, but not limited to, any retention of title, lease or hire-purchase arrangement);

Unsecured Revalued Assets Value means at any time an amount equal to the Revalued Assets Value less the Secured Debt.

5. Interest

The Notes bear interest from, and including, 5 June 2022 to, but excluding, 5 June 2027 (the **Maturity Date**), at the rate of 1.500 per cent. *per annum*, payable annually in arrears on 5 June in each year (each an **Interest Payment Date**). The first payment of interest will be made on 5 June 2023 for the period from, and including, 5 June 2022 to, but excluding, 5 June 2023. Each Note will cease to bear interest from the date provided for their redemption, unless payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the rate of 1.500 per cent. *per annum* (both before and after judgment) until the day (included) on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

The amount of interest due in respect of each Note will be calculated by reference to the aggregate value of each Noteholder's holding, the amount of such payment being rounded to the nearest cent (half a cent being rounded upwards).

If interest is required to be calculated for a period of less than one year, it will be calculated on an Actual/Actual (ICMA) basis for each period, that is to say the actual number of days elapsed during the relevant period divided by 365 (or by 366 if a 29 February is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

6. Redemption and purchase

(a) Final redemption

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer at their principal amount on the Maturity Date.

(b) Redemption for Taxation Reasons

The Notes may, and in certain circumstances shall, be redeemed before the date of their final redemption, in the event of any change occurring in taxation pursuant to the conditions provided in Condition 8.

(c) Make Whole Redemption by the Issuer

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than fifteen (15) nor more than thirty (30) calendar days' notice in accordance with Condition 11 to the Noteholders and to the Fiscal Agent (which notice shall be irrevocable and shall specify the date fixed for redemption), have the option to redeem the outstanding Notes, in whole or in part, at any time prior to the Residual Maturity Call Option Date (the **Optional Make Whole Redemption Date**) at their Optional Make Whole Redemption Amount (as defined below) together with any accrued and unpaid interest thereon up to, but excluding, the Optional Make Whole Redemption Date and any additional amounts as specified in Condition 8.

The **Optional Make Whole Redemption Amount** will be calculated by the Make Whole Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) one hundred (100) per cent. of the Principal Amount (as defined below) of the Notes so redeemed and, (y) the sum of the then present values on the relevant Optional Make Whole Redemption Date of (i) the Principal Amount (as defined below) of the Notes and (ii) the remaining scheduled payments of interest of the Notes until the Residual Maturity Call Option Date (determined on the basis of the interest rate applicable to such Note (excluding any interest accruing on such Note from and including the Issue Date or, as the case may be, the scheduled Interest Payment Date immediately preceding such Optional Make Whole Redemption Date to, but excluding, such Optional Make Whole Redemption Date)), discounted to the Optional Make Whole Redemption Date on an annual basis (Actual / Actual ICMA) at the Early Redemption Rate plus an Early Redemption Margin (as defined below).

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Make Whole Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Make Whole Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

Early Redemption Margin means 0.35 per cent. *per annum*.

Early Redemption Rate means:

- (i) the yield to maturity of the Reference Benchmark Security expressed as an annual rate as determined by the Make Whole Calculation Agent based on the Reference Benchmark Security mid-market price published on the regulated market « Borse Frankfurt » (or any successor thereof) on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)); or
- (ii) if the Reference Benchmark Security price cannot be determined in accordance with (i) above, the yield to maturity of the Reference Benchmark Security expressed as an annual rate as determined by the Make Whole Calculation Agent based on the Reference Benchmark Security mid-market price published on the relevant Bloomberg screen page (or such other page or service as may replace it for the purpose of displaying such price) on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)); or
- (iii) if the Make Whole Calculation Agent is unable to determine the Reference Benchmark Security price pursuant to (i) or (ii) above, the average of the four (4) quotations given by the Reference Dealers (or if only three quotations are provided by the Reference Dealers, the average of such three quotations, or if only two quotations are provided by the Reference Dealers, the average of such two quotations, or if only one quotation is provided by the Reference Dealers, such quotation) of the mid-market yield to maturity of the Reference Benchmark Security expressed as an annual rate on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Make Whole Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date, quoted in writing by the Make Whole Calculation Agent to the Issuer.

Principal Amount means €100,000, subject to any adjustment described in Condition 6(g) following any partial early redemption pursuant to this Condition 6(c) and Condition 6(d).

Reference Benchmark Security means the Federal Government Bund of Bundesrepublik Deutschland (bearing interest at a rate of 0.25 per cent. *per annum* and maturing on 15 February 2027 with ISIN DE0001102416).

Reference Dealers means each of the four (4) banks (that may include the Managers) selected by the Make Whole Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Similar Security means one or more reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

(d) Residual Maturity Call Option by the Issuer

The Issuer may, at its option, from and including the date falling three (3) months prior to the Maturity Date (i.e. 5 March 2027) (the **Residual Maturity Call Option Date**), to but excluding, the Maturity Date, subject to having given not more than sixty (60) nor less than thirty (30) calendar days prior notice to the Noteholders and the Fiscal Agent in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the outstanding Notes, in whole or in part, at the Principal Amount of the Notes so redeemed plus accrued interest thereon up to but excluding the date fixed for redemption.

(e) Clean-Up Call Option

In the event that seventy-five (75) per cent. or more in initial aggregate nominal amount of the Notes and the Existing Notes in aggregate (including any further notes to be assimilated with the Notes pursuant to Condition 13) have been redeemed or purchased and cancelled, the Issuer may, at its option, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem the outstanding Notes, in whole but not in part, at their principal amount plus accrued interest up to but excluding the date fixed for redemption.

Such Clean-Up Call Option may however not be used if the Issuer has previously redeemed part of the Notes or the Existing Notes pursuant to Condition 6(c).

(f) Redemption at the option of the Noteholders

If at any time while any of the Notes remains outstanding (A) a Restructuring Event occurs and (B) within the Restructuring Period (i) (if at the time of the Restructuring Event the Issuer and/or the Notes outstanding have a rating from a Rating Agency) a Rating Downgrade in respect of that Restructuring Event occurs and such Rating Downgrade has not been cured prior to the expiry of the Restructuring Period or (ii) (if at the time of the Restructuring Event the Issuer and/or the Notes outstanding do not have a rating from a Rating Agency) a Negative Rating Event in respect of that Restructuring Event occurs (such Restructuring Event and Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period and, in the case of a Rating Downgrade, not having been cured prior to the expiry of the Restructuring Period, together called a **Put Event**), each Noteholder will have the option (the **Put Option**) (unless, prior to the giving of the Put Event Notice referred to below, the Issuer has given notice under Condition 8(b) in respect of the Notes) to require the Issuer to redeem or, at the Issuer's option, procure the purchase of that Note on the Optional Redemption Date (as defined below). Each Note shall be redeemed or purchased at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Restructuring Event has occurred, the Issuer shall give notice (x) in case of Notes held through an Account Holder to the relevant Account Holder, (y) in the case of Notes held through Euroclear or Clearstream to Euroclear or Clearstream, as the case may be, and to the Fiscal Agent and, upon receipt of such notice the Fiscal Agent shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 11 specifying the nature of the Put Event and the procedure for exercising the Put Option described in this Condition.

To exercise the Put Option, a Noteholder must give notice to the relevant Account Holder, with a copy to the Fiscal Agent in or substantially in the form set out in the Fiscal Agency Agreement, duly completed and signed on its behalf (the **Put Notice**), on any Business Day falling within the period of forty-five (45) days after a Put Event Notice is given (the **Put Period**). The Put Notice shall include instructions for the transfer of such Noteholders' Notes to the specified account of the Fiscal Agent for the redemption or purchase of such Notes.

The form of the Put Notice shall be available from the Fiscal Agent.

Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Notice. A Put Notice once given shall be irrevocable. The Issuer shall redeem or, at its option, procure the purchase of the relevant Notes on the Optional Redemption Date unless previously redeemed or purchased.

For the avoidance of doubt, the Issuer shall have no responsibility for any breakage costs which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise). The Issuer shall be responsible for any administrative costs e.g. notices etc. arising as a result or in connection with any Noteholder's exercise or purported exercise of, or otherwise in connection with, any Put Option.

For the purposes of this Condition:

A **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not on or before the forty-fifth (45th) Business Day after the relevant Restructuring Event seek to obtain from a Rating Agency, a rating of the Notes, failing which, a corporate rating or (ii) if it does so seek, it has not at the expiry of the Restructuring Period and as a result of such Restructuring Event obtained such a rating of at least (a) the grade assigned to the Notes at the time of their issuance, failing which, (b) the grade of the corporate rating assigned to the Issuer at the time of the issuance of the Notes, failing which, (c) the grade of the most recent corporate rating assigned to the Issuer, provided that the Rating Agency (A) announces or publicly confirms or, (B) having been so requested by the Issuer, informs the Issuer or the Fiscal Agent in writing that its declining to assign a rating of at least (a) the grade assigned to the relevant Notes at the time of their issuance, (b) the grade of the corporate rating assigned to the Issuer at the time of the issuance of the Notes, or (c) the grade of the most recent corporate rating assigned to the Issuer, respectively, was the result, in whole or in part, of the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time such rating is declined).

Optional Redemption Date means the fifth (5th) Business Day after the expiry of the Restructuring Period.

Rating Agency means S&P Global Ratings Europe Limited and its successors (**S&P**) or any other rating agency of equivalent standing specified by the Issuer in writing to the Fiscal Agent.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Restructuring Event if within the Restructuring Period, the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by the Issuer is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3 or their respective equivalent for the time being, or better) to a non-investment grade rating (BB+/Ba1 or their respective equivalent for the time being, or worse) or (z) if

the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents), provided that the Rating Agency making the reduction in rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer or the Fiscal Agent in writing that the lowering was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade). If the Notes or the Issuer are rated by more than one Rating Agency, a Rating Downgrade shall be deemed not to have occurred in respect of a particular Restructuring Event if only one Rating Agency has withdrawn or lowered its rating.

A **Restructuring Event** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any Person or Persons acting in concert (within the meaning of Article L.233-10 of the French *Code de commerce*) shall come to acquire, or come into possession, directly or indirectly, beneficially and/or of record, more than fifty (50) per cent. of the shares or voting rights of the Issuer.

Restructuring Period means the period beginning one hundred and twenty (120) calendar days prior to, and ending one hundred and twenty (120) calendar days after, the date of the public announcement of the result (*avis de résultat*) by the AMF of the relevant Restructuring Event.

The Fiscal Agent is under no obligation to ascertain whether a Restructuring Event, a Negative Rating Event, a Rating Downgrade or any event which could lead to the occurrence of or could constitute a Restructuring Event has occurred and until it shall have actual knowledge or express notice to the contrary, the Fiscal Agent may assume that no Restructuring Event, Negative Rating Event, Rating Downgrade or other such event has occurred.

(g) *Partial Redemption*

If the Issuer decides to redeem the Notes in part as set out in Conditions 6(c) and 6(d) above, such partial redemption may be effected, at the option of the Issuer, either, subject to compliance with any applicable laws and regulated market or stock exchange requirements, by (i) reducing the nominal amount of all such Notes in proportion to the aggregate nominal amount redeemed or (ii) redeeming in full only some of the Notes and, in such latter case, the choice between those Notes that will be fully redeemed and those Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* or (iii) any other means permitted by applicable laws.

(h) *Purchases*

The Issuer may at any time purchase Notes in the open market or otherwise (including, without limitation, by means of a tender and/or exchange offer) at any price. Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations.

(i) *Cancellation*

All Notes which are redeemed pursuant to paragraphs (a) to (g) above or purchased for cancellation pursuant to paragraph (h) above will forthwith be cancelled and accordingly may not be reissued or sold.

7. **Payments**

(a) *Method of payment*

Payment of principal, interest and other assimilated revenues in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account, in accordance with tax provisions or with any other applicable laws or regulations, and subject to the provisions of Condition 8.

Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear France, Euroclear and Clearstream).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(b) *Payments on Business Days*

If any due date for payment of principal or interest or any other amount in respect of any Note is not a Business Day (as defined below), then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the holder shall not be entitled to any interest or other additional sums in respect of such postponed payment.

In this Condition **Business Day** means a day (except for Saturdays and Sundays) on which the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET 2) is operating.

(c) *Fiscal Agent, Paying Agent, Calculation Agent and Make Whole Calculation Agent*

The name of the initial Fiscal Agent, Paying Agent and Calculation Agent and its specified office are as follows:

BNP Paribas Securities Services
(Euroclear France Affiliate number 29106)
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

The name of the initial Make Whole Calculation Agent and its specified office are as follows:

DIIS GROUP
12, rue Vivienne
75002 Paris
France

Email: agency@diisgroup.com

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Calculation Agent, Make Whole Calculation Agent or Paying Agents and/or appoint another Fiscal Agent, Calculation Agent, Make Whole Calculation Agent and additional or other Paying Agents, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders, in accordance with Condition 11, and as long as there will at all times be (i) a Fiscal Agent, a Calculation Agent and a Make Whole Calculation Agent having a specified office in a European city and (ii) so long as the Notes are admitted to trading on Euronext Paris, a Paying Agent having a specified office in a European city and ensuring financial services in France.

Any change of Fiscal Agent will be notified to the Noteholders in accordance with the provisions of Condition 11.

8. Taxation

- (a) All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes 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.
- (b) If French law or regulation should require that payments of principal, interest or other assimilated revenues in respect of any Note be subject to withholding or deduction for or on account of any present or future taxes or duties of whatever nature, the Issuer shall, to the extent permitted by law, pay such additional amounts as will result in the receipt by the Noteholders of the amounts which would have been receivable by them in the absence of such withholding or deduction.

However, if the Issuer would, as a result of any change in or in the application or interpretation of French laws or regulations, be required to pay any such additional amounts, and this obligation cannot be avoided by reasonable measures of the Issuer, then the Issuer may at any time redeem all of the outstanding Notes at their principal amount together with interest accrued until the date fixed for redemption provided that the date fixed for redemption for which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payments of principal, interest and other assimilated revenues without withholding or deduction for French taxes or duties.

Provisions mentioned in the first paragraph of (b) above shall not apply in respect of any Note to, or to a third party on behalf of, a Noteholder who is liable to such taxes or duties by reason of his having some connection with France other than the mere holding of such Notes.

- (c) If the Issuer is obliged to make such additional payments as defined in sub-paragraph (b) above and if such payments are or would become prohibited by French law and if the obligation to make such additional payments cannot be avoided by reasonable measures of the Issuer, the Issuer shall redeem all of the outstanding Notes at their principal amount together with accrued interest on the latest practicable date on which the Issuer could make payments of principal, interest and other assimilated revenues without withholding or deduction for French taxes or duties.
- (d) In the event of repayment in accordance with sub-paragraph (b) above, the Issuer will publish, or cause to be published, a redemption notice, as described under Condition 11, at the earliest sixty (60) days and at the latest thirty (30) days prior to the date fixed for repayment. In the event of repayment in accordance with sub-paragraph (c) above, the Issuer will publish, or cause to be published, a redemption notice, in the same conditions at the earliest sixty (60) days and at the latest seven (7) days prior to the date fixed for such repayment.

9. Prescription

All claims against the Issuer for the payment of principal or interest in respect of the Notes shall lapse after ten (10) years (in the case of principal) and five (5) years (in the case of interest) from due date for payment thereof.

10. Events of default

Any Noteholder, may, upon written notice given by registered letter with acknowledgment of receipt to the Issuer (with a copy to the Fiscal Agent) before all defaults shall have been cured, cause all, but not some only, of the Notes held by such Noteholder to become immediately due and payable, at their principal amount together with any accrued interest thereon and any additional amounts as specified in Condition 8 until their actual redemption date, if any of the following events occurs (each, an **Event of Default**):

- (a) if the Issuer defaults in any payment of principal or interest on any Note on the due date thereof and such default continues for a period of more than ten (10) calendar days from such due date;
- (b) if there is a default by the Issuer in the due performance of any other provision of the Conditions, and such default shall not have been cured within thirty (30) calendar days after receipt by the Issuer of written notice of such default from the Representative;
- (c) if the Issuer or any of its Material Subsidiaries (as defined in Condition 3) makes any proposal for a general moratorium in relation to its debts, enters into an amicable arrangement with its creditors or is subject to a safeguard proceeding (*procédure de sauvegarde*), an accelerated financial safeguard proceeding (*procédure de sauvegarde financière accélérée*), an accelerated safeguard proceeding (*procédure de sauvegarde accélérée*) or a judgment is rendered for the judicial reorganisation (*redressement judiciaire*), for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any of its Material Subsidiaries or, to the extent permitted by applicable law, if the Issuer or any of its Material Subsidiaries is subject to any other similar insolvency or bankruptcy proceedings, or grants any assignment for the benefit of its creditors;
- (d) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries, for borrowed money in excess of, whether individually or collectively, Euro 20,000,000 (or its equivalent in any other currency), whether individually or collectively, shall become due and payable prior to its stated maturity as a result of a default thereunder of the Issuer or any of its Material Subsidiaries, or any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefore, or any guarantee or indemnity given by the Issuer or any of its Material Subsidiaries for, or in respect of, any such indebtedness shall not be paid when due and called upon (subject to any originally applicable grace periods) unless the Issuer or such Material Subsidiary, as the case may be, has disputed in good faith that such borrowed money is due or such guarantee or indemnity is callable, and such dispute has been submitted to a competent court in which case such event shall not constitute, an event of default hereunder so long as the dispute has not been finally adjudicated;
- (e) if the Issuer ceases to carry on all or a material part of its business or other operations, except for the purposes of and followed by a merger or reorganisation (*cession, scission* or *apport partiel d'actifs*) or any procedure analogous thereto under the law applicable to the Issuer, provided that such merger, reorganisation or analogous procedure takes place on terms approved by the *Masse* where such approval is required by law.

11. Notices

Any notice to the Noteholders will be duly given if delivered to Euroclear France, Euroclear and Clearstream for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer (www.fonciere-lyonnaise.com); and so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such stock exchange so require, on the website of Euronext Paris (www.euronext.com).

For the avoidance of doubt, notices relating to the convocation of the Collective Decisions pursuant to Condition 12 and pursuant to Articles R.228-61, R. 228-79 and R. 236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer (www.fonciere-lyonnaise.com).

Any notice to the Noteholders shall be deemed to have been given on the date of such publication or if published on different dates, on the date of the first publication.

12. Representation of the Noteholders

The Noteholders and the holders of the Existing Notes will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the *Masse*). For the purposes of this Condition 12, references to the “Notes” and to the “Noteholders” shall include, where the context so permits, the “Existing Notes” and the “holders of Existing Notes”, as the case may be.

The Masse will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce*, and with the exception of Articles L.228-48, L.228-65 I, L.228-71 and R.228-69 of the French *Code de commerce* subject to the following provisions:

(a) *Legal personality*

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce*, acting in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

(b) *Representative*

The name and address of the initial Representative of the Masse is the following:

DIIS GROUP
12 rue Vivienne
75002 Paris

Telephone: +33 (0)1 88 61 75 15

Email: rmo@diisgroup.com

In connection with its functions or duties, the Representative will receive a remuneration of Euro 400 (VAT excluded) per year from the Issuer for its services on the Initial Issue Date and on each anniversary thereafter.

In the event of death, liquidation, dissolution, retirement or revocation of appointment of the initial Representative, such Representative will be replaced by the alternate Representative. In the event of the death, liquidation, dissolution, retirement or revocation of appointment of the alternate Representative, another Representative will be elected through a Collective Decision.

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

(c) *Powers of the Representative*

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

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

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

(d) *Collective Decisions*

Collective Decisions are adopted either (i) in a general meeting (the **General Meeting**), or (ii) by the consent following a consultation in writing (the **Consultation in Writing**).

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

Collective Decisions must be published in accordance with the provisions set out in Condition 11.

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

(i) *General Meetings*

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the aggregate principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been convened within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

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

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 11 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or videoconference or any other means of telecommunications allowing the identification of the participating Noteholders as provided mutatis mutandis by Article R.225-97 of the French *Code de commerce*.

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

(ii) *Consultation in Writing*

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Consultation in Writing. Subject to the following sentence, a Consultation in Writing may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce*, approval of a Consultation in Writing may also be given by way of electronic communication allowing the identification of Noteholders (**Electronic Consent**).

Notice seeking the approval of a Consultation in Writing (including by way of Electronic Consent) will be published as provided under Condition 11 not less than fifteen (15) days prior to the date fixed for the passing of such Consultation in Writing (the **Consultation Date**) on first notice and five (5) days prior to the Consultation Date on second notice. Notices seeking the approval of a Consultation in Writing will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Consultation in Writing. Noteholders expressing their approval or rejection before the Consultation Date will undertake not to dispose of their Notes until after the Consultation Date.

A Consultation in Writing will be deemed to have been approved if, on first notice, (i) Noteholders expressing their approval or rejection of such proposed Consultation in Writing hold at least one fifth of the principal amount of the Notes then outstanding and (ii) Noteholders expressing their approval hold at least 66.6 per cent. of such quorum.

If such quorum is not met, a Consultation in Writing will be deemed to have been approved if, on second notice, Noteholders expressing their approval represent at least 66.6 per cent. of principal amount of the Notes held by Noteholders expressing their approval or rejection of such proposed Consultation in Writing.

(e) *Information to Noteholders*

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting or Consultation in Writing, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation and Consultation in Writing on first notice, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation and Consultation in Writing on second notice.

(f) *Expenses*

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

(g) *Single Masse*

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single Masse.

(h) *Notice to Noteholders*

Any notice to be given to Noteholders in accordance with this Condition 12 shall be given in accordance with the provisions set out in Condition 11.

13. Further issues

The Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms and conditions of such further notes shall provide for such assimilation.

In the case of such an assimilation, the holders of such further notes and the Noteholders will, for the defence of their common interests, be grouped in a single Masse having legal personality. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

14. Governing law, jurisdiction and language

The Notes are governed by French law.

Any dispute arising out of or in connection with the Notes will be submitted to the competent courts within the jurisdiction of the Court of Appeal of Paris.