

INFORMATION MEMORANDUM DATED 16 OCTOBER 2020



LA MONDIALE

€500,000,000 0.750 per cent. Tier 3 Notes due 20 April 2026

Issue Price: 99.402 per cent.

The €500,000,000 0.750 per cent. Tier 3 notes due 20 April 2026 (the **Notes**) of La Mondiale (**La Mondiale** or the **Issuer**) will be issued on 20 October 2020 (the **Issue Date**).

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their Principal Amount on the Interest Payment Date (as defined below) falling on or about 20 April 2026 (the **Scheduled Maturity Date**) (subject, in particular, to the prior approval of the Relevant Supervisory Authority) as further specified in "*Terms and Conditions of the Notes — Redemption and Purchase*". In addition, the Issuer may (subject, in particular, to the prior approval of the Relevant Supervisory Authority) redeem the Notes (i) from and including 20 January 2026 to but excluding the Scheduled Maturity Date and (ii) at any time for Tax Reasons, for Regulatory Reasons or if the conditions for a Clean-Up Call are satisfied, all as set out in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Subject to Mandatory Interest Deferral as set out in "*Terms and Conditions of the Notes — Interest*", each Note will bear interest on its principal amount at a fixed rate of 0.750 per cent. *per annum* (the **Interest Rate**) payable annually in arrear on 20 April in each year (each, an **Interest Payment Date**), commencing on 20 April 2021. Payment of interest on the Notes will be deferred under certain circumstances, as set out in "*Terms and Conditions of the Notes - Interest - Mandatory Interest Deferral*". There will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment date (as defined herein).

The Notes do not contain any negative pledge or events of default.

Payments in respect of the Notes will be made without withholding or deduction for, or on account of, French taxes unless required by law to the extent set out in "*Terms and Conditions of the Notes - Taxation*".

Application has been made to Euronext Growth, a market of Euronext in Paris (**Euronext Growth**) for the Notes to be admitted to trading on Euronext Growth. Euronext Growth is a multilateral trading facility and is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended.

The Notes will be issued in bearer dematerialised form (*au porteur*) in the denomination of €100,000. The Notes will at all times be in book-entry form (*inscription en compte*) in compliance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical documents 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 the books of Euroclear France (**Euroclear France**) which shall credit the accounts of the Account Holders, as set out in "*Terms and Conditions of the Notes - Form, Denomination and Title*". **Account Holder** shall mean any financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking SA (**Clearstream**).

The Notes have been rated BBB by S&P Global Ratings Europe Limited (**S&P**). The Issuer's long-term senior unsecured debt is rated A- by S&P. S&P is established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the **CRA Regulation**) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Information Memorandum. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, change or withdrawal at any time by the assigning rating agency.

IMPORTANT NOTICE

This information memorandum (the **Information Memorandum**) does not constitute a prospectus within the meaning of article 6.3 of and for the purpose of Regulation (EU) 2017/1129, as amended.

No such prospectus will be approved by the *Autorité des marchés financiers* for the purpose of the listing and admission to trading of the Notes on Euronext Growth.

The Notes shall only be offered to qualified investors (*investisseurs qualifiés*) within the meaning of Regulation (EU) 2017/1129, as amended.

Copies of this Information Memorandum will be available on the website of the Issuer (www.ag2rlamondiale.fr).

Prospective investors should have regard to the risk factors described under the section headed "Risk Factors" in this Information Memorandum, in connection with any investment in the Notes.

Joint Bookrunners
BARCLAYS
HSBC
NATIXIS

This Information Memorandum should be read and construed in conjunction with all documents incorporated by reference herein (see "Documents Incorporated by Reference").

Certain information contained in this Information Memorandum and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. 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 the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

*References herein to the **Issuer** are to La Mondiale. References to the **Group** are to the Issuer, together with its fully consolidated subsidiaries taken as a whole. References to **SGAM** are to the prudential group of SGAM AG2R La Mondiale which includes, as of the Issue Date, the perimeters of SGAPS AG2R La Mondiale and La Mondiale, evolving from time to time.*

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Bookrunners (as defined in "Subscription and Sale"). Neither the delivery of this Information Memorandum nor any offering or sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Information Memorandum has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Information Memorandum has been most recently supplemented or that any other information supplied in connection with the issue of the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Bookrunners do not represent that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Bookrunners which would permit a public offering of the Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in the United States, the United Kingdom and France (see "Subscription and Sale").

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT IN TRANSACTIONS EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS INFORMATION MEMORANDUM, SEE "SUBSCRIPTION AND SALE".

The Joint Bookrunners have not separately verified the information contained in this Information Memorandum. None of the Joint Bookrunners makes any representation, warranty or undertaking, express or implied, or accept any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Information Memorandum or any other information provided by the Issuer in connection with the issue and sale of the Notes. Neither this Information Memorandum nor any information incorporated by reference in this Information Memorandum is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Information Memorandum or any information incorporated by reference should subscribe for or purchase the Notes. In making an investment decision regarding the Notes, prospective investors must rely on their own independent investigation and appraisal of the (a) the Issuer, the Group, its business, its financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The contents of this Information Memorandum are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Joint Bookrunners undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Information Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Bookrunners. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.

Neither this Information Memorandum nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Information Memorandum or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Information Memorandum nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Joint Bookrunners to any person to subscribe for or to purchase any Notes.

MIFID II product governance / Professional investors and ECPs only target market - Solely for the purposes of each 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 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 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 subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA and 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 European Economic Area (EEA) or in the United Kingdom (UK). 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 2016/97/EU, 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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

*In this Information Memorandum, unless otherwise specified or the context otherwise requires, references to **€**, **Euro**, **EUR** or **euro** are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced pursuant to the Treaty establishing the European Community, as amended.*

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should read the entire Information Memorandum. The following is a disclosure of risk factors that are material to the Notes in order to assess the market risk associated with these Notes and risk factors that may affect the Issuer's ability to fulfill its obligations under the Notes. Prospective investors should consider these risk factors before deciding to purchase Notes. The following statements are not exhaustive. Prospective investors should consider all information provided in this Information Memorandum and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another. The occurrence of one or more risks may have a material adverse effect on the own funds, the financial position and the operating result of the Issuer.

Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer or the Group, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

1. RISK FACTORS RELATING TO THE ISSUER

1.1 Market risks

The market risks affect the yield of the assets backing the own funds or the technical provisions of the Issuer or the Group. Market levels and returns on investment constitute a significant part of the overall profitability of the Group and fluctuations in financial markets may have a material effect on operating results.

Global debt and equity market have experienced historical levels of volatility (due in particular to an accommodating monetary policy by the European Central Bank) and the outlook is uncertain (such uncertainty being linked for example to energy price trend, currency risks, limited growth, various geopolitical tensions, etc.).

La Mondiale and its Group are exposed to the following market risks:

Risks related to fluctuations in interest rates

Fluctuations in interest rates may affect the valuation of investments held, the conditions of future investments and the solvency measurement.

If the interest rates are low for a long time, investment could be affected in a sense that it would not match the liability requirement. A sustainable maintenance of interest rates at low levels may lead to a significant decrease in the return of investment assets due to future investments at this low level.

This could lead to a negative impact on the financial situation and solvency of the Issuer or the SGAM (as defined in the Issuer's description). This risk could also have an impact on the liquidity and cash levels of the Issuer. As at 31 December 2019, the regulatory solvency ratio of the SGAM was 221%. A 50 basis points decrease in the interest rates would have had a negative impact of -25 points on the SGAM's solvency ratio, while a 50 basis points increase would have resulted in a positive impact of +15 points increase of the solvency ratio. As at 30 June 2020, the regulatory solvency ratio of the SGAM was 198%. In current market conditions with low interest rates, this risk is considered to be "very significant".

A combination of sustained near zero or negative interest rates for the shortest maturities followed by a significant increase of these interest rates could lead to higher redemption risk, unrealized capital losses on bonds or adverse consequences on the cash level of the Issuer. During periods when interest rates are going up, the price of fixed income securities tends to decrease and gains on sale of such securities are lower or losses greater. A significant rise in interest rates could lead to the surrender of savings contracts, even if the investment sensitive to interest rates (mainly bonds) may be at a loss. This could lead to the Issuer selling at loss in order to honour its surrenders. This risk is considered to be "moderate".

Credit risk

La Mondiale is exposed to credit risk mainly through its financial assets, and securities lending.

This risk relates to the impact of potential adverse fluctuations in the value of financial assets on the credit standing of the Issuer and the Group. Such adverse fluctuations could impact the Issuer's ability to generate capital gains on the financial assets it holds and could lead the Issuer to set impairment to cover this risk.

An adverse fluctuation in the value of financial assets could have an impact on their future yield, which could result in a loss of competitiveness of the Issuer affecting the behaviour and commercial choice of insured clients.

The vast majority of the Group's bond portfolio is made up with Eurozone public and private issues, with predominantly AAA, AA and A ratings, representing 80%, and BBB ratings representing 18% as at 30 June 2020. Despite the quality of these ratings, given the current financial market background and global environment, this risk is considered to be "significant".

Risks related to the variations in the value of investment assets

A reduction in the value of the investment assets could impact the capacity of the Issuer to achieve capital gains and could even lead to impairment of certain assets. This could therefore have an impact on the future yields of the assets, with a loss of competitiveness, such as an increase in redemption rates. Such a development could also have unfavourable impacts on the solvency of the Issuer or the solvency determination.

Variations in interest rates and returns on equity markets may also have an impact on policyholders' behaviour, which may affect La Mondiale's business.

Investment risk on life insurance portfolios is sometimes borne by the policyholders in the case of unit-linked life insurance policies. In these cases, fluctuations of the price of underlying securities will directly or indirectly affect the financial results of the life insurance business operations.

In addition, La Mondiale invests part of its assets in shares and funds, which are generally exposed to volatility risks.

For instance, as at 30 June 2020, the percentage of the Issuer's investment portfolio (excluding unit-linked investments) invested in shares and funds was 7%, the percentage of the Issuer's portfolio invested in property was 5% and the percentage of fixed income was 88%.

This risk is considered to be "significant".

Real estate risk

The Group is exposed to real estate risk, reflected by an inadequate return on assets (fall in income and/or realised capital gains) or a decrease in unrealised capital gains (or an increase in unrealised capital losses). In addition, given the current economic situation, real estate business could be adversely affected (i.e. negative impacts on rents and renegotiation of leases) which could as a result negatively impact the Group's real estate assets. Lower yields could have a moderate impact on the net income and a decrease in unrealised capital gains (or an increase in unrealised capital losses) could directly affect the Group's solvency. As at 30 June 2020, the Group's regulatory solvency ratio was 198%.

The Group's real estate assets are held mainly by subsidiaries in France. At 31 December 2019, real estate assets represented 3% of the Group's portfolio.

Real estate risk is considered to be "moderate".

Counterparty risk

La Mondiale is exposed to counterparty risk with third parties, mainly financial institutions, with which it enters into various financial transactions.

The failure of any of its counterparties could have an effect on the financial situation of the Issuer but could also generate significant liquidity problems and cause other institutions to default.

The stability of financial institutions depends greatly on the trends in the markets. This risk can adversely affect the financial intermediaries, banks and depositories with which La Mondiale operates on a daily basis and which may therefore adversely affect its income, profit and solvency.

This risk is considered to be "moderate".

Currency risk

This risk relates to the sensitivity of assets to changes in the currency in which assets are recorded on the balance sheet. Since the bonds denominated in foreign currencies held by La Mondiale are hedged by currency swaps (which provides protection against exchange rate risk on this class of assets), La Mondiale mainly faces this risk by holding equity assets denominated in U.S. dollars, Yen, Sterling, Swiss Francs and other currencies. However, such equity assets are themselves marginal in La Mondiale's overall asset allocation. As a result, this risk is considered as "low".

Liquidity risk

There is a risk that La Mondiale cannot sell a financial asset at its true value or cannot sell it at all. La Mondiale also faces the risk that it cannot meet its obligations, such as being able to reimburse the policy holders requesting it.

The Group's activity is comprised of different types of products (such as provident, health, savings and pension). Such diversification enables the Group to have limited exposure to the liquidity risk. Therefore, the Group considers this risk to be "low".

1.2 Risks linked to the insurance business

The Issuer and the Group are exposed to the following insurance risks:

Surrender and transfer risk

The Issuer may in the future be affected by significant changes in its financial condition linked to potential surrender of life insurance, pension and saving contracts or to transfers of group pension contracts to another insurer. This risk could negatively affect the liquidity and cash levels of the Issuer. Given the current competitive environment and regulatory changes affecting portfolios balances, this risk is considered to be “significant”.

Longevity and mortality risks

The Issuer may be affected by significant changes in statistics of longevity and mortality of its policyholders.

Longevity risk is the risk that the number of deaths is less than expected could lead the Issuer to distribute retirement or incapacity pensions to its insured clients for a period of time longer than expected.

Mortality risk which is the risk that the number of deaths is higher than expected could have an impact on savings portfolios and generate a significant decrease of the outstanding commitments resulting in a loss of revenues for the Issuer. The occurrence of mortality risk could also generate higher benefits related to death insurances.

The assessment of these risks is at the centre of underwriting in health and protection insurance, and may have an impact on the pricing and the provisions made by La Mondiale. The occurrence of such risks may expose La Mondiale to greater than expected liabilities, which may have a material adverse effect on its income, profit and solvency. These risks are considered by the Group to be “moderate”.

Surrender risk

Savings contracts include a surrender clause allowing policyholders to request reimbursement of all or part of their accumulated savings. La Mondiale is exposed to the risk of surrender volumes being higher than the forecasts used for asset liability management purposes, which may force the Issuer to sell assets at a loss. This risk is considered to be “moderate”.

Reinsurance risk

La Mondiale has exposure to its reinsurers through its reinsurance treaties. In such treaties, the other insurers assume part of the cost, losses and expenses associated with incidents, and losses whether or not carried over, in exchange for a proportion of the premiums. The ability to make a claim under, and the amount and cost of, the reinsurance depends on general market conditions and may vary significantly. Any decrease in the amount of reinsurance cover purchased will increase the risk of loss for La Mondiale. When reinsurance is put in place, La Mondiale remains liable for transferred risks if the reinsurer does not fulfil its obligations. Default by a reinsurer could therefore affect the Group’s profits and financial situation. This risk is considered as “moderate”.

Provision risk

This risk may arise if insufficient provision is made to meet commitments due to wrong assessment of available data, subsequent change of internal and external factors or inappropriate calculation parameters.

The occurrence of such a risk could negatively affect the financial results and solvency of the Issuer. The Issuer considers the risk of insufficient provisions as “low”.

1.3 Operational risks

The Group defines operational risk as the risk of loss due to inappropriate or failure of procedures, individuals or systems or loss resulting from external events. This definition includes human errors, internal or external fraud and wilful misconduct, information systems failures, lack of data quality, human resources and skills risks, commercial disputes (relating in particular to outsourcing and suppliers), or accidents.

Main operational risks can be classified into the following categories:

Cyber risk

The Group, like other companies, faces the risk of the inadequate adaption to new technologies and their operational implications (digitalisation, dematerialisation of processes, etc.), and in particular the risk of cybercrime. The steady increase in the number of security incidents (attempted hacking of information systems) demonstrates the potential scale of this emerging risk. A cyber-attack on its information systems could have the following prejudicial consequences to the Group: the disclosure of sensitive and personal data relating to insured persons (e.g., bank details, medical data), the deterioration of the Group's image, a loss of confidence on the part of the insured persons and potential judicial, administrative and/or disciplinary sanctions, which could result in a decline in turnover and profit. As a result, this risk could have a significant material impact on the Group's business and reputation. For the Group, cyber risk is considered to be “significant”.

Risks relating to information systems

The Group's business is closely dependent on its information systems, as its activities require it to process a large number of increasingly complex transactions and growing volumes of data. Software, hardware or service failures of a major partner or supplier or repeated failures could lead to errors or interruptions in the management, accounting and treasury systems. The risks relating to information systems include risks relating to the planning of systems development, risk of design, development and maintenance of applications, risks attached to the use of applications and software.

Although the Group has set internal procedures to mitigate this risk (for example an annual evaluation of the quality of services providers is carried out in order to ensure their reliability and to prevent any failures on their part), in 2019, 5 significant IT incidents were reported. However, their financial impact at Group level was limited thanks to several actions taken. As a result, the Group considers this risk as “moderate”.

1.4 Other risks

Regulatory risks

The Group is subject to extensive regulation and supervision in the jurisdictions in which it does business. Such regulation and control are subject to new regulatory or legislative provisions. New, or changes to, laws or regulations may have a significant impact on businesses, activities, sectors or markets. In some cases, regulation in one country may affect business operations in another country.

As the amount and complexity of these regulations increase, the cost of compliance and the risk of non-compliance will also increase. If the Group does not meet regulatory or other requirements, the Group may suffer penalties including fines, suspension or cancellation of its insurance licenses which could adversely affect its ability to render its services and do business. In addition, significant regulatory action against it could have material adverse financial effects, cause significant reputational harm or harm its business prospects.

Regulatory changes may affect its existing and future businesses by, for example, causing customers to cancel or not renew existing policies or requiring it to change its range of products or to provide certain products (such as terrorism or flood cover where it is not already required) and services, redesign its technology or other systems, retrain its staff, pay increased tax or incur other costs. Insurance laws or regulations that are adopted or amended may be more restrictive than the Group's current requirements, and may result in higher costs, lead to the standardisation of offers, or limit its growth, which could lead to a termination risk and a change in behaviour of insured persons of the Group or otherwise adversely affect its operations.

For example, in 2017, the Group's net income was negatively impacted by €108 million due to exceptional charges related to regulatory changes in France (impact of the state's withdrawal from the funding of legal increases in life annuities).

Given recent and anticipated regulatory developments, the Group considers this risk to be "moderate".

Risks relating to significant legal proceedings and litigation

All insurance companies are exposed to litigation relating to claims on policies they underwrite. Accordingly, La Mondiale is currently involved in such legal proceedings relating to claims lodged by policyholders, some of which involve claims for substantial damages and other relief. Judicial decisions may expand coverage beyond the Issuer's pricing and reserving assumptions by widening liability on its policy wording or by restricting the application of policy exclusions. There can be no assurance that the outcome of any of its judicial proceedings will be covered by its existing provisions for outstanding claims or its reinsurance protections or that litigation would not otherwise have a material adverse effect on its businesses, financial condition and results of operations.

The provisions for litigation as at 31 December 2019 were of 14.5 million euros as set out in note 5.13.1 of the consolidated financial statements included in the 2019 Financial Report (as defined in section "*Information Incorporated by Reference*").

This risk is considered by the Issuer to be "moderate".

Risks relating to potential ratings downgrade of the Issuer

The insurer financial strength rating of La Mondiale is an important factor in establishing and maintaining its competitive position. The rating agency regularly reviews the Issuer's rating. Future downgrades in the rating (or the potentiality of such a downgrade) could, among other things, materially increase (mainly regarding collective supplementary pension business) the number of policy cancellations and non-renewals, adversely affect relationships with the distributors of its products and services, including new sales of its products, and negatively impact the level of its premiums and adversely affect its ability to obtain reinsurance at reasonable prices or at all. This could adversely affect its businesses, financial condition, results of operations and its cost of capital.

Given the current financial condition of La Mondiale, this risk is considered to be "moderate".

Competition risk

The various markets on which the Issuer does business are subject to substantial competition in France. The recent consolidation in the global financial services industry has also enhanced the competitive position of some of its competitors compared to the Issuer by broadening the range of its products and services, and increasing their distribution channels.

La Mondiale's competitors include other insurance companies and mutual fund companies, asset management firms and commercial and investment banks, many of which are regulated differently than the Issuer is and may be able to offer alternative products or more competitive pricing than La Mondiale.

As an insurance company, La Mondiale is significantly influenced by the adequacy of premium income relative to its risk profile and claims exposure, as well as the general level of business costs. In addition, development of alternative distribution channels for certain types of insurance products, including through Internet may result in increasing competition as well as pressure on margins for certain types of products. These competitive pressures could result in particularly as competitors seek to win market share, which could harm La Mondiale's ability to market certain products profitably.

As an example of the current competitive environment, at the end of 2019, La Mondiale ranked first on the French market on self-employed retirement plans. On the private wealth management sector, La Mondiale Partenaire was positioned in the top 3 of the French market, and Arial CNP Assurances ranked first on the supplementary pensions sector, through its partnership with CNP Assurances.

Consequently, competition risk is considered to be "moderate".

Reputational risk

The Group has engaged significant resources to develop evaluation policies, procedures and methods to manage operational, liquidity, credit and market risks and plans to continue making efforts in this direction in the future.

However the Group's risk management strategies and techniques may not be entirely effective in mitigating exposure to risk in all market environments or against all types of risks, including those risks that the Group has not yet identified or anticipated.

If potential or existing customers believe that the risk management procedures and policies of the Group are not appropriate, the Issuer's reputation (as well as its revenues and profits) may be adversely affected. This risk is considered "low".

1.5 Risks related to the structure of the Group

Risks related to the Group's strategic partnerships

To consolidate its presence in certain markets, the Group makes strategic investments, directly or through subsidiaries, in the form of partnerships. These strategic partnerships are a means for the Group to share its economic and financial risk. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Joint ownership and operating arrangements both reduce the Group's investment risk and act as an incentive for the effective participation and involvement of the partner.

Integrating these partnerships into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than expected, and this may negatively affect consolidated earnings.

The constantly evolving nature of business means that there is no guarantee that the financial performance of acquirees or partners will come in on plan and big negative variances may result in impairment losses being recognised on goodwill or other intangible assets that will negatively impact the Group's financial position.

A partnership may have to be reviewed in the event of changes either to the project itself or to the local political and economic situation or the partner's own financial situation, or because of a disagreement between partners.

This risk is considered to be "moderate".

Risks relating to the financial solidarity mechanisms

La Mondiale is a member of SGAM, under which structure it has committed to financial solidarity with the members of SGAM as described under "*Description of the Issuer*". La Mondiale's financial position and solvency could be impacted should it be requested to participate in such financial solidarity. That solidarity may be activated within the limit of the assisting entity's solvency (such as the Issuer, as the case may be), as long as it does not prevent the assisting entity from fulfilling its regulatory requirements, including compliance with the solvency ratios. The risk that the financial solidarity mechanism within the Group has to be activated is limited given the actual solvency position of the entities within the SGAM. Consequently, this risk is considered to be "moderate".

1.6 Risks related to the sanitary crisis from the COVID-19

The coronavirus outbreak has had and continues to have a material adverse effect on the global economy and international financial markets in general but also in the insurance's sector as the market in which the Group operates, in particular on protection and health business (because of imposition of quarantines –now fortnightly-, prolonged closures of workplaces, partial unemployment measures) and on pensions and savings activities due to the economic and financial crisis.

As early as February 2020, the Group has initiated its Business Continuity Plans and its Crisis Management System to ensure business continuity, to guarantee the safety of its employees and to reassure customers, investors and financial partners. These plans have recently been renewed due to the current situation. At this stage of the crisis, the assessment of the overall effect on the insurance sector is ongoing. However, the first impacts already observed allow to assess the main risk factors detailed below.

Risk of less profitability in protection and health business

In protection and health business, daily allowance during work stoppages, claim frequency or medical costs may increase and also adversely affect the profitability of these insurance contracts. This effect is key to the protection and health business especially in France. Although the impact should be absorbable at Group level thanks to business mix and diversification in Pension and savings, there is a risk of less profitability in protection and health business for the Group.

Risk of high volatility due to the economic and financial crisis

The main impact of the financial crisis over the last several months is an increase of the volatility especially in credit spread and equity market, with a negative effect on the Group's stock of unrealized capital gains and on the solvency ratio of the SGAM. The economic crisis could also reduce inflows from pensions and savings activities while keeping good unit linked proportion.

Liquidity Risk

In the current market and economic environment, caused by the COVID-19 pandemic, the liquidity risk increases due to the volatility of the financial market and cash flow problems as a result of the economic crisis. However, the liquidity risk can be considered as limited at the Group level because of highly liquid assets and positive net inflows in pension activities.

At the current time, these risks should cause moderate financial implications on the operating result in 2020. However, an impact assessment for the mid-and-long term would depend on the magnitude and length of the economic recovery, the reaction of governments and international institutions.

Due to the current high uncertainty, the risks related to the sanitary crisis from the COVID-19 are considered by the Group to be “significant”.

2. RISK FACTORS RELATING TO THE NOTES

2.1 Risk factors specific to the nature of the Notes

The Notes are Subordinated Notes

- (a) For so long as any Existing Ordinary Subordinated Obligations is outstanding, the obligations of the Issuer under the Notes in respect of principal and interest (including any outstanding Arrears of Interest) constitute direct, unconditional, unsecured Ordinary Subordinated Obligations and rank and will rank *pari passu* with other Ordinary Subordinated Obligations. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment under the Notes rank:
- (i) subordinated to the full payment of the unsubordinated creditors including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations, Senior Subordinated Obligations;
 - (ii) *pari passu* with any other Ordinary Subordinated Obligations; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and Deeply Subordinated Obligations and any payments to holders of Mutual Certificates.
- (b) Upon redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations, the principal and interest (including any outstanding Arrears of Interest) on the Notes constitute direct, unconditional, unsecured Senior Subordinated Obligations and the Notes rank and will rank *pari passu* without any preference among themselves and *pari passu* with other Senior Subordinated Obligations. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:
- (i) subordinated to the full payment of the unsubordinated creditors including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations;

- (ii) *pari passu* with any other existing or future Senior Subordinated Obligations; and
- (iii) prior to any Ordinary Subordinated Obligations, *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, any Deeply Subordinated Obligations and any payments to holders of Mutual Certificates.

As a result of their ranking, in the event of incomplete payment of creditors ranking senior to Noteholders (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer), the obligations of the Issuer in connection with the Notes and all payments of principal and interest (including, if relevant, any Arrears of Interest and Additional Amount) will be terminated. Thus, the Noteholders face a significantly higher credit risk than holders of unsubordinated obligations of the Issuer and could then lose all or some of their investment if the Issuer becomes insolvent.

Deferral of redemption and purchase

The Issuer may be required to defer any redemption or purchase of the Notes described in Conditions 6.1, 6.2, 6.3, 6.4 and 6.5 if, on the due date for such redemption or purchase, the Conditions to Redemption and Purchase are not satisfied, namely that (i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were redeemed or purchased or (ii) an Insolvent Insurance Affiliate Winding-up has occurred and is continuing (all as defined and further described in the Terms and Conditions of the Notes).

If redemption or purchase of the Notes is deferred, the Notes will become due for redemption or purchase only upon satisfaction of the Conditions to Redemption and Purchase as described in Condition 6.6 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*).

The suspension of redemption of the Notes does not constitute a default under the Notes for any purpose and does not give Noteholders any right to take any enforcement action under the Notes or file any claim against the Issuer.

The inability to satisfy any of the Conditions to Redemption and Purchase may delay the date on which the Notes are effectively redeemed or even prevent the Notes from being redeemed and such actual or anticipated delay or prevention is likely to have a material adverse effect on the value of the Notes.

Any actual or anticipated deferral of redemption or purchase would have a significant adverse effect on the market price of the Notes.

Deferrals of interest payments

On any Mandatory Interest Deferral Date (as defined in Condition 1), the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued on the Notes to that date (and any such failure to pay will not constitute a default by the Issuer for any purpose).

Any interest not paid on a Mandatory Interest Deferral Date and deferred shall so long as it remains outstanding constitute Arrears of Interest and shall be payable subject to the fulfilment of the Conditions to Settlement as provided in Condition 4.3. However, Noteholders will not receive any additional interest or compensation for the mandatory deferral of payment i.e. the resulting Arrears of Interest will not bear interest.

Any actual or anticipated deferral of interest payments would have a significant adverse effect on the market price of the Notes.

Notes may be traded with accrued interest which payment may subsequently be deferred

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If one or several Interest Payments are deferred, a purchaser of Notes in the secondary market may not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes, which would cause the relevant Noteholders to receive less interest than initially anticipated and as a result lose part of their investment in the Notes.

The Solvency Capital Requirement and Minimum Capital Requirement ratios will be affected by the Issuer's or the SGAM's business decisions and, in making such decisions, the Issuer's and/or the SGAM's interests may not be aligned with those of the Noteholders.

The Solvency Capital Requirement and Minimum Capital Requirement ratio could be affected by a number of factors. They will also depend on the Issuer's (or SGAM's) decisions relating to its businesses and operations, as well as the management of its capital position. The Issuer will have no obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Group, including in respect of capital management. Noteholders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Group or SGAM, including its capital position. Such decisions would likely negatively impact the value of the Notes.

No limitation on issuing or guaranteeing debt ranking senior to or pari passu with the Notes and no negative pledge

There are no restrictions under the Notes on the amount of debt which the Issuer or any member of the Group may incur or guarantee. The Issuer and its subsidiaries and affiliates (including SGAM AG2R La Mondiale) may incur without limitation additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations of the Issuer under or in connection with the Notes. In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and/or its subsidiaries and affiliates may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes in favour of the Noteholders. Investor in the Notes should be aware of this differentiating component as compared to most senior bonds because of the Tier 3 nature of the Notes.

Pursuant to Article L. 327-2 of the French *Code des assurances*, a lien (*privilège*) over the assets of the Issuer is granted for the benefit of the Issuer's policyholders (*sociétaires*). Noteholders, even if they are policyholders (*sociétaires*) of the Issuer, do not have the benefit of such lien in relation to any amounts which may be due to them under the Notes.

Early redemption risk

Subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may, at its option, redeem the Notes (i) from and including 20 January 2026 to but excluding the Scheduled Maturity Date and (ii) at any time for Tax Reasons, for Regulatory Reasons or if the conditions for a Clean-Up Call are satisfied, all as set out in "*Terms and Conditions of the Notes - Redemption and Purchase*".

Such redemption options will be made at the Redemption Amount (as defined in the Terms and Conditions of the Notes) and will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any Arrears of Interest thereon at such date).

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer will not be required to redeem the Notes if it is prohibited by French law from paying additional amounts

In the event that the Issuer is required to withhold amounts in respect of French taxes from payments of interest on the Notes, the Terms and Conditions of the Notes provide that, subject to certain exceptions, the Issuer will pay additional amounts so that the Noteholders will receive the amount they would have received in the absence of such withholding. Under French tax law, there is some uncertainty as to whether the Issuer may legally pay such additional amounts. The Notes are intended to be eligible to Tier 3 own funds and do not include mandatory redemption clauses since they are not permitted for Tier 3 instruments such as the Notes under Article 77.1(d) of the Commission delegated regulation (EU) 2015/35 of 10 October 2014, as amended. As a result, the Terms and Conditions of the Notes provide for redemption at the option of the Issuer in such a case (subject to approval of the Relevant Supervisory Authority), but not for mandatory redemption. If the Issuer does not exercise its option to redeem the Notes in such a case, Noteholders will receive less than the full amount due under the Notes, and the market value of the Notes will be adversely affected.

There are no events of default under the Notes

The Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owed in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment.

Because of the Tier 3 nature of the Notes, in contrast to most senior bonds, investors will be less protected if the Issuer is in default of any payment obligations under the Notes or any other event affecting the Issuer such as the occurrence of a merger, amalgamation or change of control. The absence of events of default materially affect the position of Noteholders compared to other creditors (including holders of senior bonds of the Issuer) and result in delay in receiving the amounts due and payable under the Notes.

In addition, as a result of the above, the value of the Notes or liquidity on the secondary market may be negatively affected.

Variation of the terms and conditions of the Notes or exchange of the Notes for Qualifying Equivalent Securities

The Issuer may in certain circumstances modify the terms and conditions of the Notes or, as applicable, exchange the Notes for Qualifying Equivalent Securities, without any requirement for the consent or approval of the Noteholders to the extent that such modification is reasonably necessary to ensure that no Capital Disqualification Event or event pursuant to which the Issuer has the right to redeem the Notes pursuant to Condition 6.2 (*Redemption for Tax Reasons*) would exist after such modification or would exist in relation to Qualifying Equivalent Securities, provided that the relevant conditions set forth in Condition 7 (*Variation and Substitution of the Notes*) are satisfied. As a result, there can be no assurance that such modification or exchange may not have an adverse impact on the price of, and/or the market for, the Notes or the circumstances of the individual Noteholders.

Regulatory regime: Solvency II

The Notes are issued for capital adequacy regulatory purposes with the intention that all the proceeds of the Notes be eligible, (x) for the purpose of the determination of the Issuer's solvency margin or capital adequacy levels under the Solvency II Regulations or (y) as at least tier three own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of the Issuer's regulatory capital under the Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

The Issuer's expectation is based on its review of available information relating to the implementation of Solvency II Directive in France by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date, the "level two" implementation measures set out in Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 which entered into force on 18 January 2015 and the Commission Delegated Regulation (EU) 2019/981 of 8 March 2019 which entered into force on 8 July 2019, as amended.

There can be no assurance that, following their initial publication, the "level two" implementation measures and "level three" guidance will not be amended. There is uncertainty as to how regulators, including the *Autorité de contrôle prudentiel et de résolution (ACPR)*, will interpret the Solvency II Directive as implemented in France, the "level two" implementation measures and/or "level three" guidance and apply them to the Issuer. Moreover, there can be no assurance that, following their initial publication, the "level two" implementation measures and "level three" guidance will not be amended or that the ACPR will not change the way it interprets and applies these requirements to the French insurance industry.

Any such changes that may occur in the application of Solvency II in France subsequent to the date of this Information Memorandum and/or any subsequent changes to such rules and other variables may individually and/or in aggregate negatively affect the calculation of the Issuer's Solvency Capital Requirement (or, if different, whatever terminology is employed to denote such requirement by the then applicable Solvency II Regulations) and render the Issuer's regulatory capital requirements more onerous and thus increase the risk of deferral of Interest Payments, the occurrence of a Capital Disqualification Event and subsequent redemption of the Notes by the Issuer – see risk factors "Deferral of redemption and purchase" and "Deferrals of interest payments" above.

2.2 Risk factors relating to markets generally

Liquidity risks and market value of the Notes

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded (being Euronext Growth as at the Issue Date), changes in the regulatory environment, in particular relating to regulatory capital requirements for insurance companies, the financial condition and the creditworthiness of the Issuer and/or the Group, as well as other factors such as the outstanding amount of the Notes, any redemption features of the Notes and the level, direction and volatility of interest rates generally. Such factors also will negatively affect the market value of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and in extreme circumstances such investors could suffer loss of their entire investment.

In addition, as a result of the redemption, purchase and interest deferral provisions, the market price of the Notes may be more volatile than the market prices of other interest-bearing debt securities that are not subject to such deferral provisions, the market price of the Notes may be more sensitive generally to adverse changes in the Issuer's financial condition.

No prior market for the Notes

There is currently no existing market for the Notes and, notwithstanding that application has been made for the Notes to be admitted to trading on Euronext Growth, there can be no assurance that any market will develop for the Notes or that Noteholders will be able to sell their Notes at all or easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If additional and competing products or instruments are introduced in the markets, this may adversely affect the value of the Notes. There is no obligation to make a market in the Notes. Also, to the extent the Notes are purchased by the Issuer in part (subject to regulatory approval), the number of Notes outstanding will decrease, resulting in a diminished liquidity for the remaining Notes. A decrease in the liquidity of the Notes may cause, in turn, a significant increase in the volatility associated with the price of the Notes in the market.

No active secondary market

The Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

In addition, investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that the Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

The price at which a Noteholder will be able to sell the Notes prior to redemption by the Issuer may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The Issuer is entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes which may or may not be assimilated to the Notes. Such transactions may favorably or adversely significantly affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes and potentially to a great extent.

Interest rate risk for fixed rate notes

The Notes bear interest at a fixed rate of 0.750 per cent. *per annum*. The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of the Notes is fixed, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell Notes during the period in which the market interest rate exceeds the fixed rate of the Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have an adverse effect on the value of the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may

significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional parties – domestic or foreign – are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or euro may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors whose financial activities are carried out or dependent principally in a currency other than euro may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

2.3 Legal risk factors

French Insolvency Law

Holders of Notes will be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 12.1.

However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in case of the opening in France of safeguard (*procédure de sauvegarde*), accelerated financial safeguard (*procédure de sauvegarde financière accélérée*), accelerated safeguard (*procédure de sauvegarde accélérée*) or a judicial reorganisation proceedings (*procédure de redressement judiciaire*) relating to the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether issued on a standalone basis or under a debt issuance programme and regardless of their governing law. The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*), accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or partially or totally writing-off receivables in the form of debts securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or

- decide to convert debt securities (including the Notes) into securities that give or may give right to the share capital of the Issuer.

Decisions of the Assembly will be taken by a two-third majority calculated as a proportion of the debt securities held by the holders expressing a vote. No quorum is required for the convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in Condition 12 will not be applicable in these circumstances.

The Relevant Supervisory Authority must approve in advance the opening of any safeguard, judicial reorganisation or liquidation procedures.

The procedures described above could have an adverse impact on the Noteholders seeking repayment in the event that the Issuer were to become insolvent.

Should this risk materialise, the impact on Noteholders would be high and the commencement of insolvency proceedings will affect materially and adversely the situation of the Noteholders. It may result in a significant decrease of the market value of the Notes and cause the Noteholders to lose all or part of their investment.

Regulatory actions against the Issuer or an insurer in the Group in the event of resolution could materially adversely affect the value of the Notes

On 28 November 2017, the ordinance no 2017-1608 of 27 November 2017 (the **Ordinance**) establishing a resolution framework for insurers (*Ordonnance no 2017-1608 du 27 novembre 2017 relative à la création d'un régime de résolution pour le secteur de l'assurance*) was published, setting out the French legal framework providing effective resolution strategies for French insurers, which applies as from 1st July 2019.

The Ordinance is designed to provide the ACPR with a credible set of tools to intervene in an institution that is failing or likely to fail (as defined in the Ordinance) so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of the institution's failure on the economy and financial system.

The Ordinance currently contains resolution tools which could be applied to the Issuer or any insurer within its Group: bridge institution, asset separation, intervention of an administrator (*administrateur de résolution*).

The implementation and applicability to the Issuer and the Group of such Ordinance and its implementing measures or the taking of any action pursuant to them could materially affect the rights of the Noteholders, the activity and financial condition of the Issuer and the Group, the value of the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes.

For the avoidance of doubt, the resolution powers do not contain any bail-in power as for credit institutions under the bank recovery and resolution directive.

Modification and waiver

The Noteholders will be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 12, and a General Meeting can be held or Written Decisions can be taken. The Terms and Conditions of the Notes permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting or did not consent to the Written Decision or Noteholders who voted in a manner contrary to the relevant majority. Noteholders may through Collective Decisions adopt any proposal of resolutions relating to the

modification of the Terms and Conditions of the Notes including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 12. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes.

GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Information Memorandum. It does not, and is not intended to, constitute a summary of this Information Memorandum. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Notes".

Issuer:	La Mondiale
Description:	€500,000,000 0.750 per cent. Tier 3 notes due 20 April 2026 (the Notes)
Joint Bookrunners:	Barclays Bank Ireland PLC HSBC Bank plc Natixis
Fiscal Agent and Paying Agent:	BNP Paribas Securities Services
Aggregate Principal Amount:	€500,000,000
Denomination:	€100,000 per Note
	Principal Amount means €100,000, being the principal amount of each Note on the Issue Date
Issue Date:	20 October 2020
Issue Price:	99.402 per cent.
Maturity:	Unless previously redeemed or purchased and cancelled, the Notes will be redeemed on the Interest Payment Date falling on or about 20 April 2026 (the Scheduled Maturity Date) (subject, in particular, to the Prior Approval of the Relevant Supervisory Authority). In addition, the Issuer may (subject, in particular, to the Prior Approval of the Relevant Supervisory Authority) redeem the Notes (i) from and including 20 January 2026 to but excluding the Scheduled Maturity Date and (ii) at any time for Tax Reasons, for Regulatory Reasons or if the conditions for a Clean-Up Call are satisfied, all as set out in " <i>Terms and Conditions of the Notes - Redemption and Purchase</i> ".

Where:

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any Solvency II Regulations.

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or SGAM, in the event that the Issuer and/or SGAM is required to comply with certain applicable solvency margins, capital adequacy regulations, capital requirements or any other regulatory capital rules (including but not limited to the Solvency II Regulations). The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution (ACPR)*.

Solvency II Directive means Directive 2009/138/EC of the European Union of 25 November 2009 (as amended) on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) and which has been transposed under French law by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction of a member state of the European Economic Area other than France, which has been or must be transposed under the law of its jurisdiction by the relevant member state of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC).

Solvency II Regulations means the solvency margin, capital adequacy regulations, capital requirements or any other regulatory capital rules which are applicable in France (or if the Issuer and/or SGAM becomes domiciled in a jurisdiction of a member state of the European Economic Area other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, including by the French ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date) and the guidelines and recommendations from time to time of the European Insurance and Occupational Pensions Authority (or any successor authority), as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and/or SGAM, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

Form:

The Notes are issued in dematerialised bearer form (*au porteur*) and will at all times be evidenced in book-entry form (*inscription en compte*) in the books of the Account Holders (as defined below). No physical documents of title (including *certificats représentatifs*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of the Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of €100,000. All sums due in respect of the Notes shall be paid by the Fiscal Agent on behalf of the Issuer to the Account Holders for the account of the relevant Noteholders.

Where: **Account Holder** means any financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

Status of the Notes:

The Notes are subordinated obligations of the Issuer, the status of which may change as follows during the life of the Notes:

- (a) For so long as any Existing Ordinary Subordinated Obligations is outstanding, the principal and interest (including any outstanding

Arrears of Interest) on the Notes constitute direct, unconditional, unsecured Ordinary Subordinated Obligations and rank and will rank *pari passu* with other Ordinary Subordinated Obligations. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment under the Notes rank:

- (i) subordinated to the full payment of the unsubordinated creditors including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations, Senior Subordinated Obligations;
 - (ii) *pari passu* with any other Ordinary Subordinated Obligations; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and Deeply Subordinated Obligations and any payments to holders of Mutual Certificates.
- (b) Upon redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations, the principal and interest (including any outstanding Arrears of Interest) on the Notes constitute direct, unconditional, unsecured Senior Subordinated Obligations and the Notes rank and will rank *pari passu* without any preference among themselves and *pari passu* with other Senior Subordinated Obligations. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:
- (i) subordinated to the full payment of the unsubordinated creditors including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations;
 - (ii) *pari passu* with any other existing or future Senior Subordinated Obligations; and
 - (iii) prior to any Ordinary Subordinated Obligations, *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, any Deeply Subordinated Obligations and any payments to holders of Mutual Certificates.

Where:

Deeply Subordinated Obligations means all and any bonds or borrowings or any other Obligations of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations of the Issuer, including bonds or borrowings, the subordination provisions of which are governed by the provisions of Article L. 228-97 of the French *Code de commerce*, and which rank and will rank (a) *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but (b) junior to all present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinary Subordinated Obligations of the Issuer, Senior Subordinated Obligations of the Issuer and Unsubordinated Obligations of the Issuer and (c) senior to all present and future Mutual Certificates of the Issuer.

Existing Ordinary Subordinated Obligations means the liabilities listed below provided that if any such liability would allow (as a result of an amendment or otherwise) the Issuer to undertake any subordinated liability ranking senior to such given liabilities, then such liability would, from the effective date of such amendment, be deemed to no longer constitute an Existing Ordinary Subordinated Obligations:

- the Issuer's €768,405,000 Reset Undated Subordinated Notes (ISIN: XS1155697243);
- the Issuer's €331,700,000 Fixed to Floating Rate Subordinated Notes due 25 April 2044 (ISIN: XS0919410828), of which €191,236,000 is currently outstanding; and
- the Issuer's €200,000,000 Undated Subordinated Fixed/Floating Rate Notes (ISIN: FR0010021287), of which €51,230,000 is currently outstanding.

Mutual Certificates means any mutual certificates (*certificats mutualistes*) that may be issued from time to time by the Issuer in accordance with articles L. 322-26-8 *et seq.* of the French *Code des assurances*.

Obligation means any payment obligation expressed to be assumed by or imposed on, the Issuer under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law (including any bonds or notes).

Ordinary Subordinated Obligations means any Obligations of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (a) equally and rateably with any other existing or future Ordinary Subordinated Obligations but (b) senior to all present and future *titres participatifs* issued by the Issuer, *prêts participatifs* granted to the Issuer, Deeply Subordinated Obligations of the Issuer and Mutual Certificates of the Issuer and (c) junior to Senior Subordinated Obligations and Unsubordinated Obligations.

Senior Subordinated Obligations means any Obligations which constitute direct, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (i) equally and rateably with any other existing or future

Senior Subordinated Obligations, (ii) in priority to present and future Mutual Certificates, Deeply Subordinated Obligations, Ordinary Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, and (iii) behind Unsubordinated Obligations.

Unsubordinated Obligations means any Obligations (including any bonds or notes) which constitute direct and unsubordinated Obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Unsubordinated Obligations, but in priority to present and future Deeply Subordinated Obligations, Mutual Certificates, *prêts participatifs* granted to, *titres participatifs* issued by the Issuer, Ordinary Subordinated Obligations and Senior Subordinated Obligations. For the avoidance of doubt, the Unsubordinated Obligations include but are not limited to the claims of the policyholders of the Issuer.

Negative Pledge: None

Enforcement events: There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable* or *liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Rate of Interest: Subject to Condition 4.3 of the Terms and Conditions of the Notes (*Mandatory Interest Deferral*), the Notes bear interest on their Principal Amount at a fixed rate of 0.750 per cent. *per annum* (the **Interest Rate**), payable annually in arrear on 20 April in each year (each, an **Interest Payment Date**), commencing on 20 April 2021, provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day.

The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Interest Rate on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to (but excluding) that day are received by or on behalf of the relevant Noteholder.

The amount of interest (the **Interest Amount**) for each Interest Period will be €750 per Principal Amount.

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to Condition 4.3 of the Terms and Conditions of the Notes (*Mandatory Interest Deferral*).

Where:

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks are open for business (other than solely for trading and settlement in euros) in Paris and a TARGET 2 Settlement Day.

Interest Payment Date means 20 April in each year from and including 20 April 2021 to, and including, the Redemption Date.

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

Redemption Date means the effective date of redemption of the Notes and any accrued and unpaid interest (including any Arrears of Interest).

**Mandatory Interest
Deferral:**

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred and shall constitute **Arrears of Interest** and shall be payable as outlined below.

All Arrears of Interest may, subject to the fulfilment of the Conditions to Settlement, at the option of the Issuer, be paid in whole or in part at any time but all Arrears of Interest in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Arrears of Interest shall not themselves bear interest.

Conditions to Settlement are satisfied on any day with respect to any payment of Arrears of Interest, if any, if such day would not be a Mandatory Interest Deferral Date if such day was an Interest Payment Date.

If amounts in respect of Arrears of Interest become partially payable:

- (i) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier Interest Period and the order of payment shall follow that of the Arrears of Interest to which they relate; and
- (ii) the amount of Arrears of Interest payable in respect of any Note in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest accrued in respect of that period to the date of payment.

For the purpose hereof:

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which, the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency Interest Deferral Event has occurred and such Regulatory Deficiency Interest Deferral Event is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest) would itself cause a Regulatory Deficiency Interest Deferral Event.

Minimum Capital Requirement means the minimum capital requirement (MCR) of the Issuer and the minimum consolidated group solvency capital requirement, all as defined and, in accordance with, the Solvency II Regulations.

Regulatory Deficiency Interest Deferral Event means any event including, without limitation, any event which causes the Issuer and/or the SGAM's Minimum Capital Requirement (or whatever the terminology employed by the Solvency II Regulations) to be breached and such breach is an event which under the Solvency II Regulations requires the Issuer to defer payment of interest (or, if applicable, Arrears of Interest thereon) in respect of the Notes (on the basis that the Notes qualify (or are intended to qualify) as at least "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations).

Taxation:

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

If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or

governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

Redemption at maturity:

Unless previously redeemed or purchased and cancelled (subject, in particular, to the prior approval of the Relevant Supervisory Authority): (i) the Notes will be redeemed at their Redemption Amount, on the Scheduled Maturity Date and (ii) the Issuer will have the option to redeem all, but not some only, of the outstanding Notes at their Redemption Amount, at any time from and including 20 January 2026, to but excluding the Scheduled Maturity Date.

Where:

Redemption Amount equals to the Principal Amount of the Notes and any accrued and unpaid interest and any Arrears of Interest up to their Redemption Date.

Redemption for Tax Reasons:

- (a) ***Tax Deductibility Event:*** If, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced, so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, at its option, at any time, subject to Condition 6.6 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*), elect to redeem all, but not part only, of the Notes then outstanding at their Redemption Amount, on the latest practicable date on which the Issuer could make such payment with the part of the interest payable under the Notes being tax-deductible not being reduced or, if such date is past, as soon as practicable thereafter. The Issuer shall give the Fiscal Agent and the Noteholders (which notice shall be irrevocable) notice of any such redemption not less than thirty (30) nor more than forty-five (45) calendar days before the date fixed for redemption.
- (b) ***Gross-Up Event:*** If, by reason of a change in any French law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 11 of the Terms and Conditions of the Notes (*Taxation*) the Issuer may, at any time, subject to Condition 6.6 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*) subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and to the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Redemption Amount, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the

Issuer could make payment of principal or interest without withholding or deduction for French taxes.

- (c) **Withholding Tax Event:** If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay Additional Amounts as specified under Condition 11 of the Terms and Conditions of the Notes (*Taxation*) and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in Condition 11 of the Terms and Conditions of the Notes (*Taxation*), then the Issuer may, subject to Condition 6.6 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*), and upon giving not less than seven (7) calendar days' prior notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Redemption Amount on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

in each case subject to Condition 6.6 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*).

Redemption for Regulatory Reasons

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to Condition 6.7 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*) and subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and to the Noteholders (which notice shall be irrevocable), at the Redemption Amount.

Where:

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer and/or SGAM is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer and/or SGAM is no longer permitted by the Relevant Authority to treat the net proceeds of the Notes (in whole or in part) as eligible (x) for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer and/or SGAM under the Solvency II Regulations or (y) as at least tier three own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of the regulatory capital under the Solvency II Regulations of the Issuer and/or SGAM, except, in each case, as a result of the application of the limits on inclusion (on a solo, combined or consolidated basis) of such liabilities in, respectively, the solvency margin or own funds regulatory capital of the Issuer and/or SGAM, as the case may be.

Clean-Up Redemption

The Issuer may elect, subject to Condition 6.6 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*), to redeem all, but not some only, of the Notes at any time after the Issue Date at their Redemption Amount if 80% (eighty per cent) or more in Aggregate Principal Amount of the Notes issued on the Issue Date (and, if applicable, on the relevant issue date(s) of any further notes issued pursuant to Condition 13 of the Terms and Conditions of the

Notes (*Further Issue*)) has been purchased and cancelled at the time of such election (a **Clean-Up Call**).

Conditions to Redemption and Purchase:

Any redemption or purchase of the Notes in accordance with Conditions 6.1 to 6.5 of the Terms and Conditions of the Notes shall be subject to the following conditions (together, the **Conditions to Redemption and Purchase**):

- (a) the Prior Approval of the Relevant Supervisory Authority;
- (b) (x) no Regulatory Deficiency Redemption Deferral Event having occurred and be continuing on the due date for redemption or (y) such redemption not itself causing a Regulatory Deficiency Redemption Deferral Event, except, only in respect of breach of the Solvency Capital Requirement of the Issuer and/or the SGAM if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption or purchase, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption; and
- (c) no Insolvent Insurance Affiliate Winding-up having occurred and be continuing on the due date for redemption or purchase (to the extent required under the Solvency II Regulations in order for the Notes to be treated under the Solvency II Regulations as at least "tier three" own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer and/or the SGAM). Notwithstanding that an Insolvent Insurance Affiliate Winding-up may have occurred and be continuing on the date due for redemption or purchase, the Notes may still be redeemed or purchased on such date to the extent permitted under, and in accordance with, the Solvency II Regulations and provided that, on or prior to such date, the Prior Approval of the Relevant Supervisory Authority has been exceptionally given with respect to the relevant redemption or purchase of the Notes.

Should a Regulatory Deficiency Redemption Deferral Event or an Insolvent Insurance Affiliate Winding-up occur after a notice for redemption has been given to the Noteholders, such redemption notice shall become automatically void and notice of such fact shall be given promptly by the Issuer.

The Notes may not be redeemed or purchased pursuant to Conditions 6.4 or 6.5 prior to the fifth anniversary of the Issue Date, unless the redemption or purchase has been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes, if required pursuant to Solvency II Regulations.

To the extent permitted by the Relevant Supervisory Authority, the Notes may not be redeemed pursuant to Condition 6.3 of the Terms and Conditions of the Notes prior to the fifth anniversary of the Issue Date, unless (i) (x) the Relevant Supervisory Authority has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the position of the Issuer including the Issuer's medium-term capital

plan) and (y) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the Capital Disqualification Event was not reasonably foreseeable at the time of the issuance of the Notes and (z) the Relevant Supervisory Authority considers such change in the regulatory classification of the Notes to be sufficiently certain and/or (ii) the redemption or purchase has been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes, in each case, if required pursuant to Solvency II Regulations.

To the extent permitted by the Relevant Supervisory Authority, the Notes may not be redeemed pursuant to Condition 6.2 prior to the fifth anniversary of the Issue Date, unless (i) (x) the Relevant Supervisory Authority has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the position of the Issuer including the Issuer's medium-term capital plan) and (y) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that one of the tax events set out in Condition 6.2, as the case may be, is material and was not reasonably foreseeable at the time of the issuance of the Notes and/or (ii) the redemption or purchase has been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes, in each case, if required pursuant to Solvency II Regulations.

Where:

Insolvent Insurance Affiliate Winding-up means:

- (i) the winding-up of any Insurance Undertaking within the Group or SGAM; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group or SGAM,

in each case, where the Issuer has determined, acting reasonably and in consultation with the Relevant Supervisory Authority, that the assets of that Insurance Undertaking within the Group or SGAM may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or re-insurance of that Insurance Undertaking which is subject to a winding-up or administration process (and for these purposes, the claims of policyholders pursuant to a contract of insurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of Insurance Undertakings that reflect any right to receive or expectation of receiving benefits which policyholders may have)

Regulatory Deficiency Redemption Deferral Event means the own funds regulatory capital (or whatever the terminology employed by Solvency II Regulations) of the Issuer and/or the SGAM is not sufficient to cover the Solvency Capital Requirement or Minimum Capital Requirement of the Issuer and/or SGAM (or whatever the terminology employed by Solvency II Regulations) whichever occurs earlier, and a redemption or repayment of principal is prohibited under Solvency II Regulations in order for the Notes to qualify as at least "tier three" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations) under the Solvency II Regulations.

Solvency Capital Requirement has the meaning ascribed to it in the Solvency II Directive.

Purchase : Subject to Condition 6.6 of the Terms and Conditions of the Notes (*Conditions to Redemption and Purchase*), the Issuer may at any time purchase Notes at any price in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-0-1 and D.213-0-1 of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

Representation of Noteholders: The Noteholders will be grouped automatically for the defence of their respective common interests in a masse governed by the provisions of the French *Code de commerce* subject to certain exceptions and provisions (the **Masse**). The Masse will be a separate legal entity, and will be acting in part through a representative and in part through collective decisions of the Noteholders.

Admission to trading: Application has been made for the Notes to be admitted to trading on Euronext Growth.

Rating: The Notes have been rated BBB by S&P Global Ratings Europe Limited (**S&P**). The Issuer's long-term senior unsecured debt is rated A- by S&P.

Clearing: The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, S.A. and Euroclear Bank SA/NV.

Selling Restrictions: There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom and France.

Governing Law and Jurisdiction: French law. Jurisdiction of the competent courts within the jurisdiction of the *Cour d'Appel* of Paris.

Use of Proceeds: The Notes are issued in order to strengthen the quality of the Issuer's own funds and the net proceeds of the issue of the Notes, after deduction of any applicable commission, will be used for general corporate purposes.

INFORMATION DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum shall be read and construed in conjunction with the following documents which are incorporated by reference in, and shall be deemed to form part of, this Information Memorandum:

- (1) the audited consolidated financial statements of the Issuer for the year ended 31 December 2018 in the French language and the report of the statutory auditors on such accounts (the **2018 Financial Report**);
- (2) the audited consolidated financial statements of the Issuer for the year ended 31 December 2019 in the French language and the report of the statutory auditors on such accounts (the **2019 Financial Report**);
- (3) the unaudited consolidated balance sheet and income statement of the Issuer for the half-year period ended 30 June 2020 in the French language (the **2020 Half-Year Consolidated Balance Sheet and Profit and Loss Account**);
- (4) the document entitled “La Mondiale Half Year 2020 Earnings” in the English language; and
- (5) the investors’ presentation entitled “*La Mondiale – Investor Presentation – October 13, 2020*” dated 13 October 2020.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Copies of the documents incorporated by reference in this Information Memorandum (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours and (b) will be available on the website of the Issuer (www.ag2rlamondiale.fr).

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (each a **Condition**, and together the **Conditions**) will be as follows:

The issue of the €500,000,000 0.750 per cent. Tier 3 notes due 20 April 2026 (the **Notes**) issued by La Mondiale, a *société d'assurance mutuelle sur la vie et de capitalisation* incorporated under the laws of the Republic of France with registered office at 32, avenue Emile Zola, 59370 Mons-en-Baroeul, France, registered with the Lille Commercial and Corporate Registry (*Registre du commerce et des sociétés de Lille*) under number 775 625 635, (the **Issuer**), was authorised pursuant to a resolution of the *Assemblée Générale* of the policyholders (*sociétaires*) of the Issuer adopted on 13 May 2020 and the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 13 October 2020. A fiscal and paying agency agreement dated as of 16 October 2020 (the **Agency Agreement**) has been entered into in relation to the Notes between the Issuer and BNP Paribas Securities Services, as fiscal agent and principal paying agent (together with any substitute fiscal agent, the **Fiscal Agent**). Copies of the Agency Agreement are available for inspection during usual business hours at the specified office of the Fiscal Agent.

1 DEFINITIONS

For purposes hereof, the following definitions shall apply:

Account Holder means any financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

Actual/Actual (ICMA) means:

- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (**the Accrual Period**) is equal to or shorter than the Interest Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Interest Period; or
- (ii) in the case of Notes where the Accrual Period is longer than the Interest Period during which the Accrual Period ends, the sum of:
 - (a) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins divided by the number of days in such Interest Period; and
 - (b) the number of days in such Accrual Period falling in the next Interest Period divided by the number of days in such Interest Period.

Additional Amounts has the meaning set out in Condition 11 (*Taxation*).

Aggregate Principal Amount means €500,000,000.

Arrears of Interest has the meaning ascribed to it in Condition 4.3 (a).

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks are open for business (other than solely for trading and settlement in euros) in Paris and a TARGET 2 Settlement Day.

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer and/or SGAM is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer and/or SGAM is no longer permitted by the Relevant Authority to treat the net proceeds of the Notes (in whole or in part) as eligible (x) for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer and/or SGAM under the Solvency II Regulations or (y) as at least tier three own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of the regulatory capital under the Solvency II Regulations of the Issuer and/or SGAM, except, in each case, as a result of the application of the limits on inclusion (on a solo, combined or consolidated basis) of such liabilities in, respectively, the solvency margin or own funds regulatory capital of the Issuer and/or SGAM, as the case may be.

Conditions to Redemption and Purchase means the conditions to redemption set out in Condition 6.6 (*Conditions to Redemption and Purchase*).

Deeply Subordinated Obligations means all and any bonds or borrowings or any other Obligations of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations of the Issuer, including bonds or borrowings, the subordination provisions of which are governed by the provisions of Article L. 228-97 of the French *Code de commerce*, and which rank and will rank (a) *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but (b) junior to all present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinary Subordinated Obligations of the Issuer, Senior Subordinated Obligations of the Issuer and Unsubordinated Obligations of the Issuer and (c) senior to all present and future Mutual Certificates of the Issuer.

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

Existing Ordinary Subordinated Obligations means the liabilities listed below provided that if any such liability would allow (as result of an amendment or otherwise) the Issuer to undertake any subordinated liability ranking senior to such given liabilities, then such liability would, from the effective date of such amendment, be deemed to no longer constitute an Existing Ordinary Subordinated Obligations:

- the Issuer's €768,405,000 Reset Undated Subordinated Notes (ISIN: XS1155697243);
- the Issuer's €331,700,000 Fixed to Floating Rate Subordinated Notes due 25 April 2044 (ISIN: XS0919410828), of which €191,236,000 is currently outstanding; and
- the Issuer's €200,000,000 Undated Subordinated Fixed/Floating Rate Notes (ISIN: FR0010021287), of which €51,230,000 is currently outstanding.

Group means the Issuer together with its fully consolidated subsidiaries taken as a whole from time to time.

Independent Agent means an investment bank, or a syndicate of investment banks, of international repute and with a leading franchise in the underwriting and distribution of capital instruments for French and international financial institutions.

Insolvent Insurance Affiliate Winding-up means:

- (i) the winding-up of any Insurance Undertaking within the Group or SGAM; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group or SGAM,

in each case, where the Issuer has determined, acting reasonably and in consultation with the Relevant Supervisory Authority, that the assets of that Insurance Undertaking within the Group or SGAM may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or re-insurance of that Insurance Undertaking which is subject to a winding-up or administration process (and for these purposes, the claims of policyholders pursuant to a contract of insurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of Insurance Undertakings that reflect any right to receive or expectation of receiving benefits which policyholders may have).

Insurance Undertaking has the meaning ascribed to it in the Solvency II Directive.

Interest Amount has the meaning ascribed to it in Condition 4.1 (b).

Interest Payment Date means 20 April in each year from and including 20 April 2021 to, and including, the Redemption Date.

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

Interest Rate has the meaning ascribed to it in Condition 4.1 (a).

Issue Date means 20 October 2020.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which, the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency Interest Deferral Event has occurred and such Regulatory Deficiency Interest Deferral Event is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest) would itself cause a Regulatory Deficiency Interest Deferral Event.

Minimum Capital Requirement means the minimum capital requirement (MCR) of the Issuer and the minimum consolidated group solvency capital requirement, all as defined and, in accordance with, the Solvency II Regulations.

Mutual Certificates means any mutual certificates (*certificats mutualistes*) that may be issued from time to time by the Issuer in accordance with articles L. 322-26-8 *et seq.* of the French *Code des assurances*.

Noteholder means the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

Obligation means any payment obligation expressed to be assumed by or imposed on, the Issuer under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law (including any bonds or notes).

Ordinary Subordinated Obligations means any Obligations of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (a) equally and rateably with any other existing or future Ordinary Subordinated Obligations but (b) senior to all present and future *titres participatifs* issued by the Issuer, *prêts participatifs* granted to the Issuer, Deeply Subordinated Obligations of the Issuer and Mutual Certificates of the Issuer and (c) junior to Senior Subordinated Obligations and Unsubordinated Obligations.

Principal Amount means the principal amount of each Note being €100,000.

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any applicable Solvency II Regulations.

Redemption Amount equals to the Principal Amount of the Notes and any accrued and unpaid interest and any Arrears of Interest up to their Redemption Date.

Redemption Date means the effective date of redemption of the Notes and any accrued and unpaid interest (including any Arrears of Interest).

Regulatory Deficiency Interest Deferral Event means any event including, without limitation, any event which causes the Issuer and/or the SGAM's Minimum Capital Requirement (or whatever the terminology employed by the Solvency II Regulations) to be breached and such breach is an event which under the Solvency II Regulations requires the Issuer to defer payment of interest (or, if applicable, Arrears of Interest thereon) in respect of the Notes (on the basis that the Notes qualify (or are intended to qualify) as at least "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations).

Regulatory Deficiency Redemption Deferral Event means the own funds regulatory capital (or whatever the terminology employed by Solvency II Regulations) of the Issuer and/or the SGAM is not sufficient to cover the Solvency Capital Requirement or Minimum Capital Requirement of the Issuer and/or SGAM (or whatever the terminology employed by Solvency II Regulations) whichever occurs earlier, and a redemption or repayment of principal is prohibited under Solvency II Regulations in order for the Notes to qualify as at least "tier three" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations) under the Solvency II Regulations.

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or SGAM, in the event that the Issuer and/or SGAM is required to comply with certain applicable solvency margins, capital adequacy regulations, capital requirements or any other regulatory capital rules (including but not limited to the Solvency II Regulations). The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution (ACPR)*.

Scheduled Maturity Date means the Interest Payment Date falling on or about 20 April 2026, if the Conditions to Redemption and Purchase are satisfied and otherwise as soon thereafter as the Conditions to Redemption and Purchase are satisfied.

Senior Subordinated Obligations means any Obligations which constitute direct, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (i) equally and rateably with any other existing or future Senior Subordinated Obligations, (ii) in priority to present and future Mutual Certificates, Deeply Subordinated Obligations, Ordinary Subordinated Obligations, *prêts*

participatifs granted to, and *titres participatifs* issued by the Issuer, and (iii) behind Unsubordinated Obligations.

SGAM means the prudential group of SGAM AG2R La Mondiale which includes, as of the Issue Date, the perimeters of SGAPS AG2R La Mondiale and La Mondiale, evolving from time to time.

Solvency Capital Requirement has the meaning ascribed to it in the Solvency II Directive.

Solvency II Directive means Directive 2009/138/EC of the European Union of November 25, 2009 (as amended) on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), which has been transposed under French law by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction of a member state of the European Economic Area other than France, which has been or must be transposed under the law of its jurisdiction by the relevant member state of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC).

Solvency II Regulations means the solvency margin, capital adequacy regulations, capital requirements or any other regulatory capital rules which are applicable in France (or if the Issuer and/or SGAM becomes domiciled in a jurisdiction of a member state of the European Economic Area other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, including by the French ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date) and the guidelines and recommendations from time to time of the European Insurance and Occupational Pensions Authority (or any successor authority), as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and/or SGAM, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

TARGET 2 Settlement Day means any day on which TARGET System is operating.

TARGET System means the Trans-European Automated Real-time Gross settlement Express Transfer system.

Unsubordinated Obligations means any Obligations (including any bonds or notes) which constitute direct and unsubordinated Obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Unsubordinated Obligations, but in priority to present and future Deeply Subordinated Obligations, Mutual Certificates, *prêts participatifs* granted to, *titres participatifs* issued by the Issuer, Ordinary Subordinated Obligations and Senior Subordinated Obligations. For the avoidance of doubt, the Unsubordinated Obligations include but are not limited to the claims of the policyholders of the Issuer.

2 DENOMINATION, FORM AND TITLE OF THE NOTES

The Notes will be issued on the Issue Date in dematerialised bearer form (*au porteur*) in a denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Article 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 the books of Euroclear France, which shall credit the accounts of the Account Holders.

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, and only in the denomination of €100,000.

3 STATUS OF THE NOTES

The Notes are subordinated obligations of the Issuer, the status of which may change as follows during the life of the Notes:

- (a) For so long as any Existing Ordinary Subordinated Obligations is outstanding, the principal and interest (including any outstanding Arrears of Interest) on the Notes constitute direct, unconditional, unsecured Ordinary Subordinated Obligations and rank and will rank *pari passu* with other Ordinary Subordinated Obligations. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment under the Notes rank:
 - (i) subordinated to the full payment of the unsubordinated creditors including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations, Senior Subordinated Obligations;
 - (ii) *pari passu* with any other Ordinary Subordinated Obligations; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and Deeply Subordinated Obligations and any payments to holders of Mutual Certificates.
- (b) Upon redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations, the principal and interest (including any outstanding Arrears of Interest) on the Notes constitute direct, unconditional, unsecured Senior Subordinated Obligations and the Notes rank and will rank *pari passu* without any preference among themselves and *pari passu* with other Senior Subordinated Obligations. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:
 - (i) subordinated to the full payment of the unsubordinated creditors including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations;
 - (ii) *pari passu* with any other existing or future Senior Subordinated Obligations; and
 - (iii) prior to any Ordinary Subordinated Obligations, *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, any Deeply Subordinated Obligations and any payments to holders of Mutual Certificates.

The subordination provisions of the Notes are governed by Article L.228-97 of the French *Code de commerce*.

Pursuant to Article L. 327-2 of the French Code des assurances, a lien over the assets of the Issuer is granted for the benefit of the Issuer's policyholders (sociétaires). Noteholders, even if they are policyholders (sociétaires) of the Issuer, do not have the benefit of such lien in relation to amounts due under the Notes.

There will be no negative pledge in respect of the Notes.

4 INTEREST

4.1 General

- (a) Subject to Condition 4.3 (*Mandatory Interest Deferral*), the Notes bear interest on their Principal Amount at a fixed rate of 0.750 per cent. *per annum* (the **Interest Rate**), payable annually in arrear on 20 April in each year (each, an **Interest Payment Date**), commencing on 20 April 2021, provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day. There will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date.
- (b) The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Interest Rate on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to (but excluding) that day are received by or on behalf of the relevant Noteholder.

The amount of interest (the **Interest Amount**) for each Interest Period will be €750 per Principal Amount. If interest is required to be calculated for a period of less or more than one year it will be calculated on an Actual/Actual (ICMA) basis, the result being rounded if necessary, to the nearest cent (half a cent being rounded upwards). The Fiscal Agent shall cause the Interest Rate and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer as soon as possible after their determination but in no event later than on the fourth Business Day after such determination. Where any Interest Payment Date is subject to adjustment, the Interest Amount and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Period.

- (c) On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions of the Condition 4.3 (*Mandatory Interest Deferral*) below.

4.2 Fiscal Agent

- (a) The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Fiscal Agent and appoint a substitute Fiscal Agent provided that so long as any of the Notes remain

outstanding there shall at all times be a Fiscal Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Fiscal Agent or failing duly to determine the Interest Rate for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Paris or London interbank market to act in its place. The Fiscal Agent may not resign its duties or be removed without a successor having been appointed.

(b) Notifications etc. to be final and binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*) by the Fiscal Agent will (in the absence of default, bad faith or manifest error) be final and binding on the Issuer and all Noteholders and (in the absence of default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 4 (*Interest*).

4.3 Mandatory Interest Deferral

(a) Mandatory Deferral of Interest

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred and shall constitute **Arrears of Interest** and shall be payable as outlined below.

(b) Arrears of Interest

All Arrears of Interest may, subject to the fulfilment of the Conditions to Settlement, at the option of the Issuer, be paid in whole or in part at any time but all Arrears of Interest in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Arrears of Interest shall not themselves bear interest.

Conditions to Settlement are satisfied on any day with respect to any payment of Arrears of Interest, if any, if such day would not be a Mandatory Interest Deferral Date if such day was an Interest Payment Date.

(c) Partial Payment of Arrears of Interest

If amounts in respect of Arrears of Interest become partially payable:

- (i) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier Interest Period and the order of payment shall follow that of the Arrears of Interest to which they relate; and
- (ii) the amount of Arrears of Interest payable in respect of any Note in respect of any period, shall be pro rata to the total amount of all unpaid Arrears of Interest accrued in respect of that period to the date of payment.

(d) Notice of Deferral and Payment of Arrears of Interest

The Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 9 (*Notices*):

- (i) of any deferral of any interest under the Notes on any Interest Payment Date, which relates to Arrears of Interest; and
- (ii) of any date upon which amounts in respect of Arrears of Interest shall become due and payable.

So long as the Notes are admitted to trading on Euronext Growth and the rules of such multilateral trading facility so require, notice of any such deferral pursuant to sub-paragraph (i) above shall also be given as soon as reasonably practicable to such multilateral trading facility.

This notice will not be a condition to the deferral of interest. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

5 PAYMENTS

5.1 Method of Payment

Payments of principal and interest (including Arrears of Interest) in respect of the Notes will be made in Euros by credit or transfer to a Euro-denominated account (or any other account to which Euros may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders shall be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

None of the Issuer or the Fiscal Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euros, or any currency conversion or rounding effect in connection with such payment being made in Euros.

Payments of principal and interest (including Arrears of Interest) in respect of the Notes will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment.

5.2 Payments on Business Days

If the due date for payment of any amount of principal, interest or other amounts in respect of any Note is not a Business Day, payment of the amount due shall not be made and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

5.3 Fiscal Agent

The name of the initial Fiscal Agent and its specified office are set forth below:

Fiscal Agent
BNP Paribas Securities Services
9 rue du Débarcadère
93500 Pantin

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and/or appoint additional or other agents or approve any change in the office through which any such agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 9 (*Notices*) and, so long as the Notes are listed on Euronext Growth and if the rules applicable to such multilateral trading facility so require, to such multilateral trading facility.

Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 9 (*Notices*).

6 REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Subject to Condition 6.6 (*Conditions to Redemption and Purchase*) below, unless previously redeemed or purchased and cancelled as provided for below: (i) the Notes will be redeemed at their Redemption Amount, on the Scheduled Maturity Date, and (ii) the Issuer will have the option, subject to having given not more than thirty (30) nor less than fifteen (15) calendar days' prior notice to the Fiscal Agent and to the Noteholders in accordance with Condition 9 (*Notices*) (which notice shall be irrevocable), to redeem all, but not some only, of the outstanding Notes at their Redemption Amount, at any time from and including 20 January 2026 to, but excluding, the Scheduled Maturity Date.

6.2 Redemption for Tax Reasons

- (a) If, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced, so long as

this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, at its option, at any time, subject to Condition 6.6 (*Conditions to Redemption and Purchase*), elect to redeem all, but not part only, of the Notes then outstanding at the Redemption Amount, on the latest practicable date on which the Issuer could make such payment with the part of the interest payable under the Notes being tax-deductible not being reduced or, if such date is past, as soon as practicable thereafter. The Issuer shall give the Fiscal Agent and the Noteholders in accordance with Condition 9 (*Notices*) (which notice shall be irrevocable) notice of any such redemption not less than thirty (30) nor more than forty-five (45) calendar days before the date fixed for redemption.

- (b) If, by reason of a change in any French law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 11 (*Taxation*) the Issuer may, at any time, subject to Condition 6.6 (*Conditions to Redemption and Purchase*), subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and to the Noteholders in accordance with Condition 9 (*Notices*) (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Redemption Amount, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding or deduction for French taxes.
- (c) If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay Additional Amounts as specified under Condition 11 (*Taxation*) and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in Condition 11 (*Taxation*), then the Issuer may, subject to Condition 6.6 (*Conditions to Redemption and Purchase*), and upon giving not less than seven (7) calendar days' prior notice to the Fiscal Agent and the Noteholders in accordance with Condition 9 (*Notices*) (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Redemption Amount on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

In each case subject to Condition 6.6 (*Conditions to Redemption and Purchase*) below.

6.3 Redemption for Regulatory Reasons

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to Condition 6.6 (*Conditions to Redemption and Purchase*) and subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and to the Noteholders in accordance with Condition 9 (*Notices*) (which notice shall be irrevocable), at the Redemption Amount.

6.4 Clean-Up Redemption

The Issuer may elect, subject to Condition 6.6 (*Conditions to Redemption and Purchase*), to redeem all, but not some only, of the Notes at any time after the Issue Date at their Redemption Amount if 80% (eighty per cent) or more in Aggregate Principal Amount of the Notes issued on the Issue Date (and, if

applicable, on the relevant issue date(s) of any further notes issued pursuant to Condition 13 (*Further Issue*)) has been purchased and cancelled at the time of such election (a **Clean-Up Call**).

6.5 Purchases

Subject to Condition 6.6 (*Conditions to Redemption and Purchase*), the Issuer may at any time purchase Notes at any price in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-0-1 and D.213-0-1 of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

All Notes which are redeemed or purchased for cancellation by the Issuer pursuant to this Condition 6.5 will forthwith be cancelled (together with rights to interest any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.6 Conditions to Redemption and Purchase

Any redemption or purchase of the Notes in accordance with Conditions 6.1 to 6.5 shall be subject to the following conditions (together, the **Conditions to Redemption and Purchase**):

- (a) the Prior Approval of the Relevant Supervisory Authority;
- (b) (x) no Regulatory Deficiency Redemption Deferral Event having occurred and be continuing on the due date for redemption or (y) such redemption not itself causing a Regulatory Deficiency Redemption Deferral Event, except, only in respect of breach of the Solvency Capital Requirement of the Issuer and/or the SGAM if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption or purchase, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption; and
- (c) no Insolvent Insurance Affiliate Winding-up having occurred and be continuing on the due date for redemption or purchase (to the extent required under the Solvency II Regulations in order for the Notes to be treated under the Solvency II Regulations as at least "tier three" own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer and/or the SGAM). Notwithstanding that an Insolvent Insurance Affiliate Winding-up may have occurred and be continuing on the date due for redemption or purchase, the Notes may still be redeemed or purchased on such date to the extent permitted under, and in accordance with, the Solvency II Regulations and provided that, on or prior to such date, the Prior Approval of the Relevant Supervisory Authority has been exceptionally given with respect to the relevant redemption or purchase of the Notes.

Should a Regulatory Deficiency Redemption Deferral Event or an Insolvent Insurance Affiliate Winding-up occur after a notice for redemption has been given to the Noteholders, such redemption notice shall become automatically void and notice of such fact shall be given promptly by the Issuer in accordance with Condition 9 (*Notices*).

The Notes may not be redeemed or purchased pursuant to Conditions 6.4 or 6.5 prior to the fifth anniversary of the Issue Date, unless the redemption or purchase has been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes, if required pursuant to Solvency II Regulations.

To the extent permitted by the Relevant Supervisory Authority, the Notes may not be redeemed pursuant to Condition 6.3 prior to the fifth anniversary of the Issue Date, unless (i) (x) the Relevant Supervisory Authority has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the position of the Issuer including the Issuer's medium-term capital plan) and (y) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the Capital Disqualification Event was not reasonably foreseeable at the time of the issuance of the Notes and (z) the Relevant Supervisory Authority considers such change in the regulatory classification of the Notes to be sufficiently certain and/or (ii) the redemption or purchase has been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes, in each case, if required pursuant to Solvency II Regulations.

To the extent permitted by the Relevant Supervisory Authority, the Notes may not be redeemed pursuant to Condition 6.2 prior to the fifth anniversary of the Issue Date, unless (i) (x) the Relevant Supervisory Authority has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the position of the Issuer including the Issuer's medium-term capital plan) and (y) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that one of the tax events set out in Condition 6.2, as the case may be, is material and was not reasonably foreseeable at the time of the issuance of the Notes and/or (ii) the redemption or purchase has been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes, in each case, if required pursuant to Solvency II Regulations.

6.7 Notice of deferral of redemption

If practicable under the circumstances, the Issuer will give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 9 (*Notices*) of any deferral of the redemption of the Notes. This notice will not be a condition to the deferral of redemption. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

7 VARIATION AND SUBSTITUTION OF THE NOTES

- (a) If a Capital Disqualification Event or an event pursuant to which the Issuer has the right to redeem the Notes pursuant to Condition 6.2 (*Redemption for Tax Reasons*) occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.
- (b) The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in any substitution will have the same Principal Amount as the Notes prior to variation or substitution.
- (c) Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) in accordance with Condition 9 (*Notices*) and to:

- (i) the Issuer giving at least six (6) months' prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given);
 - (ii) the Issuer being in compliance with the Solvency II Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the Solvency II Regulations;
 - (iii) the Issuer complying with the rules of any multilateral trading facility (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
 - (iv) the issue of legal opinions addressed to the Fiscal Agent from one or more independent legal advisers of recognised standing confirming that (x) the Issuer has capacity to assume all rights and obligations under the new substituted Notes or varied Notes and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the new exchanged Notes or varied Notes; and
 - (v) the full payment on the immediately preceding Interest Payment Date (if any) of all interest amounts due on such date (subject to their deferral under these Conditions).
- (d) **Qualifying Equivalent Securities** means securities which have terms not being materially less favourable to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with an Independent Agent, and provided that a certification to such effect shall have been delivered by an authorised officer of the Issuer to the Fiscal Agent (including as to the consultation with the Independent Agent and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the variation or substitution (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:
- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the tier three own funds regulatory capital (at least, or any stronger tier);
 - (ii) shall bear at least the same interest rate basis from time to time to that applying to the Notes and preserve the Interest Payment Dates;
 - (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favourable to an investor than the mandatory deferral provisions contained in Condition 4 or, as the case may be, Condition 6;
 - (iv) shall rank at least *pari passu* with the Notes (prior to variation or substitution);
 - (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
 - (vi) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and

- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest, and any existing rights to other amounts payable under the Notes which have accrued to Noteholders and not been paid.

8 ENFORCEMENT

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable* or *liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

9 NOTICES

- (a) Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared.
- (b) Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.

10 PRESCRIPTION

Claims against the Issuer for the payment of principal and interest (including, for the avoidance of doubt, any Arrears of Interest) in respect of Notes will become void unless presented for payment within a period of presently ten (10) years (in the case of the principal) and within five (5) years (in the case of interest) from the appropriate relevant due date for payment thereof.

11 TAXATION

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

If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Arrears of Interest.

12 NOTEHOLDER'S MEETING

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**) which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* as supplemented by this Condition 12.

12.1 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 Noteholders (the **Collective Decisions**).

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

12.2 Representative

The initial Representative shall be:

F&S Financial Services
13 rue Oudinot
75007 Paris
France

The following person is designated as alternate Representative of the *Masse* (the **Alternate Representative**) is:

Mr. Vincent Fabié
13 rue Oudinot
75007 Paris
France

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

The Representative will be entitled to a remuneration of €450 (VAT excluded) per year payable by the Issuer on the first Interest Payment Date of each calendar year with the first payment at the Issue Date.

The Representative will exercise its duty until its dissolution, resignation or termination of its duty by a general assembly of Noteholders or until it becomes unable to act. Its appointment shall automatically cease on the Scheduled Maturity Date, or total redemption prior to the Scheduled Maturity Date.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal Agent.

12.3 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, in order to be valid, must be brought against the Representative or by it.

12.4 Collective Decisions

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

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder or the Issuer 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 Condition 12.9.

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

12.5 General Meetings

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

General Meetings may deliberate validly on first convocation only if 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. Decisions of the General Meetings shall be taken by a two-thirds (2/3) majority of votes held by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided under Condition 12.9 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 by visioconference or by any other means of telecommunication allowing the participation of the Noteholders. Each Note carries the right to one vote.

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, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

12.6 Written Unanimous Decision

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

Such Written Unanimous Decision shall be signed by or on behalf of all the Noteholders without having to comply with formalities and time limits referred to in Condition 12.5. Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Unanimous Decision may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Noteholders and shall be published in accordance with Condition 12.9.

12.7 Exclusion of certain provisions of the French Code de commerce

The provisions of Article L.228-65 I. 1°, 3° et 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer, in case of merger or demerger or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

12.8 Expenses

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of Collective Decisions and the expenses which arise by virtue of the remuneration of the Representative, 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.

For the avoidance of doubt, in this Condition 12 "outstanding" shall not include those Notes purchased by the Issuer pursuant to Article L.213-0-1- of the French *Code monétaire et financier* that are held by it and not cancelled.

12.9 Notices to Noteholders

Any notice to be given to Noteholders in accordance with this Condition 12 shall be given in accordance with Condition 9 (*Notices*).

13 FURTHER ISSUE

Subject to Prior Approval of the Relevant Supervisory Authority, the Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated and form a single series (*assimilées*) 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 of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

14 WAIVER OF SET-OFF

No Noteholder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to the Notes) and each such Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Condition 14 is intended to provide or shall be construed as acknowledging any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Noteholder but for this Condition 14.

For the purposes of this Condition 14, **Waived Set-Off Rights** means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Note.

15 GOVERNING LAW AND JURISDICTION

The Notes are governed by the laws of France.

Any claim against the Issuer in connection with any Notes may be brought before any competent courts within the jurisdiction of the *Cour d'Appel* of Paris.

USE OF PROCEEDS

The Notes are issued in order to strengthen the Issuer's own funds and the net proceeds of the issue of the Notes, after deduction of any applicable commission will be used for general corporate purposes.

DESCRIPTION OF THE ISSUER

This section shall be read and construed in conjunction with the relevant sections of the 2018 Financial Report, the 2019 Financial Report, the 2020 Half-Year Consolidated Balance Sheet and Profit and Loss Account and the document entitled "La Mondiale Half Year 2020 Earnings" (see section "Documents Incorporated by Reference") which are incorporated in, and shall be deemed to form part of, this Information Memorandum.

LEGAL ENVIRONMENT OF LA MONDIALE

Legal form, legal and commercial name

La Mondiale is a Mutual Life and Pension Insurance Company (*société d'assurance mutuelle sur la vie et de capitalisation*), administered by a board of directors under the French *Code des assurances* and registered at the *Registre du Commerce et des Sociétés* of Lille under reference number 775 625 635. The legal name of La Mondiale is "La Mondiale" and its commercial name is "AG2R LA MONDIALE". Its registered office is currently 32, avenue Emile Zola, 59370 Mons-en-Baroeul, France and its telephone number is +33 (0)1 76 60 84 01 and +33 (0)3 20 67 37 00.

History

La Mondiale was founded in 1905 in Lille by seven entrepreneurs from the North of France in order to service complementary retirement of SME payrolls and independent workers. Its by-laws were registered on 16 December 1905 and approved by the first general assembly on 18 December 1905.

First registered as an "insurance company with a mutual form" approved by a public decree published on 13 March 1907, La Mondiale became a Mutual Life and Pension Insurance Company (*société d'assurance mutuelle sur la vie et de capitalisation*) with the 1989 reform of the French *Code des assurances* enacted by the insurance law of 31 December 1989. La Mondiale is regulated by the French *Autorité de contrôle prudentiel et de résolution* (**ACPR**).

La Mondiale was initially constituted for 99 years. It is now established until 31 December 2082.

Its fiscal year ends on 31 December in each year.

La Mondiale acquired La Henin Vie (now La Mondiale Partenaire) in 1999. In 2002, La Mondiale set up a partnership with Aegon regarding supplementary retirement schemes which ended in March 2015.

Since 2008, La Mondiale is a member of a mutual insurance group owned by its members and taking the form of a *Société de Groupe d'Assurance Mutuelle* together with AG2R Prévoyance (SGAPS AG2R La Mondiale since 1 January 2018). SGAM AG2R La Mondiale and its members, each with its own consolidated perimeter, form part of a prudential group (the **SGAM**).

La Mondiale is also a member of the tax group headed by SGAM since 1 January 2014.

In 2009, AG2R Prévoyance and La Mondiale formed the group **AG2R La Mondiale Group**. The core business of La Mondiale is specialised in savings and retirement related and the core business of AG2R Prévoyance is specialised in protection, health and pension servicing on behalf of the public pension system.

Activities permitted by the by-laws

La Mondiale is permitted to engage in all life insurance and reinsurance operations including savings plans, capitalisation, annuities, pension plans, single or regular premium. Major life insurance products in France are split between savings-type products and pension-type products. Savings-type products benefit from a tax advantage and give a guarantee, for a certain period or for the whole life of the product, of capital denominated either in currency or in units (unit-linked contracts). Most savings-type products are single premium although

additional premiums can also be made. Pension-type products also benefit from a tax advantage but the guarantee is given on a minimum annuity. These products are generally sold for the whole life of the insured. Premiums are paid regularly by the insured until retirement after which a pension or an annuity is paid to the insured until death.

La Mondiale is also allowed to engage in health and disability coverage.

Board of Directors of the Issuer

Mr. André RENAUDIN, Chairman and Chief Executive Officer

- Chief Executive Officer of SGAM and SGAPS AG2R La Mondiale and Director of SGAM
- General Delegate of the *Association sommitale* AG2R La Mondiale
- Vice-Chairman of the supervisory Board of Arial CNP Assurances
- Director of La Mondiale Partenaire and Prima
- Director and member of the Supervisory Board of AG2R La Mondiale's other entities

Mr. Philippe LAMBLIN, Director and Vice Chairman

- Director of SGAM
- Chairman of the Board of Directors of the Caisse d'Epargne Hauts de France (*SA Coopérative*)
- Vice-Chairman of the Foundation of the Caisse d'Epargne Nord France Europe
- Member of the Board of Directors of Natixis Interépargne SA and Natixis Invest Management

Mr. Gautier BATAILLE DE LONGPREY, Director

- Director of SGAM
- Director of the Compagnie Financiere Degroof Petercam

Mr. André-Paul BAHUON, Director

- Chairman of Créatis Groupe SAS, Créatis Expertise & Conseil SAS, Créatis Audit SAS and Créatis Gomez & Associates SA
- Director of SGAM

Mr. Michel CHASSANG, Director

- Director of LCL, MACSF, Assumed and Anpreps
- Chairman of UNAPL

Mrs Delphine GALLIN, Director

- Lawyer, member of the Bar in Marseille
- Director of SGAM

Mr. Pierre GEIRNAERT, Director representing the employees

- Director of SGAM
- Director of the Corporate Foundation AG2R La Mondiale
- Chairman of the *Association Amphitea*
- Member of the supervisory board of DMR
- Director of the *Association sommitale* AG2R La Mondiale

Mr. Christian GOLLIER, Director

- Chief Executive Officer of the Toulouse school of economics and Chairman of the European Association of Environmental and Resource Economists (EARE)
- Director of *Labex Finance et Croissance Durable*

Mr. Gilles GUITTON, Director

- Director of SGAM

- Chairman of SASU GG7, GB Corporate Finance and the *Association Neuilléenne de soins à domicile* (ANSIAD)

Mrs. Manou HEITZMANN-MASSENEZ, Director

- Export Director of the *Distillerie Massenez*
- Director of INLI Strasbourg, INSA Strasbourg, and the management school of Strasbourg
- Director of GIAC Group
- Director of SGAM

Mrs. Odette JARIEL, Director

- Training Consultant for business industry
- Director of SGAM
- Director of the Corporate Foundation AG2R La Mondiale

Mr. Thierry JEANTET, Director

- Director of SGAM
- Chairman of the Corporate Foundation AG2R La Mondiale
- Director of the Foundation MACIF

Mr. Franck MOUGIN, Director

- Head of Human Resources and Sustainable Development of the Groupe Vinci and member of the Executive Committee
- Director of SGAM

Mrs Blandine MULLIEZ, Director

- Chairmain of the Foundation Entreprendre

Mrs. Joëlle PREVOT-MADERE, Director

- Manager of a transport company in Guyana
- Director of SGAM

Mrs. Sylvie REULET, Director

- Lawyer, member of the Bar in Bordeaux
- Director of SGAM

Mr. Nicolas SCHIMEL, Director

- Director of SGAM

Mrs. Isabelle SIMELIERE, Director

- Director of SGAM

Mr. René RICOL

- Censor of the Board of Directors
- Vice-Chairman of the *Centre chirurgical Marie-Lannelongue*
- Chairman of the financial consulting firm “Ricol & Lasteyrie”

Mr. Jean-François DUTILLEUL

- Censor of the Board of Directors
- Chief Executive Officer of Rabot Dutilleul Holding SAS
- Chairman of the Corporate Foundation AG2R La Mondiale

The business address of the members of the Board of Directors is 14-16 boulevard Malesherbes – 75008 Paris – France.

There is no conflict of interest between the duties to the Issuer of the members of the Board of Directors of the Issuer and their private interests.

General management Committee

Mr. André RENAUDIN, Chief Executive Officer of La Mondiale

- Chairman and Chief Executive Officer of La Mondiale
- Director and/or member of the Supervisory Board of AG2R La Mondiale's other entities

Mr. Jean-Marc ROBINET, Deputy Chief Executive Officer (*Directeur général délégué*) of La Mondiale,

- Director and/or member of the Supervisory Board of AG2R La Mondiale's other entities

Mr. Philippe DABAT, Deputy Chief Executive Officer (*Directeur général délégué*) of La Mondiale, Insurance and distribution

- Director and/or member of the Supervisory Board of AG2R La Mondiale's other entities

Mr. Jean-Marc CRESTANI, Deputy Chief Executive Officer (*Directeur général délégué*) of La Mondiale, Insurance (life, savings), projects and organisation

- Chief Executive Officer of La Mondiale Partenaire
- Chairman of La Mondiale Europartner
- Director and/or member of the Supervisory Board of AG2R La Mondiale's other entities

Mr. David SIMON, Deputy Chief Executive Officer (*Directeur général délégué*) of La Mondiale, Finances, Investment and Risks

- Vice-Chairman of the Supervisory Board of AG2R La Mondiale *Gestion d'Actifs* for La Mondiale
- Director and/or member of the Supervisory Board of AG2R La Mondiale's other entities

Mrs. Sophie DE SAINT ETIENNE, Corporate Secretary (*Secrétariat général*)

Mrs. Corinne DAJON, IT Director

Mr. François-Marie GESLIN, Community Involvement Director

Mrs. Isabelle HEBERT, Digital and Client Relation Director

Mrs. Claire SILVA, Human Resources Director

Mrs. Béatrice WILLEMS, Communication, Chief of Staff Director

Mr. Philippe Da COSTA, New Business Lines and Sustainable Development

The business address of the members of Executive Committee is 14-16 boulevard Malesherbes – 75008 Paris – France.

Auditors

Mazars

Tour Exaltis, 61 rue Henri Regnault
92075 Paris La Défense Cedex
France

KPMG SA

Tour EQHO, 2 avenue Gambetta, CS 60055
92066 Paris La Défense
France

General description and Business overview of La Mondiale

In relation to savings and pension plan products, which are highly competitive products, the business policy of La Mondiale has been successful. Because of the multiplication of offers, the synergies conducted between the commercial networks and the diversification of distribution channels, the Group has strengthened its position in relation to savings sector and confirmed its leading position for pension plan products.

In 2019, La Mondiale had the following competitive positions: n°2 for supplementary retirements benefits (Source: *Argus de l'assurance*), n°5 for collective supplementary retirements benefits (Source: *Argus de l'assurance*), n°1 for "Madelin" retirement benefits (Source: *FFA & Argus de l'assurance 2019*), n°6 for individual and collective health insurance (Source: *Argus de l'assurance*), n°6 for individual and collective personal protection insurance (Source: *Argus de l'assurance*), n°7 in long term care (Source: *Argus de l'assurance*), n°12 in savings (Sources: *Argus de l'assurance*, *Commissariat aux assurances* and *Fédération Française de l'Assurance*).

La Mondiale completed its 2018-2020 plan called "*Demain 2020*" and is implementing a new plan called "*Impulsion 20-22*" (see section Strategic Objectives for further information).

Since 2008, SGAM is a group mutual insurance company which encompasses all the Group's insurance activities through its two members: AG2R Prévoyance (SGAPS AG2R La Mondiale since 1 January 2018) and La Mondiale.

La Mondiale is a mutual life and pension insurance company founded in 1905 and the holding company of the consolidated group La Mondiale (the **Group**).

La Mondiale is one of the leading operators in each sector of the insurance industry in which it operates as evidenced by the above mentioned competitive positions.

As per the consolidated accounts of La Mondiale, premiums paid or turnover of other activities have increased by 1.3 per cent. to Euro 6.24 bn in 2019 and total investments have reached Euro 102.77 bn, representing an increase by 9.7 per cent. At 31 December 2019, La Mondiale had a surplus (equivalent to shareholders' equity) of Euro 5.5 bn (excluding minority interests) and consolidated net profit of Euro 296.1 million. The Group had 3,255 employees at the end of 2019.

La Mondiale specialises in three sectors in relation to insurance products through four companies: individual pension and life insurance, group pension and insurance and wealth insurance product management.

As of 30 June 2020, the Issuer's minimum regulatory solvency capital (admitted surplus + unrealised capital gains + subordinated debt) is Euro 9.3 bn, representing 4.31 times the Minimum Capital Requirement and its regulatory solvency capital is Euro 10.8 bn, representing 2.37 times the Solvency Capital Requirement (as defined under the Solvency II regulation).

Group individual pension and life insurance – La Mondiale

La Mondiale is one of the leading operators in individual pension insurance in France. La Mondiale mainly offers retirement related (individual or group) as well as savings and pension products, through a sales force of more than 1,000 professionals targeting self-employed workers and small size firms.

In 2019:

- savings related activity of the Group recorded an increase in subscriptions of +2.2 per cent. Compared to 2018, amounting to Euro 4,346 million;
- pension plan related activity of the Group amounted to Euro 1,775 million of subscriptions, which corresponds to a decrease of -1.0 per cent. Compared to 2018;

- individual pension plan related activity of the Group recorded a decrease in subscriptions of -1.1 per cent. Compared to 2018, amounting to Euro 828 million; and
- collective and group pension plan related activity of the Group recorded a decrease in subscriptions of -1.0 per cent. Compared to 2018, amounting to Euro 946 million.

Group pension and insurance (through Arial CNP Assurances)

As part of the La Mondiale and CNP Assurances partnership which has been established since 2016, Arial CNP Assurances is a major player in group insurance.

In relation to the insurance of company-related liabilities, Arial CNP Assurances offers a wide range of tailor made solutions as well as standard contracts distributed mainly by brokers, consulting firms and through stockholders' networks and major partnerships. The customer profile of Arial CNP Assurances which subscribes for group pension plans is mainly composed of large companies.

Wealth insurance product management (through La Mondiale Partenaire and La Mondiale Europartner)

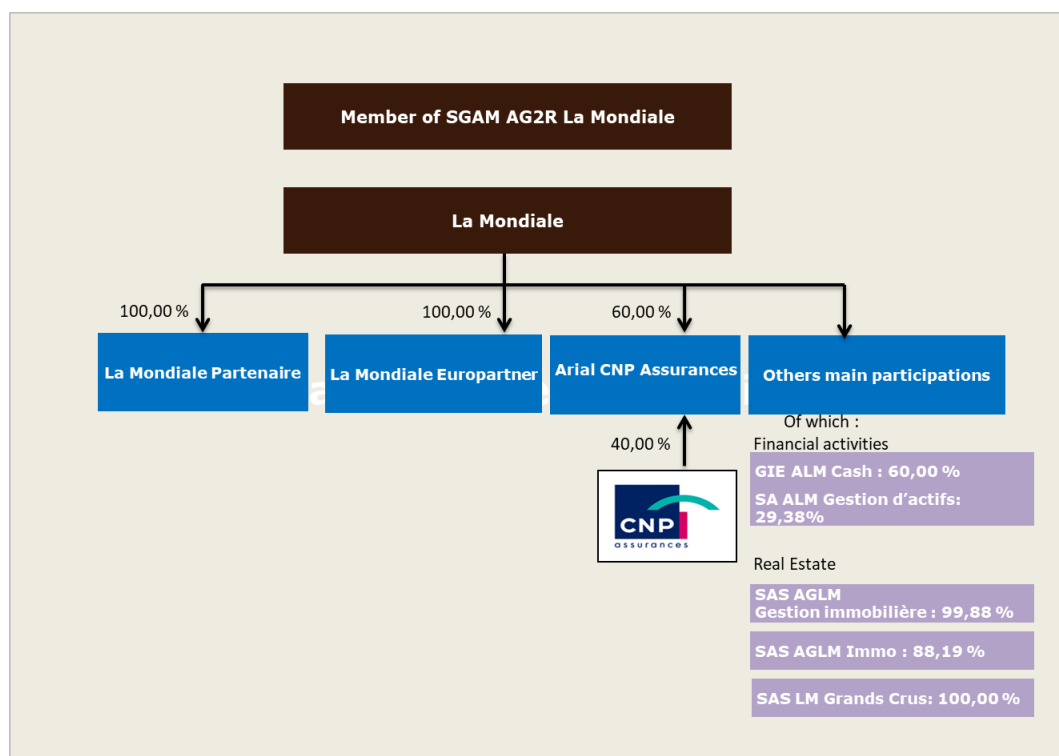
La Mondiale Partenaire operates in life insurance products. It offers savings products distributed through private banking arms of large banks and independent financial advisers (portfolio and asset managers).

In wealth insurance product management, La Mondiale Partenaire is one of the market leaders for dedicated insurance contracts for private banking clients. In this market, La Mondiale Partenaire is competing with BNP Paribas Cardif, AXA and Generali.

La Mondiale Europartner offers a range of high-end life insurance and wealth management solutions. It mainly conducts its business in France (51.8 per cent. of its activity) and in Italy (36.6 per cent. of its activity).

La Mondiale Partenaire focuses on targeting specific products and sales teams to clearly defined market sectors.

Group Structure as of 30 June 2020 (N.B: the percentages below both refer to capital and voting rights)



1. La Mondiale

La Mondiale's business is organised into four business units, each targeting a distinct market sector: La Mondiale, Ariale Assurance, La Mondiale Partenaire and La Mondiale Europartner.

La Mondiale's gross premiums amounted to Euro 4,338 million for the period ending on 31 December 2019, which constitutes a 2 per cent. decrease compared to the period ending on 31 December 2018.

Gross premiums accepted in respect of its subsidiaries (excluding non-Group share) amounted to Euro 2,886 million for the period ending on 31 December 2019, which constitutes a 1.9 per cent. decrease compared to the period ending on 31 December 2018. Such decrease is largely wanted by the Group in order to limit new business in Euro and therefore restrict the dilution of the yield rate of general assets due to very low bond rates.

Gross premiums excluding these internal acceptances amounted to Euro 1,451.5 million for the period ending on 31 December 2019, which constitutes a 2.3 per cent. decrease compared to the period ending on 31 December 2018.

2. Ariale CNP Assurances

In 2019, the pension activity gross premiums of Ariale CNP Assurances increased by 120.9 per cent. compared to 2018 and amounted to Euro 2,149 million.

3. La Mondiale Partenaire

La Mondiale Partenaire was created in 1999 with the acquisition of La Henin Vie and distributes mainly high net worth life insurance contracts through external networks.

La Mondiale Partenaire's gross premiums amounted to Euro 2,035.5 million for the period ending on 31 December 2019, with a 0.8 per cent. decrease compared to the period ending on 31 December 2018.

A 8.4 per cent. increase in claims costs amounting to Euro 2,074 million led to a negative amount of net collect revenue of Euro 38.5 million in 2019.

4. La Mondiale Europartner

La Mondiale Europartner, a Luxemburg subsidiary of the Group, is a renowned operator specialising in the concept, development and management of retirement and pension products, including patrimonial and group pension activities through non-affiliated intermediaries which target cross border market customers.

During 2019, La Mondiale Europartner, the Luxemburg office of the Group, managed a total amount of technical reserves of Euro 16 billion, which constitutes a 12.9 per cent. increase compared to 2018.

Gross premiums of La Mondiale Europartner amounted to Euro 2,078.2 million in 2019, compared to Euro 2,002.2 million in 2018, showing an increase of 3.8 per cent. In 2019, 56.9 per cent. of the gross premiums were reinsured, mainly by the general fund of La Mondiale.

SGAM

La Mondiale is a member of the SGAM under which it has committed to financial solidarity with the members of the SGAM. There is a single management organisation for all the members of SGAM and means are shared between them (*e.g.* management, IT, support functions, sales network etc.).

SGAM has two objectives: establish a financial solidarity between the entities of the prudential group and allow them to keep their own brand and systems of governance. SGAM is the operational structure of the prudential group for insurance activities: welfare, health, savings, supplementary pensions, nursing care. SGAM's own funds are at its complete disposal. Its revenues come from contributions, subsidies received or, that could be received, from its affiliates, as well as interests or dividends received from notes subscribed and issued by its affiliates.

On 1 January 2018, SGAM established a social protection group company (*a Société de groupe d'assurance de protection sociale (SGAPS)*), named SGAPS AG2R La Mondiale. The SGAPS replaces AG2R Prévoyance as the other affiliate of SGAM. Following approval on 26 May 2016 by the General Assembly of AG2R Prévoyance of the principle of participating in the establishment of the SGAPS, and following the approval by the boards of the involved entities, the *Autorité de contrôle prudentiel et de régulation* granted approval for this operation in October 2017.

Ownership

As of 31 December 2019, La Mondiale had 518,585 policyholders (*sociétaires*). Each policyholder has the same voting rights.

Strategic Objectives

La Mondiale launched in 2020 its new plan "*Impulsion 20-22*". This new plan aims to allow the Group to:

- participate in the reshaping of the insurance landscape through strategic partnerships,
- be a key player in social protection business,
- increase the Group financial strength, and
- provide to its policyholders and customer a wide and comprehensive range of insurance products.

The new plan aims to redefine the Group's offers and services, in the management and customer relationship systems, its operating model, information systems and its employees' skills.

In the previous "*Demain 2020*" strategic plan which aimed at reinforcing La Mondiale's competitive positioning, the Issuer had notably four objectives: (1) change in the distribution channels, (2) change in the supplemental pension through an increase of its performance, (3) industrialisation of healthcare insurance and (4) digital transformation.

Partnerships

Strategic partnerships

Partnership CNP: Following a framework agreement signed on 15 December 2015, CNP Assurances and AG2R La Mondiale have started a strategic partnership in the sector of supplementary corporate pension, within a common subsidiary named Arial CNP Assurances. The transaction was approved by the *ACPR* and the *Autorité de la Concurrence*.

Previously owned at 100 per cent. by La Mondiale, Arial CNP Assurances is now owned at 40 per cent. by CNP Assurances and at 60 per cent. by La Mondiale and a shareholders' agreement has been entered into. Arial CNP Assurances regroups the teams, tools and activity portfolios of the two partners and intends to become a major actor of the corporate pension industry. Arial CNP Assurances is expected to manage the supplementary pension regimes for over 20,000 companies (from SMEs to large corporations).

The setting-up of Arial CNP Assurances, unique insurance company in France exclusively dedicated to supplementary pension, reflects the common will of the two partners to be major actors in response to the pension needs of the French population. The ambition is to become the "pension solution" looking at servicing French companies and their employees by developing innovative services and offers, committing to deliver services of high quality backed by proprietary tools which efficiency is largely recognised and offering an important financial safety to clients through two stable and solid shareholders.

On 4 April 2016, CNP Assurances and the Issuer have announced the operational start-up of their strategic partnership in the area of corporate supplementary retirement.

Commercial partnerships

Banking and CGPI (*conseiller de gestion en patrimoine indépendant*) partnerships: Through its subsidiaries La Mondiale Partenaire and La Mondiale Europartner, La Mondiale has built distribution partnerships (wealth management) with the main distributors of the market:

- Private banking subsidiaries of the main French banks: Indosuez Private Banking, LCL (Groupe Crédit Agricole), Banque Privée 1818, Banque Palatine (Groupe BPCE), BNP Paribas;
- The main platforms of CGPI: Nortia, Olympia, Crystal Finance;
- Wealth management banks or institutions: Oddo, Lazard, UBS, Rothschild.

Distribution or prescription partnerships: La Mondiale has also built distribution partnerships with local groups such as La Mutuelle de Poitiers, and prescription partnerships with the main certified accountants (*expert comptable*).

Risk management

La Mondiale manages certain key risks through 5 committees of the Board:

1. The investment committee

The investment committee reviews and validates the general investment policy, the limits, the scope of the universe of possible investments, the guidelines of asset allocation to be approved by the Board.

2. The audit and account committee

The audit and account committee, among other tasks, reviews and validates the annual accounts, the internal audit plan, the financing and solvency issues to be approved by the Board.

3. The compliance, actuarial and risks committee

The compliance, actuarial and risks committee reviews and validates the risk management policy and the internal control processes, issues to be approved by the Board.

4. The strategic committee

The strategic committee reviews and validates strategic and development issues related to M&A or partnerships, to be approved by the Board.

5. The appointments and remunerations committee

The appointments and remunerations committee issues recommendations on the remuneration conditions of the representatives and key men of the Group as well as on the organisation and evolution of the Board and its committees.

Anti-money laundering mission

The objective of La Mondiale's anti-money laundering procedure is to fight against laundering of the proceeds of drug trafficking, fraud against the financial interests of the European Community, corruption, organised criminal activities or those which may be used to finance terrorism.

This procedure breaks down operationally into the following:

- training sessions to raise awareness amongst new collaborators;
- reviewing agreements with partners setting out requirements;
- conducting controls to ensure procedures are being implemented and complied with;
- declarations when suspicions have been raised;
- preparing a compliance report.

The head of anti-money laundering monitors risks associated with payments in and payments out, risks in partnership agreements setting out requirements, non-compliance with procedures by sales managers and advisers.

Insurance and risk cover

La Mondiale has put in place and periodically updates an insurance programme to protect its asset base. The insurance policies include:

- insurance covering damage to property: all building risks, all computer risks;
- civil liability insurance;

- personal insurance (assistance).

The insurances subscribed and the level of self-insurance depends upon the business activity, the size and rate of occurrence of incidents of the principal entities of the Group.

These insurance policies have been subscribed with insurance companies of international repute.

Credit risk

The Group's credit policy is based upon strict investment rules, including maximum exposure amounts per issuer according to an issuer's rating. Compliance with this policy is monitored by the credit committee and potential breaches, particularly those due to credit rating downgrades, are systematically validated by the investment committee (which is a sub-committee of the board of directors). Depreciation rules are determined by type of security, estimated credit risk, and estimated recovery value, as the case may be.

Foreign exchange risk

La Mondiale's policy is to limit exposure to foreign exchange risk as far as possible. All transactions entered into in a currency other than the euro (investment, issue, sale of insurance contract) are systematically hedged.

Liquidity risk

La Mondiale analyses its cash flow gaps by taking into account its entire positive (scheduled premiums, estimation of future premiums, interest coupons, maturity of securities...) and negative (investments, payment of annuities, claims under life insurance contracts...) future cash-flows. Stress-tests are performed to assess the impact of potential increases in claims made or decreases in premiums paid. All the investments of the Group are inventoried according to liquidity profile to determine which type of securities should be sold, were disposals to be required. The specific business model of La Mondiale, a substantial part of which is in the pensions business, with scheduled mandatory premium payments, gives a very low liquidity risk profile to the company. In its assessment, S&P described La Mondiale's liquidity as "exceptional".

Financial Results

As of 30 June 2020, La Mondiale had consolidated investments assets of Euro 103.3 billion of which 25.7 per cent. are unit-linked products. The 74.3 per cent. remaining are guaranteed products invested in General Funds split between bonds (59.8 per cent.), equities including mutual funds (5.1 per cent.), real estate (3.8 per cent.) and other financial assets (5.6 per cent.).

Consolidated own funds at 30 June 2020 increased from Euro 5,862 million to Euro 5,888 million (including Euro 363 million minority interests and Euro 646 million super subordinated obligations). Subordinated obligations amounted to Euro 2,626.1 million of which Euro 829.6 million are on a perpetual basis with a call option (in addition of Euro 646 million super subordinated obligations included in own funds).

For La Mondiale as a stand-alone entity, the coverage ratio of Solvency Capital Requirement (SCR) is 237 per cent. (with impact of transitional measures on technical provisions) as of 30 June 2020 (182 per cent. without the impact of transitional measures on technical provisions). For SGAM as a group entity, the coverage ratio of Solvency Capital Requirement (SCR) stands at 198 per cent. (with impact of transitional measures on technical provisions) as of 30 June 2020 (156 per cent. without the impact of transitional measures on technical provisions).

La Mondiale's interim financial information reported as of 30 June 2020 an operating income of Euro 165.6 million compared to Euro 400.3 million as of 31 December 2019 and to Euro 271.4 million as of 30 June 2019. La Mondiale generated consolidated net income of Euro 120.6 million as of 30 June 2020, that represents 40.7% of the amount as of 31 December 2019.

As at 30 June 2020, La Mondiale's consolidated subordinated debt amounted to Euro 2,626.1 million compared to Euro 2,124.6 million on 31 December 2019 (these amounts do not include the amounts concerning the "*Certificats Mutualistes*"). These amounts include a dollar and Euro subordinated debt, respectively for USD 1,240 million and Euro 1,520.8 million as at 30 June 2020.

Conflict of Interest

To the Issuer's knowledge, there are no conflicts of interest between the duties of the directors and members of executive management with regard to La Mondiale and their private interests.

Change of Control

To the Issuer's knowledge, there is no arrangement, the operation of which may at a subsequent date result in a change in control of the Issuer.

Important Contracts

There are, at the date of this Information Memorandum, no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

SUBSCRIPTION AND SALE

Subscription Agreement

Barclays Bank Ireland PLC, HSBC Bank plc and Natixis (the **Joint Bookrunners**) have entered into a Subscription Agreement dated 16 October 2020 (the **Subscription Agreement**) according to which it has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for, or to procure subscriptions and payment for, the Notes at an issue price equal to 99.402 per cent. of the principal amount of the Notes, less a commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Bookrunners in connection with the issue of the Notes.

The Joint Bookrunners are entitled to terminate the Subscription Agreement in certain circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

Selling Restrictions for the jurisdictions outside the European Economic Area

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 with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, within the United States, or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

Each of the Joint Bookrunners has agreed that it has not offered or sold, and will not offer or sell, the Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after completion of the distribution of the Notes (as determined, and certified to the Issuer by each of the Joint Bookrunners), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

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

United Kingdom

Each of the Joint Bookrunners has represented and agreed that (in connection with the initial distribution of the Notes only):

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

France

Each of the Joint Bookrunners has represented and agreed that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of the Information Memorandum or any other offering material relating to the Notes.

Prohibition of Sales to European Economic Area and United Kingdom Retail Investors

Each of the Joint Bookrunners 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 EEA or in the United Kingdom.

For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (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 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

No action has been taken in any jurisdiction that would permit an offer to retail investors of any of the Notes. Neither the Issuer nor any of the Joint Bookrunners represents that Notes may at any time lawfully be resold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such resale.

Each of the Joint Bookrunners has agreed that it will, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum or any other offering material relating to the Notes and obtain any consent, approval or permission required for the purchase, offer or sale of the Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and none of the Issuer or any Joint Bookrunner shall have responsibility therefore.

GENERAL INFORMATION

- (1) **Admission to trading:** Application has been made to Euronext Growth for the Notes to be admitted to trading on Euronext Growth with effect on 20 October 2020.
- (2) **Corporate authorisations:** The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the issue of the Notes.

The issue of the Notes has been authorised by the *Assemblée Générale* of the policyholders (*sociétaires*) of the Issuer on 13 May 2020 and by the resolution of the *Conseil d'administration* of the Issuer, dated 13 October 2020.

- (3) Copies of:
 - (i) the *statuts* of the Issuer;
 - (ii) the Fiscal Agency Agreement;
 - (iii) this Information Memorandum; and
 - (iv) the documents incorporated by reference in this Information Memorandum,

will be available for inspection during the usual business hours on any week day (except Saturdays, Sundays and public holidays) at the registered office of the Issuer.

This Information Memorandum and the documents incorporated by reference in this Information Memorandum will be published on the website of the Issuer (www.ag2rlamondiale.fr).

- (4) **Trend information:** Save as disclosed in this Information Memorandum, including with respect to the impact that the sanitary crisis resulting from the coronavirus (COVID-19) may have, there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2019 being the date of its last published audited financial statements.
- (5) **Significant change in the Issuer's and the Group's financial performance and/or position:** Save as disclosed in this Information Memorandum, including with respect to the impact that the sanitary crisis resulting from the coronavirus (COVID-19) may have, there has been no significant change in the financial performance and/or position of the Issuer or the Group since 30 June 2020 being the date of its last published consolidated balance sheet and income statement.
- (6) **Legal and arbitration proceedings:** Except as disclosed or incorporated by reference in this Information Memorandum (page 140 of the 2019 Financial Report), there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of twelve (12) months immediately preceding the date of this Information Memorandum which may have or have had in the recent past a significant effect on the Issuer's or the Group's financial position or profitability.
- (7) **Clearing and settlement:** The Notes have been accepted for clearance through Euroclear France (acting as central depository), Euroclear and Clearstream. The International Securities Identification Number (ISIN) for the Notes is FR0014000774. The Common Code for the Notes is 224492448.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is Euroclear Bank SA/NV, 1 boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking SA, 42 avenue JF Kennedy, L-1855 Luxembourg.

- (8) **Auditors:** The statutory auditors of the Issuer are KPMG S.A. and Mazars.

KPMG S.A. and Mazars have audited and rendered unqualified reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2019.

KPMG S.A. and Mazars are members of the professional body *compagnie régionale des commissaires aux comptes de Versailles* and are regulated by the *Haut Conseil du Commissariat aux Comptes*.

- (9) **Expenses:** The estimated costs for the admission to trading of the Notes are € 7,200.
- (10) **Yield:** The yield in respect of the Notes is 0.862 per cent. *per annum* and is calculated on the basis of the issue price of the Notes. It is not an indication of future yield.
- (11) **Joint Bookrunners' Conflicts:** The Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Joint Bookrunners and/or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued. Any such short positions could adversely affect future trading prices of Notes issued. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
- (12) **Interest of natural and legal persons involved in the issue:** As far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The Joint Bookrunners are paid commissions in relation to the issue of the Notes. The Joint Bookrunners and their affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.
- (13) **Rating:** The Notes have been rated BBB by S&P Global Ratings Europe Limited (**S&P**). The Issuer's long-term senior unsecured debt is rated A- by S&P. S&P is established in the European Union and registered under the CRA Regulation and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Information Memorandum.
- (14) **Forward-Looking Statements:** Certain statements contained herein are forward-looking statements including, but not limited to, statements with respect to the Issuer's business strategies, expansion and growth of operations, plans or objectives, trends in its business, competitive advantage and regulatory changes, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "project", "anticipate", "seek", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could". Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors and actual results may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based after the date of admission to trading of the Notes on Euronext Growth.

- (15) **LEI:** The Issuer's Legal Entity Identifier (LEI) is: 969500L0T16HX3R78P61.

**PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE INFORMATION
MEMORANDUM**

I declare, to the best of my knowledge, that the information contained in this Information Memorandum is in accordance with the facts and that it makes no omission likely to affect its import.

LA MONDIALE
32, avenue Emile Zola
Mons-En-Baroeul
59896 Lille Cedex 9
France

Duly represented by:
David Simon

Directeur général délégué en charge de la finance, des investissements et des risques, authorised signatory, pursuant to the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 13 October 2020.

Made in Paris, on 16 October 2020

Issuer

La Mondiale

32, avenue Emile Zola
Mons-En-Baroeul
59896 Lille Cedex 9

Joint Bookrunners

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Natixis

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Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services

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