



Prospectus dated 16 January 2018

## LA MONDIALE

**USD 310,000,000 Reset Subordinated Notes due 18 January 2048**

**Issue Price: 100 per cent.**

The USD 310,000,000 Reset Subordinated Notes due 18 January 2048 (the **Notes**) of La Mondiale (**La Mondiale** or the **Issuer**) will be issued on 18 January 2018 (the **Issue Date**).

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute (subject to certain limitations described in "Terms and Conditions of the Notes - Status of the Notes – Payment on the Notes in the Event of Liquidation of the Issuer") direct, unconditional and unsecured Ordinary Subordinated Obligations and rank and shall at all times rank (i) without any preference among themselves (save for certain obligations required to be preferred by French law) (ii) equally and rateably with any other existing or future Ordinary Subordinated Obligations, (iii) in priority to Deeply Subordinated Obligations, *prêts participatifs* granted to, *titres participatifs* issued by the Issuer and Mutual Certificates issued by the Issuer but (iv) junior to subordinated obligations expressed to rank senior to Ordinary Subordinated Obligations if any, and (v) junior to Unsubordinated Obligations as set out in the "Terms and Conditions of the Notes - Status of the Notes".

The Notes will bear interest (i) from (and including) the Issue Date, to (but excluding) 18 January 2028 (the **First Call Date**), at a fixed rate of 4.80 per cent. per annum payable semi-annually in arrear on 18 January and 18 July in each year commencing on 18 July 2018, and (ii) thereafter to (but excluding) the Final Maturity Date (as defined in *Terms and Conditions of the Notes – Redemption and Purchase*) in respect of each successive five year period commencing on (and including) the First Reset Date, at a reset rate calculated on the basis of the prevailing CMT Rate (as defined herein) plus a margin of 3.235 per cent. Such interest will be payable semi-annually in arrear on 18 January and 18 July in each year commencing on 18 July 2018.

Payment of interest on the Notes may be deferred at the option of the Issuer, or shall be deferred under certain circumstances, as set out in "Terms and Conditions of the Notes - Interest - Interest Deferral".

Unless previously redeemed, purchased or cancelled in accordance with the terms and conditions of the Notes, the Notes will be redeemed at their Principal Amount (*i.e.* USD 200,000 per Note) on the Scheduled Maturity Date if the Conditions to Redemption and Purchase are satisfied, failing which the Notes will only be redeemed on the Final Maturity Date as further specified in *Terms and Conditions of the Notes – Redemption and Purchase*". The Issuer will have the right to redeem the Notes in whole, but not in part, on the First Call Date or on any Reset Date thereafter, as defined and further described in "Terms and Conditions of the Notes - Redemption and Purchase - Optional Redemption from the First Call Date". The Issuer may also, at its option, redeem the Notes for certain withholding tax or tax deductibility reasons or upon the occurrence of an Accounting Event, a Regulatory Event or a Rating Methodology Event, as further described in "Terms and Conditions of the Notes - Redemption and Purchase".

Application has been made for approval of this Prospectus (the **Prospectus**) to the *Autorité des marchés financiers* (the **AMF**) in France in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Directive 2003/71/EC of 4 November 2003, as amended (the **Prospectus Directive**). Application has been made to Euronext Paris for the Notes to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, appearing on the list of regulated markets issued by the European Commission (a **Regulated Market**).

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 18 January 2018 (the **Closing Date**) with a common depository for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 27 February 2018 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances - see *Summary of Provisions relating to the Notes while represented by the Global Notes*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Notes have been rated BBB by S&P Global Ratings (**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 by Regulation (EU) No. 513/2011 (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 (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) as of the date of this Prospectus. 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.

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

*Joint Lead Managers*

**CREDIT SUISSE**

**DEUTSCHE BANK**

*This Prospectus should be read and construed in conjunction with any supplement, that may be published between the date of this Prospectus and the date of the admission to trading of the Notes on Euronext Paris, and with all documents incorporated by reference herein (see "Documents Incorporated by Reference") (together, the **Prospectus**).*

*This Prospectus constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended and the relevant implementing measures in France, in respect of, and for the purposes of giving information with regard to, the Issuer and the Group (as defined below) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group.*

*Certain information contained in this Prospectus and/or documents incorporated herein by reference have 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 AG2R La Mondiale Group are to the combined group formed by SGAM AG2R La Mondiale and its members, each with its own consolidated perimeter,*

*No person has been authorised to give any information or to make any representation other than those contained in this Prospectus 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 Lead Managers (each as defined in "Subscription and Sale"). Neither the delivery of this Prospectus 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 Prospectus 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 Prospectus 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 Prospectus 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 Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus 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 Lead Managers which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus 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 and the Joint Lead Managers (each as defined in "Subscription and Sale") have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Hong Kong, Singapore, Switzerland, Taiwan, France and Italy, see the section entitled "Subscription and Sale".*

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED 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 PROSPECTUS, SEE "SUBSCRIPTION AND SALE".

*The Joint Lead Managers have not separately verified the information contained in this Prospectus. None of the Managers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of 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 Prospectus 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 Lead Managers undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers. 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 Prospectus 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 Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus 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 Lead Managers to any person to subscribe for or to purchase any Notes.*

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – *The Notes are not intended to be offered, sold or otherwise made available and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (MiFID II); or (ii) a customer within the meaning of Directive 2002/92/EC (IMD), 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 (the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

**MiFID II product governance / Professional investors and ECPs only type of clients** – *Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion in relation to the type of clients criteria only that: (i) the type of clients to whom the Notes are targeted is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturers' type of clients 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' type of clients assessment) and determining appropriate distribution channels.*

*After the First Call Date, amounts payable on the Notes will be calculated by reference to the prevailing CMT Rate. As at the date of the prospectus, the administrator of the CMT Rate is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).*

*The consolidated financial statements of the Issuer and the Group for the years ended 31 December 2015 and 31 December 2016 and unaudited 2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account have been prepared in accordance with IFRS as adopted by the European Union.*

*In this Prospectus, 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 on 1 January 1999 and to **\$**, **Dollar**, **USD** or **U.S. dollar** are to the currency of the United States of America.*

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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 Prospectus. 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 fulfil 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 Prospectus 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.*

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

### **RISK FACTORS RELATING TO THE ISSUER**

The occurrence of any of the risks described below may affect the Issuer's capacity to repay, and/or adversely affect the market price of the Notes and lead to Noteholders suffering loss when they sell their Notes. Investors are therefore at risk of losing all or part of their investment.

Investors are invited to read pages 26 to 32 and 101 to 113 of the 2016 Financial Report (as defined in the "Information Incorporated by Reference" section of this Prospectus) of the Issuer which comprise a full description of the risks to which the Issuer and the Group are exposed.

#### **Financial risks**

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

##### *Market risks*

The market risk affects the yield of the assets backing the core capital and technical provisions of the Issuer. 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 and the outlook is uncertain. Any decline in the

financial markets could have an adverse effect on the financial situation, solvency measurement, operating results and cash flow of the Issuer.

#### *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.

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 buy-backs 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 buy-backs.

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.

A combination of sustained low interest rates followed by a significant increase of these interest rates could lead to a negative impact on the financial situation and solvency of the Issuer. This risk could also have an impact on the liquidity and cash levels of the Issuer.

Within the Solvency II framework, in force since 1 January 2016, a low interest rate level environment may have a negative impact on solvency measurement.

#### *Risks related to the variations in the value of investment assets*

Likewise, the yield on assets representing technical commitments is key in the definition of beneficiary participations attributed to the policy holders.

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 policy holders' behaviour. This phenomenon is particularly seen in the life insurance and savings business.

In addition, La Mondiale invests part of its assets in shares and funds, which are generally exposed to volatility risks. The percentage of the Issuer's investment portfolio (excluding unit-linked investments) invested in shares and funds as at 31 December 2016 was 8.9%.

Investment risk on life insurance portfolios is sometimes borne by the policy holders 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. Furthermore such fluctuations could affect the solvency of the Group, in particular the level of unrealised gains that could be eligible to cover the solvency capital requirement.

#### *Currency risk*

This risk relates to the sensitivity of assets to changes in the currency in which assets are recorded on the balance sheet. La Mondiale mainly faces this risk since it holds assets denominated in U.S. dollars, Yen, Sterling, Swiss Francs and other currencies.

### *Credit risk*

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

This risk relates to the potential negative fluctuation in the value of financial assets on the credit quality of the Issuer. Such negative 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.

A negative 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.

### *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.

### *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.

### **Insurance risks**

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

#### *Pricing risk*

This risk may arise as a result of premiums being too low to meet the commitments (risk of wrong assessment of the characteristics of the policy holder risk, risk of wrong evaluation of the premium). The launch of new products or changes to existing products may lead to the occurrence of this type of risk. The occurrence of such a risk could negatively affect the financial results and solvency of the Issuer.

#### *Provision risk*

This risk may arise if insufficient provision is made to meet commitments due to poor assessment of available data, subsequent modification of the risk factors or inappropriate calculation parameters. The occurrence of such a risk could negatively affect the financial results and solvency of the Issuer.

#### *Disaster risk*

This risk relates to the sudden occurrence of a disastrous event affecting the population insured by the Issuer (e.g. pandemics, terrorist attacks). The occurrence of such events could significantly impact the corresponding cost to cover certain risks, lead to a sudden increase in health and welfare expenses and increase above expectations the amounts of benefits related to death that are distributed to insured parties. The occurrence of such a risk could negatively affect the activity, financial results, prospects and solvency of the Issuer. It could also negatively affect the liquidity and cash levels of the Issuer.



### *Longevity, mortality and morbidity risk*

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

Longevity risk which is the risk that the number of deaths are 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.

Morbidity risk which is the risk that diseases are different than the ones expected could, aside from having an impact on mortality and longevity, have an impact on incapacity and invalidity rates leading them to be different than expected.

### *Lapse and transfer risk*

The Issuer may be affected by significant changes in lapse of life insurance contracts or by transfer of group pension contracts to another insurer. This risk could negatively affect the liquidity and cash levels of the Issuer.

### *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 La Mondiale's profits and financial situation.

## **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.

Operational risks can be classified into the following categories:

- Risk of internal or external fraud: from an employee or a third party, whether a customer, a beneficiary or a partner. The Group has introduced controls and procedures in the most vulnerable areas.
- Human resources and skills risks: this relates to the inadequacy between the available skills and the needs (key-men, training), errors in setting hiring, salaries and careers management policies, social relations in relation to employees representation or negotiation processes.
- The risks relating to information systems which 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 softwares.
- Risks attached to the conduct of operations: information reliability, compliance of procedures, reliability of deliverables, human errors and monitoring of activities.

- Risks relating to operational organisation: this relates to the inadequacy between the strategy and the organisation of the Issuer, the inefficiency of defined processes or inappropriate definition of interfaces.
- Security risks: continuity and resuming activities (establishment of a business continuity plan), security relating to information systems, goods and individuals.
- Risks relating to outsourcing and suppliers: dysfunction or termination of commercial relations with a sub-contractor, contractualisation and compliance of obligations.
- Commercial and partnership risks: risks regarding the default of a partner, the sharing of responsibilities, commissioning, products distribution, knowledge of clients' needs and ethics.
- Development risks: adequacy between offer and the market, internal or external growth, risks relating to external communications.
- Risks relating to the sector: risks regarding competition or the evolution of the sector, reputational risks relating to relations with clients and third parties.
- Risks relating to professional conduct: failure to comply with professional conducts when dealing with clients. La Mondiale closely follows and has implemented the ethical principles of the *Fédération Française de l'Assurance* and the *Autorité des marchés financiers*.
- Risk of not having carried out all possible research to correctly identify beneficiaries of unclaimed policies.
- Risks relating to money laundering: La Mondiale has set up anti-money laundering policies in order to efficiently prevent money laundering.
- Insurance and risk hedging: La Mondiale has set up and periodically updates an insurance program to protect its assets. Subscribed insurance policies relate to insurances regarding damage to goods, civil liability insurances and individuals insurances. The subscribed insurances and levels of self-insurance vary depending on the activities, the size and claim rates of the related entities.

**The risk management policies, procedures and methods may leave La Mondiale exposed to unforeseen or unidentified risks.**

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.

**Other strategic or environmental risks**

**A downgrade in La Mondiale rating may increase policy cancellations and non-renewals, adversely affect relationships with distributors and negatively impact new business.**

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 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.

**Changes in government policy, regulation or legislation in the countries in which La Mondiale operates may affect its profitability.**

La Mondiale is subject to extensive regulation and supervision in the jurisdictions in which it does business. This includes, notably, matters relating to licensing and examination, rate setting, trade practices, policy reforms, limitations on the nature and amount of certain investments, underwriting and claims practices, mandated participation in shared markets and guarantee funds, adequacy of its claims provisions, capital and surplus requirements, insurer solvency, transactions between affiliates, the amount of dividends that may be paid and underwriting standards. Such regulation and supervision is primarily for the benefit and protection of policyholders and not for the benefit of investors. 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 La Mondiale does not meet regulatory or other requirements, La Mondiale may suffer penalties including fines, suspension or cancellation of its insurance licenses which could adversely affect its ability to do business. In addition, significant regulatory action against it could have material adverse financial effects, cause significant reputational harm or harm its business prospects.

In addition, La Mondiale may be adversely affected by changes in governmental policy or legislation applying to companies in the insurance industry. These changes include possible changes in regulations covering pricing and benefit payments for certain statutory classes of business, the deregulation and nationalization of certain classes of business, the regulation of selling practices, the regulations covering policy terms and the imposition of new taxes and assessments or increases in existing taxes and assessments. 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. It is not possible to determine what changes in governmental policy or legislation will be adopted in any jurisdiction in which La Mondiale operates and, if so, what form they will take or in what jurisdictions they may occur. Insurance laws or regulations that are adopted or amended may be more restrictive than the Issuer's current requirements, may result in higher costs or limit its growth or otherwise adversely affect its operations.

**Significant legal proceedings and litigation may adversely affect La Mondiale's business, financial condition and results of operations.**

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 2016 were of 21.2 million euros as set out in note 5.13.1 of the consolidated financial statements included the 2016 Financial Report (as defined in section "Information Incorporated by Reference").

**Changes in tax laws and regulations, including elimination of tax benefits for the Issuer's products, may adversely affect sales of its insurance and investment advisory products, and also impact its deferred tax assets and liabilities.**

Changes to tax laws may affect the attractiveness of certain of the Issuer's products, which currently have favourable tax treatment. From time to time, governments in the jurisdictions in which La Mondiale operates, consider or implement proposals for changes in tax law that could adversely affect the attractiveness of the insurance, asset management and other products La Mondiale offers. In addition, changes in tax laws or regulations or an operating performance below currently anticipated levels may lead to an impairment of deferred tax assets, in which case La Mondiale could be obligated to write off certain tax assets. Tax assets may also need to be written down if certain assumptions of profitability prove to be incorrect, as losses incurred for longer than expected will make it more unlikely that La Mondiale would be able to use its tax assets. Any such changes could be detrimental to its results of operations, financial condition and liquidity, and could impact the costs and profitability of its transactions.

**La Mondiale's businesses, and therefore its results of operations, financial condition and liquidity may be adversely affected by the disruption in the global financial markets.**

Global credit and equity markets experienced extreme disruption from 2007 to 2011, particularly in the United States and Europe, and these markets have not fully recovered. This disruption included greater volatility, significantly less liquidity, widening of credit spreads and a lack of price transparency in certain markets. These conditions resulted in the failure of a number of financial institutions and unprecedented action by governmental authorities and central banks around the world. Recently, there have been concerns over access to capital markets and the solvency of certain European Union member states, including Greece, Spain, Portugal, Ireland, Italy and Cyprus, unrest in the Middle East and North Africa, which has led to higher oil prices, and market volatility. If disruption to the global financial markets continues, it could adversely affect the Issuer's business, financial condition, results of operations and profitability in future periods. In addition, companies in its industry have become subject to increased litigation and regulatory and governmental scrutiny as a result of these events.

**Regulations relating to solvency requirements, technical reserves, and other requirements for insurance companies are changing, the effect of such changes is uncertain**

The European Union (EU) has adopted a new regime in relation to solvency requirements and other matters, affecting the financial strength of insurance companies (**Solvency II**) within each Member State with the directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (**Solvency II Directive**) implemented into French law through various measures in 2015. The Solvency II framework became fully applicable on 1 January 2016.

There continue to be material uncertainties around the impact of the more detailed technical requirements of Solvency II. The new framework covers the definition of "own funds" regulatory capital and, accordingly, will set out the features which any capital must have in order to qualify as regulatory capital. Even though "level two" implementation measures have been enacted and "level three" guidelines have been released, there can be no assurance that such implementation measures and guidelines will not be amended, supplemented or superseded. Indeed, the "level two" implementation measures are under review by regulators, the outcome of which could have a potential impact on Solvency II requirements and own funds. Moreover, there is considerable uncertainty as to how regulators, including the French *Autorité de Contrôle Prudentiel et de Résolution*, will interpret the "level two" implementation measures and/or "level three" guidance and apply them to the Issuer or the Group.

If the Issuer were to fail to implement any future implementing legislation related to Solvency II within the time required by the regulations, such delay could result in regulatory sanctions and/or reputational risk for the Issuer. More generally, the implementation of Solvency II could, through its resulting costs and

uncertainties, have a materially adverse effect on the financial condition, solvency margin, dividend policy, operations and therefore the business and prospects of the Issuer.

***The Société de Groupe d'Assurance Mutuelle (SGAM) structure could imply the Issuer's participation in the financial solidarity mechanism***

Since 1 January 2018, the SGAM AG2R La Mondiale structure changed to become a prudential group under the Solvency II framework. SGAM AG2R La Mondiale is a mutual insurance group taking the form of a *Société de Groupe d'Assurance Mutuelle (SGAM)*. It will have two members: La Mondiale and SGAPS AG2R LA MONDIALE, which is a *Société de Groupe Assuranciel de Protection Sociale (SGAPS)* and which also has insurance entities as members.

Since 1 January 2018, La Mondiale has been a member of SGAM AG2R La Mondiale together with SGAPS AG2R LA MONDIALE, under which structure it has committed to financial solidarity with the members of SGAM AG2R La Mondiale as described under "Description of the Issuer". There is a single management organisation for all the members of SGAM AG2R La Mondiale and means are shared between them (eg management, IT, support functions, sales network...). La Mondiale's financial position and solvency could be affected should it be requested to participate in such financial solidarity. That solidarity is not capped to a maximum amount of La Mondiale's consolidated equity capital, as long as it does not prevent La Mondiale from fulfilling its regulatory requirements.

SGAM AG2R La Mondiale is exposed to a certain number of risks through its members, the Issuer and the members of SGAPS AG2R LA MONDIALE. In addition to the risks to which the Issuer is exposed, the other risks are the following:

***Change in retirement legal framework***

A change of the retirement legal framework and/or a shift in the legal retirement age may extend the period during which claims related to disability and invalidity can be made which could result in an increase of health expenses related to insured persons, technical reserves, the overall costs of SGAM AG2R La Mondiale, limit its growth or adversely impact the operations of SGAM AG2R La Mondiale.

***Decrease in technical rates***

The technical balances have been substantially affected by the decrease of long term rates, lowering the technical rate of provisions calculated on the basis of the average of long term rates over two years and which have kept, for the entire collective welfare sector, an important record of provisions in recent years. It is possible that a new decrease in technical rates could be observed and have an impact on results, balance sheet and solvency.

***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.

The Ordinance has entered into force but will completely apply when the implementing decree is published. The Ordinance is designed to provide the French supervision authority i.e. the *Autorité de contrôle prudentiel et de résolution* (the **ACPR**) with a credible set of tools to intervene in an institution which 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 an institution's failure on the economy and financial system.

Under the Ordinance, powers are granted to the ACPR to implement resolution measures with respect to an institution and certain of its affiliates (each a **relevant entity**) (including the Issuer) in circumstances in which the resolution conditions are met – namely that the institution is failing or likely to fail. Due to the fact that resolution powers are intended to be used prior to the point at which ordinary insolvency proceedings would have been initiated in respect of the Issuer, holders may not be able to anticipate any potential exercise of the powers nor the potential impact on the Issuer, the Group or the Notes of any exercise of such powers.

The Ordinance currently contains the following main resolution tools which could be applied to the Issuer:

- (i) bridge institution: enables the ACPR to transfer all or part of the business of the relevant entity to a "bridge entity;
- (ii) asset separation: enables the ACPR to transfer impaired or problem assets of the relevant entity to asset management vehicles to allow such assets to be managed and worked out over time; and
- (iii) administrator: (*administrateur de résolution*): enables the ACPR to intervene in the corporate governance of the relevant entity.

The impact of the Ordinance and its implementing provisions (still under discussion) on insurance institutions, including the Issuer, is currently unclear but its current and future implementation and applicability to the Issuer, the Group or the taking of any action pursuant to it could materially affect the rights of the holders of the Notes, the activity and financial condition of the Issuer and the Group, the value of the Notes and could lead to holders losing some or all of the value of their investment in such Notes.

Where the statutory conditions for use of resolution powers have been met, the ACPR would be expected to exercise the powers without the consent of holders of the 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.

## **RISK FACTORS RELATING TO THE NOTES**

### **1. General Risks relating to the Notes**

#### ***Independent review and advice***

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) consult their legal advisers in relation to possible legal and fiscal risks that may be associated with any investment in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### ***Legality of purchase***

Neither the Issuer, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

#### ***Modification, waivers and substitution***

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend or were not represented at the relevant meeting and Noteholders who voted in a manner contrary to the majority. In particular, holdings in the Notes upon issue may be concentrated as they will be purchased by a limited number of initial investors, one or more of whom may hold a significant proportion of the total issuance.

#### ***Regulatory and legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate

regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

### ***Taxation***

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon such tax description contained in this Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only this adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

### ***Proposed financial transaction tax (FTT)***

On 14 February 2013, the European Commission published a proposal for a Directive (the **Commission's Proposal**) for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). In March 2016, Estonia indicated its withdrawal from the enhanced cooperation.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating Member States may decide to withdraw.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### ***Change of law***

The Terms and Conditions of the Notes are based on English and French laws in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French laws or administrative practice or in the official application or interpretation of French law after the date of this Prospectus.

### ***French insolvency law***

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a preservation procedure (*procédure de sauvegarde*), an accelerated preservation procedure (*procédure de sauvegarde accélérée*), an accelerated financial preservation procedure (*procédure de sauvegarde*



*financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes) and regardless of their governing law.

The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière 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 writing-off debts;
- 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 shares or securities that give or may give access to share capital.

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 on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable in these circumstances.

#### ***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 or the reference rate are traded, the financial condition and the creditworthiness of the Issuer and/or the Group, and the value of any applicable reference rate, as well as other factors such as the complexity and volatility of the reference rate, the method of calculating the return to be paid in respect of such Notes, 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 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.

#### ***Risks relating to the United Kingdom's vote to leave the European Union***

On 23 June 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union and the UK Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. Under article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the UK's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Issuers. As such, no assurance can

be given that such matters would not adversely affect the ability of the Issuers to satisfy their obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

***An active trading market for the Notes may not develop***

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. In particular, holdings in the Notes upon issue may be concentrated as they will be purchased by a limited number of initial investors, one or more of whom may hold a significant proportion of the total issuance. The Issuer or its subsidiaries are entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced into the market, this may adversely affect the value of the Notes.

***Credit ratings may not reflect all risks***

The Notes have been rated BBB by S&P Global Ratings (**Standard & Poor's**). The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***Any decline in the credit ratings of the Issuer may affect the market value of the Notes***

The Issuer has been assigned a rating of A- by Standard & Poor's. Standard & Poor's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

**2. Risks relating to the structure of the Notes**

***The Notes are subordinated obligations of the Issuer***

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsecured and Ordinary Subordinated Obligations and rank and shall at all times rank (i) without any preference among themselves (save for certain obligations required to be preferred by French law), (ii) equally and rateably with any other existing or future Ordinary Subordinated Obligations, (iii) in priority to present and future Deeply Subordinated Obligations, *prêts participatifs* granted to, *titres participatifs* issued by the Issuer and Mutual Certificates issued by the Issuer but (iv) junior to subordinated obligations expressed to rank senior to Ordinary Subordinated Obligations if any and (v) junior to Unsubordinated Obligations.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of *redressement judiciaire*, the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason, the rights of the Noteholders in respect of principal, interest (including any outstanding Arrears of Interest) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) 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.

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

In the event of incomplete payment of creditors ranking senior to holders of the Notes (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 relative interest will be terminated.

Thus, the Noteholders face a higher performance risk than holders of unsubordinated obligations of the Issuer.

***Notes where denominations involve integral multiples: definitive Notes***

As the Notes have denominations consisting of a minimum denomination of USD 200,000 plus integral multiples of USD 1,000, it is possible that such Notes may be traded in amounts that are not integral multiples of USD 200,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than USD 200,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to at least USD 200,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of USD 200,000 may be illiquid and difficult to trade.

Notes of one denomination may not be exchanged for Notes of another denomination.

***Restrictions on interest payment***

On any Optional Interest Payment Date (as defined in the Terms and Conditions of the Notes), the Issuer may, at its option, elect to defer payment of all or part of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

On any Mandatory Interest Deferral Date (as defined in the Terms and Conditions of the Notes), the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued to that date (and any such failure to pay shall not constitute a default by the Issuer for any purpose), provided however that the relevant Interest Payment Date (as defined in the Terms and Conditions of the Notes) will not be a Mandatory Interest Deferral Date in relation to such interest payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority (as defined in the Terms and Conditions of the Notes) has exceptionally waived the deferral of such interest payment (and, if relevant, any Arrears of Interest (as defined in the Terms and Conditions of the Notes)) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Solvency II Regulations (as defined in the Terms and Conditions of the Notes));
- (ii) paying interests (and, if relevant, any Arrears of Interest) does not further weaken the solvency position of the Issuer as determined in accordance with the Solvency II Regulations as applicable; and
- (iii) the Minimum Capital Requirement will be complied with immediately after the interest payment (and, if relevant, any Arrears of Interest) is made.

Any interest not paid on an Optional Interest Payment Date or a Mandatory Interest Deferral Date and deferred shall so long as they remain outstanding constitute Arrears of Interest and shall be payable subject to the fulfilment of the Conditions to Settlement as provided in the Terms and Conditions of the Notes.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

***Restrictions on redemption, including at maturity, may delay the effective redemption date***

The Notes may not be redeemed, including at maturity, by the Issuer pursuant to any of the redemption provisions referred to in the Terms and Conditions of the Notes unless the Conditions to Redemption and Purchase set out in Condition 5.11 are satisfied. In particular no redemption of the Notes can take place if (subject to certain conditions) a Regulatory Deficiency has occurred and is continuing on the due date for redemption (or such redemption would itself cause a Regulatory Deficiency) or an Insolvent Insurance Affiliate Winding-up has occurred and is continuing on the date due 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 "tier two" own funds regulatory capital).

The satisfaction of the Conditions to Redemption and Purchase may delay the date on which the Notes are effectively redeemed and such delay may have a material adverse effect on the value of the Notes.

***Early Redemption Risk***

Subject to the satisfaction of the Conditions to Redemption and Purchase, the Issuer may redeem the Notes in whole, but not in part, including on the Interest Payment Date falling on the First Call Date or on any Interest Reset Date thereafter.

The Issuer may also, at its option but subject to certain conditions, including satisfaction of the Conditions to Redemption and Purchase, redeem the Notes upon the occurrence of certain events, including for certain withholding tax or tax deductibility reasons or upon occurrence of certain events including an Accounting Event, a Rating Methodology Event and a Regulatory Event or if the conditions for a Clean-Up Redemption are satisfied, as further described in "Terms and Conditions of the Notes - Redemption and Purchase".

Such redemption options 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 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. This may also be true prior to the First Call Date.

The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. 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.

### ***Exchange or variations of the Notes***

There is a risk that, after the issue of the Notes, a Regulatory Event or a Rating Methodology Event may occur which would entitle the Issuer, without the consent or approval of the Noteholders, to exchange or vary the Notes, subject to not being prejudicial to the interest of the Noteholders, so that after such exchange or variation they would be eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Solvency II Regulations or (y) as tier two own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of its 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 combined group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be. Alternatively, the Issuer reserves the right, under the same circumstances, to redeem the Notes early as further described in "Early redemption risk" above and in the "Terms and Conditions of the Notes - Redemption and Purchase".

### ***There are no events of default under the Notes***

The 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 owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

### ***No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the Notes***

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur 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 under and in connection with the Notes. If the Issuer's or the Group's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment. In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and its subsidiaries and affiliate may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

### ***No gross-up obligation unless a Tax Alignment Event has occurred***

If French law should require any withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature, the Issuer shall not pay such Additional Amounts as would be necessary for each Noteholder, after such withholding or deduction, to receive the full amount then due and payable thereon in the absence of such withholding or deduction unless a Tax Alignment Event has occurred and is continuing (as more fully described under "Terms and Conditions of the Notes – Taxation") and subject to the Relevant Anniversary (as more fully described under "Terms and Conditions of the Notes – Conditions to Redemption and Purchase") having elapsed.

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

Under Article 73.1(d) of the Commission delegated regulation (EU) 2015/35 of 10 October 2014, mandatory redemption clauses are not permitted in Tier 2 instruments such as the Notes. As a result,

the Terms and Conditions of the Notes provide for redemption at the option of the Issuer in case the Issuer is prohibited by French law from paying Additional Amounts (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.

### ***Interest rate risk***

The Notes bear interest at a fixed rate from (and including) the Issue Date, to (but excluding) the First Call Date, therefore investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Following the First Call Date, interest on the Notes shall be calculated on each Reset Date on the basis of the prevailing CMT Rate plus the Margin. The Reset Rate will be determined five U.S. Government Securities Business Days before each Reset Date and as such is not pre-defined at the date of issue of the Notes. The Reset Rate in relation to a relevant interest period may be different from the initial Rate of Interest or from a Reset Rate applicable to a previous interest period and may adversely affect the yield of the Notes.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in United States Dollars (the **Specified Currency**). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency 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 may receive less interest or principal than expected, or no interest or principal.

### ***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 its solvency margin or capital adequacy levels under the Solvency II Regulations or (y) as tier two own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of its 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 ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015, the order (*arrêté*) of the same date and 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.

There can be no assurance that, following their initial publication, the "level two" implementation measures and "level three" guidance will not be amended. Notably, the "level two" measures are currently under review and EIOPA published a consultation paper on 6 November 2017 which could

impact the own funds criteria. Moreover, there is uncertainty as to how regulators, including the *Autorité de contrôle prudentiel et de résolution*, 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 or the Group.

Accordingly, Noteholders should be aware that the Solvency II Directive may lead to, or increase the likelihood of, a deferral of payments under the Notes and/or an early redemption of the Notes. It may also impact the Issuer's ability to pay any Arrears of Interest.

## **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. Please refer to the section entitled "Risk Factors" below.

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.



## DOCUMENTS ON DISPLAY

For so long as the Notes are outstanding:

the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and, in the case of documents listed under (iii) to (vii), collection free of charge, at the office of the Fiscal Agent and the Paying Agents:

- (i) the Fiscal Agency Agreement;
- (ii) the constitutive documents (*statuts*) of La Mondiale;
- (iii) the 2015 Financial Report (as defined in section “Information Incorporated by Reference”);
- (iv) the 2016 Financial Report (as defined in section “Information Incorporated by Reference”);
- (v) the 2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account (as defined in section “Information Incorporated by Reference”);
- (vi) a copy of this Prospectus together with any supplement to this Prospectus; and
- (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus in respect of the issue of the Notes.

a copy of this Prospectus together with any supplement to this Prospectus and any document incorporated by reference (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 websites of the Issuer ([www.ag2rlamondiale.fr](http://www.ag2rlamondiale.fr)) and (save for the 2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account) the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)).

## INFORMATION INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents which have been previously published and filed with the AMF and which are incorporated in, and shall be deemed to form part of, this Prospectus:

- (1) the audited consolidated financial statements of the Issuer for the year ended 31 December 2015 in the French language and the report of the statutory auditors on such accounts (the **2015 Financial Report**);
- (2) the audited consolidated financial statements of the Issuer for the year ended 31 December 2016 in the French language and the report of the statutory auditors on such accounts (the **2016 Financial Report**); and
- (3) the unaudited consolidated balance sheet and profit and loss account of the Issuer for the half-year period ended 30 June 2017 in the French language (**2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account**).

Such documents shall be deemed to be incorporated in, and form part of this Prospectus, save that any statement contained in this Prospectus or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive 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 Prospectus.

Copies of the documents incorporated by reference in this Prospectus (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](http://www.ag2rlamondiale.fr)) and (save for the 2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account) the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)).

The cross-reference list below set out the relevant page references for the information incorporated herein by reference. Any information incorporated by reference in this Prospectus but not listed in the cross-reference table below shall not form part of this Prospectus and is not relevant for investors.

Rule	Prospectus Regulation – Annex IX	2015 Financial Report (page number)	2016 Financial Report (page number)	2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account (unaudited)
<b>3.</b>	<b>RISK FACTORS</b>			
3.1	Prominent disclosure of risk factors that may affect the issuer’s ability to fulfil its obligations under the securities to investors in a section headed “Risk Factors”.	Pages 25 and 34 Pages 99 to 111	Pages 24 to 32 Pages 101 to 113	
<b>11.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>			
11.1.	<u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year If the audited financial information is prepared according to national accounting standards, the	Pages 58 and 59 Page 60 Pages 64 to 94	Pages 60 to 101	

Rule	Prospectus Regulation – Annex IX	2015 Financial Report (page number)	2016 Financial Report (page number)	2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account (unaudited)
	financial information required under this heading must include at least the following: (a) the balance sheet (b) the income statement (c) the accounting policies and explanatory notes			
11.2	<u>Financial statements</u> If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Pages 58 to 60	Pages 60 to 62	
11.3.	<u>Auditing of historical annual financial information</u>			
11.3.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given.	Pages 56 and 57	Pages 58 and 59	
11.3.2.	An indication of other information in the registration document which has been audited by the auditors.	N/A	N/A	
11.3.3	Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.	N/A	N/A	
11.4	<u>Age of latest financial information</u>			
11.4.1	The last year of audited financial information may not be older than 18 months from the date of the registration document.	N/A	N/A	
11.5	Interim and other financial information			
11.5.1	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.			Pages 1 to 3
11.5.2	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is unaudited state that fact.  The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.			Pages 1 to 3

## GENERAL DESCRIPTION OF THE NOTES

*This overview of the terms and conditions of the Notes must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the Documents Incorporated by Reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

*Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them in the section entitled "Terms and Conditions of the Notes".*

<b>Issuer:</b>	La Mondiale.
<b>Description:</b>	USD 310,000,000 Reset Subordinated Notes due 18 January 2048 (the <b>Notes</b> ).
<b>Joint Lead Managers:</b>	Credit Suisse Securities (Europe) Limited and Deutsche Bank AG, London Branch
<b>Fiscal and Principal Paying Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Use of proceeds:</b>	Strengthen own funds and general corporate purposes
<b>Scheduled Maturity date:</b>	18 January 2048, if the Conditions to Redemption and Purchase are satisfied.
<b>Denomination:</b>	USD 200,000 and integral multiples of USD1,000 in excess thereof up to and including USD399,000.
<b>Form of the Notes:</b>	The Notes will be issued in bearer form and will initially be in the form of the Temporary Global Note, without Coupons, which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream Banking S.A.. Interests in the Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without Coupons, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for Definitive Bearer Notes only in certain limited circumstances in accordance with the terms of the Permanent Global Note.

**Ranking:**

The principal and interest of the Notes constitute direct, unconditional and unsecured Subordinated Obligations of the Issuer and rank (i) *pari passu* among themselves, (ii) *pari passu* with all other present and future Ordinary Subordinated Obligations, and (iii) senior to all present and future Deeply Subordinated Obligations, *titres participatifs* issued by the Issuer, *prêts participatifs* granted to the Issuer and Mutual Certificates issued by the Issuer but (iv) junior to subordinated obligations expressed to rank senior to Ordinary Subordinated Obligations, if any, and (v) junior to Unsubordinated Obligations of the Issuer.

**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 (i) *pari passu* among themselves, (ii) *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but (iii) shall be subordinated to (A) all present and future *prêts participatifs* granted to the Issuer, (B) all present and future *titres participatifs* issued by the Issuer (C) all present and future Ordinary Subordinated Obligations of the Issuer and (D) all present and future Unsubordinated Obligations of the Issuer but (iv) but shall rank senior to all present and future Mutual Certificates of the Issuer.

**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 Insurance Code.

**Obligations** 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, conduct, relationship or by operation of law.

**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 (i) equally and rateably with any other existing or future Ordinary Subordinated Obligations, but (ii) 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 (iii) junior to subordinated obligations expressed to rank senior to Ordinary Subordinated Obligations if any, and (iv) junior to Unsubordinated Obligations.

**Unsubordinated Obligations** means any Obligations of the Issuer which are unsubordinated.

**Negative pledge:**

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

**Events of default:**

There will be no events of default in respect of the Notes.

**Interest:**

The Notes shall bear interest on their outstanding principal amount:

- (i) from and including the Issue Date to, but excluding, 18 January 2028 (the "**First Call Date**"), at an interest rate of 4.80 per cent. *per annum*; and
- (ii) from and including the First Call Date to, but excluding the Final Maturity Date at an interest rate which will be determined and subject to a reset every five years (the first such reset taking effect on the First Call Date) and shall be equal to the sum of the Reference Rate for the relevant Reset Period and the Margin, which in no circumstances shall be less than zero (the "**Reset Rate**")

Interest shall (subject to deferral as provided herein) be payable semi-annually in arrear on 18 January and 18 July of each year (each an "**Interest Payment Date**"), commencing on 18 July 2018 to (and including) the Final Maturity Date.

**Bloomberg Screen** means page H15T5Y on the Bloomberg L.P. service or any successor service or such other page as may replace that page on that service for the purpose of displaying "Treasury constant maturities" as reported in the H.15(519).

**Business Day** means any day (other than a Saturday or a Sunday) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York and Paris.

**CMT Rate** means, in relation to a Reset Period and the Reset Rate Determination Date in relation to such Reset Period, the rate determined by the Principal Paying Agent (or, with respect to limb (iii) below, the Calculation Agent) and expressed as a percentage equal to:

- (i) the yield for U.S. Treasury Securities at "constant maturity" for a designated maturity of five years, as published in the H.15(519) under the caption "Treasury constant maturities (Nominal)", as that yield is displayed, for the particular Reset Rate Determination Date, on the Bloomberg Screen; or
- (ii) if the yield referred to in (i) above is not published by 4:00 p.m. (New York City time) on the Bloomberg Screen on such Reset Rate Determination Date, the yield for U.S. Treasury Securities at "constant maturity" for a designated maturity of five years as published in the H.15(519) under the caption "Treasury constant maturities (Nominal)" for such Reset Rate Determination Date; or
- (iii) if the yield referred to in (ii) above is not published by 4:30 p.m. (New York City time) on such Reset Rate Determination Date, the Reset Reference Dealer Rate on such Reset Rate Determination Date; or

(iv) if fewer than three Reference Dealers selected by the Calculation Agent provide bid prices for the purposes of determining the Reset Reference Dealer Rate referred to in (iii) above as described in the definition of Reset Reference Dealer Rate, the CMT Rate applicable to the last preceding Reset Period or, in the case of the Reset Period commencing on the First Call Date 2.565 per cent. per annum.

**Final Maturity Date** means:

- (i) if on the Scheduled Maturity Date the Conditions to Redemption and Purchase are fulfilled, the Scheduled Maturity Date;
- (ii) otherwise, the first Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Purchase are fulfilled.

**H.15(519)** means the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/> or any successor site or publication.

**Margin** means 3.235 per cent. *per annum*.

**Reference Rate** means the prevailing CMT Rate determined by the Fiscal Agent on the calendar day falling five U.S. Government Securities Business Days prior to the relevant Reset Date (the **Reset Rate Determination Date**).

**Reset Date** means the First Call Date, the fifth anniversary date of that date and each subsequent fifth anniversary of the previous fifth anniversary thereof.

**Reset Reference Dealer Rate** means, on any Reset Rate Determination Date, the rate calculated by the Calculation Agent as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices for Reset U.S. Treasury Securities at approximately 4:30 p.m. (New York City time) on such Reset Rate Determination Date, of leading primary U.S. government securities dealers in New York City (each, a **Reference Dealer**). The Calculation Agent will select five Reference Dealers to provide such bid prices and will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); provided, however, that, if fewer than five but more than two such bid prices are provided, then neither the highest nor the lowest of those quotations will be eliminated prior to calculating the arithmetic mean of such bid prices.

**Reset Period** means each period from, and including, a Reset Date to, but excluding the next succeeding Reset Date.

**Reset U.S. Treasury Securities** means, on any Reset Rate

Determination Date, U.S. Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no more than one year shorter than five years and in a principal amount equal to an amount that is representative for a single transaction in such U.S. Treasury Securities in the New York City market. If two U.S. Treasury Securities have remaining terms to maturity equally close to five years, the U.S. Treasury Security with the shorter remaining term to maturity will be used.

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association or its successor recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

**U.S. Treasury Securities** means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

**Interest Deferral:**

- (i) On any Interest Payment Date other than a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date (an **Optional Interest Payment Date**), the Issuer may, at its option, elect to defer payment of all (but not some only) of the interest accrued to that date and any failure to pay shall not constitute a default by the Issuer for any purpose.
- (ii) On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all of the interest accrued to that date.

Any interest not paid on a Mandatory Interest Deferral Date, or an Optional Interest Payment Date shall constitute **Arrears of Interest**. Arrears of Interest on all outstanding Notes shall become due in full following the occurrence of certain circumstances.

**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 a Compulsory Interest Payment 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 by a competent court for the judicial liquidation of the Issuer (*liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganisation (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason.

**Conditions to Settlement** are satisfied on any day with respect to any



payment of Arrears of Interest, if such day would not be a Mandatory Interest Deferral Date if such day was an Interest Payment Date.

**Compulsory Payment Event** means any of the following events has occurred:

- (i) the Issuer has made a payment on any other Ordinary Subordinated Obligations, unless such payment was a mandatory payment under the terms of any such other Ordinary Subordinated Obligations of the Issuer;
- (ii) the Issuer has made a payment on any securities ranking junior to Ordinary Subordinated Obligations (including on any Mutual Certificates of the Issuer) unless such payment was a mandatory payment under the terms of any such securities;
- (iii) the Issuer has redeemed, purchased or acquired any Ordinary Subordinated Obligations by any means unless such redemption, purchase or acquisition was a mandatory redemption, purchase or acquisition under the terms of any such securities; and
- (iv) the Issuer has redeemed, purchased or acquired any securities ranking junior to Ordinary Subordinated Obligations (including any partial prepayment of such securities but excluding, for the avoidance of doubt, the buy-back of any Mutual Certificates of the Issuer in the context of its buy-back programme (*programme de rachat de certificats mutualistes*) or any future buy-back programmes, by any means unless such redemption, purchase or acquisition was a mandatory redemption, purchase or acquisition under the terms of any such securities.

**Group** means the Issuer, together with its fully consolidated subsidiaries taken as a whole.

**Mandatory Interest Deferral Date** means each Interest Payment Date in respect of which, notwithstanding the occurrence of a Compulsory Interest Payment Event, the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest) would itself cause a Regulatory Deficiency provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Solvency II Regulations);
- (ii) paying the Interest Payment (and, if relevant, any Arrears of Interest) does not further weaken the solvency position of the

Issuer as determined in accordance with the Solvency II Regulations; and

- (iii) the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest) is made.

**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.

**Regulatory Deficiency** means the own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer or of SGAM AG2R La Mondiale Group is not sufficient to cover the capital requirement (or whatever the terminology employed by the Solvency II Regulations) of the Issuer or of SGAM AG2R La Mondiale Group and either a deferral of interest (and, if relevant, any Arrears of Interest) is required or a redemption or repayment of principal is prohibited under the Solvency II Regulations in order for the Notes to qualify as "tier two" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations). For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer or SGAM AG2R La Mondiale Group fails to meet the Solvency Capital Requirement (as defined in the Solvency II Directive) or Minimum Capital Requirement.

**SGAM AG2R La Mondiale Group** means the combined group (*groupe combiné*) of SGAM AG2R La Mondiale (which includes, as of the Issue Date the combination of two perimeters, AG2R Réunion Prévoyance and La Mondiale) evolving from time to time.

**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 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.

**Additional Amounts:**

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 taxes, duties, assessments or governmental charges of whatever nature, and provided a Tax Alignment Event has occurred and is continuing, 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 in certain circumstances.

A **Tax Alignment Event** will be deemed to have occurred if at any time the Issuer determines, in consultation with the Relevant Supervisory Authority, that the obligation to pay Additional Amounts

would not cause the Notes to no longer be treated under Solvency II Regulations as "tier two" own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) and gives not less than thirty (30) nor more than forty-five (45) calendar days' notice of such fact to the Fiscal Agent, the Noteholders (which notice shall be in effect until the Issuer revokes a prior given notice by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice of such fact to the Fiscal Agent and the Noteholders).

**Redemption at Maturity:**

Subject to the "Terms and Conditions of the Notes – Redemption and Purchase" unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest, on the Final Maturity Date.

**Optional Early Redemption as from First Call Date**

The Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority, redeem the Notes in whole, but not in part, at their Principal Amount, together with all interest accrued (including Arrears of Interest) to the date fixed for redemption on the First Call Date or on any Reset Date falling thereafter.

**Optional Early Redemption for Tax Reasons**

The Notes may be redeemed at their principal amount plus any accrued interest (including Arrears of Interest) at the option of the Issuer in whole, but not in part, at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, a withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax is required as a result of (a) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (b) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date of the Notes, provided that the due date for redemption shall not be earlier than the latest practicable date on which the Issuer could make such payment without withholding or deduction for French taxes.

If the Issuer would on the date of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may forthwith redeem all, but not some only, of the Notes then outstanding, at their principal amount plus any accrued interest (including Arrears of Interest), upon giving not less than seven (7) nor more than thirty (30) calendar days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be no earlier than the latest practicable date on which the Issuer could make payment without withholding or deduction for French taxes, or if such date is past, as soon as is practicable thereafter.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest), at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, the part of the interest payable by the Issuer under the Notes that is tax-deductible is reduced as a result of (a) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (b) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date, provided that the due date for redemption shall be no earlier than the latest practicable date preceding the effective date on which the part of the interest payable under the Notes that is tax-deductible is reduced. Prior to the giving of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (x) a certificate signed by a director of the Issuer stating that the part of the interest payable under the Notes that is tax-deductible is reduced as aforesaid and that the Issuer is entitled to effect such redemption and (y) an opinion of independent legal advisers of recognised standing to such effect.

In each case subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority.

**Optional Early Redemption for Regulatory Reasons:**

If, at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and the Conditions to Redemption, redeem the Notes in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest).

A **Regulatory Event** means that after the Issue Date, the Issuer (i) is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) is not permitted to treat the aggregate net proceeds of the Notes (in whole) that are outstanding as eligible (x) for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer and/or SGAM AG2R La Mondiale Group (y) as "tier two" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations at the time), except as a result of the application of the limits on inclusion of such securities in the regulatory capital.

**Optional Early Redemption for Rating Reasons:**

If at any time, the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes, the Issuer may, at any time, subject to the Prior Approval of the Relevant Supervisory Authority and the Conditions to Redemption, redeem the Notes in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest).

A **Rating Methodology Event** will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation of such methodology) as a result of which the equity

content assigned by that Rating Agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by that Rating Agency to the Notes at or around the Issue Date.

**Rating Agency** means S&P Global Ratings (**Standard & Poor's**) or any other rating agency of equivalent international standing (and their respective successors or affiliates) solicited by the Issuer to grant a credit rating to the Issuer.

**Optional Early Redemption for Accounting Reasons:**

If, at any time, the Issuer determines that an Accounting Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority, redeem the Notes in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest).

An **Accounting Event** shall be deemed to occur if, as a result of a change in accounting principles or the application thereof which becomes effective on or after the Issue Date, but not otherwise, the obligations of the Issuer under the Notes must not or may no longer be recorded as “liabilities” in the following audited annual financial statements of the Issuer, prepared in accordance with International Financial Reporting Standards or any other accounting standards that the Issuer applies in the preparation of its audited annual financial statements in accordance with French company law (“Applicable Accounting Standards”).

**Conditions to Redemption or Purchase:**

Any redemption or purchase of the Notes is subject to the conditions (amongst others as described herein) that (i) no Regulatory Deficiency has occurred and is continuing on the date due for redemption or purchase, (ii) such redemption or purchase would not itself cause a Regulatory Deficiency and (iii) to the extent required under the Solvency II Regulations in order for the Notes to be treated as “tier two” own funds regulatory capital (or, if different, whatever terminology is employed to denote such concept by the Solvency II Regulations) of the Issuer and/or SGAM AG2R La Mondiale Group for the purposes of the determination of the Issuer and/or SGAM AG2R La Mondiale Group’s regulatory capital, no Insolvent Insurance Affiliate Winding-up has occurred nor is continuing on the date due for redemption or purchase.

In addition, and unless otherwise provided in the relevant rules, the Notes may not be redeemed or purchased pursuant to the provisions hereof, prior to the fifth anniversary of the Issue Date, and, in the case of the first two paragraphs of Optional Early Redemption for Tax Reasons only, prior to the Relevant Anniversary, in each case unless the redemption or purchase has/have been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes.

Should a Regulatory Deficiency or an Insolvent Insurance Affiliate Winding-up occur after a notice for redemption has been made to the Noteholders, such redemption notice would become automatically void and notice would be made promptly by the Issuer.

Notwithstanding that a Regulatory Deficiency may have occurred and be continuing on the date due for redemption or purchase, or if such redemption or purchase would of itself cause a Regulatory Deficiency, the Notes may still be redeemed or purchased on such date to the extent permitted under, and in accordance with, the Solvency II Directive and the Applicable Supervisory Regulations and provided that all of the following conditions are met:

- (i) 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;
- (ii) the relevant redeemed or purchased Notes are replaced by other own funds regulatory capital of at least the same quality; and
- (iii) the applicable minimum capital requirement (MCR) (or, if different, whatever terminology is employed to denote such requirement by the then Applicable Supervisory Regulations) is complied with after the relevant redemption or purchase of the Notes has been made.

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 Directive and the Solvency II Regulations and provided that, on or prior to such date, the Prior Approval of the Relevant Supervisory Authority has been exceptionally obtained with respect to the relevant redemption or purchase of the Notes.

If practicable under the circumstances, the Issuer will give notice to the Noteholders and to the Fiscal Agent 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.

**Insolvent Insurance Affiliate Winding-up** means:

- (i) the winding-up of any Insurance Undertaking within the Group or SGAM AG2R La Mondiale Group; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group or SGAM AG2R La Mondiale Group,

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 AG2R La Mondiale Group may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or reinsurance 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 or reinsurance 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.

**Redemption Alignment Event** will be deemed to have occurred if at any time before the tenth anniversary of the Issue Date the Issuer determines, in consultation with the Relevant Supervisory Authority, that the option to redeem the Notes under the first two paragraphs of Optional Early Redemption for Tax Reasons from the fifth anniversary without such redeemed Notes being required to be replaced by other own funds regulatory capital of at least the same quality, would not cause the Notes to no longer fulfil the requirements in order to be treated under the then applicable supervisory regulations as “tier two” own funds regulatory capital (or, if different, whatever terminology is employed to denote such concept by the then applicable supervisory regulations) of the Issuer and/or SGAM AG2R La Mondiale Group for the purposes of the determination of the Issuer’s and/or SGAM AG2R La Mondiale Group’s regulatory capital (including for the purpose of any capital requirements of internationally active insurance groups). The Issuer gives not less than thirty (30) nor more than forty-five (45) calendar days’ notice of such fact to the Fiscal Agent and the Noteholders

**Relevant Anniversary** means the tenth anniversary of the Issue Date, provided however that Relevant Anniversary shall mean the fifth anniversary of the Issue Date if a Redemption Alignment Event has occurred.

**Exchange/Variation:**

Further to a Regulatory Event or a Rating Methodology Event the Issuer would be entitled, without the consent or approval of the Noteholders, to exchange or vary the Notes, subject to a number of conditions including not being prejudicial to the interest of the Noteholders, so that after such exchange or variation the Notes would be eligible.

**Purchase:**

The Issuer or any of its affiliated entities may at any time, subject to the Prior Approval of the Relevant Supervisory Authority, purchase Notes (provided that all unmatured Coupons and Talons relating thereto are purchased therewith) in the open market or otherwise at any price. Notes so purchased by the Issuer may be (i) 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) cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

**Meetings of Noteholders and Modifications:**

The Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Issuer may also, subject to the Prior Approval of the Relevant Supervisory Authority, make any modification to the Notes which is not prejudicial to the interests of the Noteholders without the consent of the Noteholders. Any such modification shall be binding on the Noteholders.

- Listing:** Application has been made for the Notes to be admitted to listing and to trading on Euronext Paris.
- Rating:** The Notes have been rated BBB by Standard & Poor's.
- Clearing:** The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear.
- 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, Hong Kong, Singapore, Switzerland, Taiwan, France and Italy.
- Governing Law:** English law, other than the provisions of "*Terms and Conditions of the Notes – Status of the Notes*" which shall be governed by, and construed in accordance with, French law.



## TERMS AND CONDITIONS OF THE NOTES

*The terms and conditions of the Notes (which, subject to modification, will be endorsed on each Note in definitive form) are as follows:*

The issue of the USD 310,000,000 Reset Subordinated Notes due 18 January 2048 (the **Notes**) of La Mondiale (the **Issuer**) was authorised pursuant to a resolution of the *Assemblée Générale* of the policyholders (*sociétaires*) of the Issuer adopted on 30 November 2017 and the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 13 January 2018. The Issuer has entered into a fiscal agency agreement (such agreement as amended and/or supplemented and/or restated from time to time, the **Fiscal Agency Agreement**) dated 18 January 2018 with BNP Paribas Securities Services, Luxembourg Branch as fiscal agent, principal paying agent and calculation agent. The Notes are issued subject to and with the benefit of the Fiscal Agency Agreement. The fiscal agent, the principal paying agent and the calculation agent for the time being and the paying agents are referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Calculation Agent** and the **Paying Agents** (which expression shall include the Principal Paying Agent and any future paying agent duly appointed by the Issuer in accordance with the Fiscal Agency Agreement), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Paying Agents. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons and the talons (**Talons**) for further interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** which expressions shall in these Conditions, unless the context otherwise requires, include the holders of the Talons and the Talons respectively) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of USD 200,000 and integral multiples of USD1,000 in excess thereof (up to and including USD 399,000) with Coupons and one Talon attached on issue. Notes of one denomination may not be exchanged for Notes of the other denomination.

#### 1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

#### 1.3 Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

## 2. STATUS OF THE NOTES

### 2.1 Ordinary Subordinated Obligations

The principal and interest of the Notes constitute direct, unconditional and unsecured Ordinary Subordinated Obligations of the Issuer and rank (a) *pari passu* among themselves, (b) *pari passu* with all other present and future Ordinary Subordinated Obligations, and (c) senior to all present and future Deeply Subordinated Obligations, *titres participatifs*, issued by the Issuer, *prêts participatifs* granted to the Issuer and Mutual Certificates of the Issuer, but (d) junior to subordinated obligations expressed to rank senior to Ordinary Subordinated Obligations if any, and (e) junior to Unsubordinated Obligations.

***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.***

For the purposes of these Conditions:

**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 and Unsubordinated Obligations of the Issuer and (c) senior to all present and future Mutual Certificates of the Issuer.

**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*.

**Obligations** 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, conduct, relationship or by operation of law.

**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 subordinated obligations expressed to rank senior to Ordinary Subordinated Obligations if any, and junior to Unsubordinated Obligations.

**Unsubordinated Obligations** means any Obligations of the Issuer which are unsubordinated.

### 2.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of *redressement judiciaire*, the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason, the rights of the Noteholders in respect of principal, interest (including any outstanding Arrears of Interest) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) 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.

In the event of incomplete payment of creditors ranking senior to holders of the Notes (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 relative interest will be terminated.

### 3. **NEGATIVE PLEDGE**

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

### 4. **INTEREST**

#### 4.1 **General**

The Notes shall bear interest on their principal amount from (and including) 18 January 2018 (the **Issue Date**), to (but excluding) the First Call Date (as defined below), at a fixed rate of 4.80 per cent. *per annum* (the **Initial Interest Rate**), payable semi-annually in arrear on 18 January and 18 July in each year commencing on 18 July 2018 to, and including, the First Call Date (each an **Initial Interest Rate Interest Payment Date**);

and thereafter to (but excluding) the Final Maturity Date in respect of each Reset Period from (and including) the First Reset Date, the Notes shall bear interest on their principal amount at a reset rate equal to the Relevant Five Year Reset Rate plus a Margin *per annum*, which in no circumstances shall be less than zero, (the **Reset Rate**) payable semi-annually in arrear on 18 January and 18 July in each year (each a **Reset Rate Interest Payment Date** and together with any Initial Interest Rate Interest Payment Date, an **Interest Payment Date**), commencing on 18 July 2018 to (and including) the Final Maturity Date;

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.

For the purpose hereof:

**Bloomberg Screen** means page H15T5Y on the Bloomberg L.P. service or any successor service or such other page as may replace that page on that service for the purpose of displaying “Treasury constant maturities” as reported in the H.15(519).

**Business Day** means any day (other than a Saturday or a Sunday) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York and Paris.

**CMT Rate** means, in relation to a Reset Period and the Reset Rate Determination Date in relation to such Reset Period, the rate determined by the Principal Paying Agent (or, with respect to limb (iii) below, the Calculation Agent) and expressed as a percentage equal to:

- (i) the yield for U.S. Treasury Securities at “constant maturity” for a designated maturity of five years, as published in the H.15(519) under the caption “Treasury constant maturities (Nominal)”, as that yield is displayed, for the particular Reset Rate Determination Date, on the Bloomberg Screen; or
- (ii) if the yield referred to in (i) above is not published by 4:00 p.m. (New York City time) on the Bloomberg Screen on such Reset Rate Determination Date, the yield for U.S. Treasury

Securities at “constant maturity” for a designated maturity of five years as published in the H.15(519) under the caption “Treasury constant maturities (Nominal)” for such Reset Rate Determination Date; or

- (iii) if the yield referred to in (ii) above is not published by 4:30 p.m. (New York City time) on such Reset Rate Determination Date, the Reset Reference Dealer Rate on such Reset Rate Determination Date; or
- (iv) if fewer than three Reference Dealers selected by the Calculation Agent provide bid prices for the purposes of determining the Reset Reference Dealer Rate referred to in (iii) above as described in the definition of Reset Reference Dealer Rate, the CMT Rate applicable to the last preceding Reset Period or, in the case of the Reset Period commencing on the First Call Date 2.36 per cent. per annum.

**Final Maturity Date** means:

- (i) if on the Scheduled Maturity Date the Conditions to Redemption and Purchase are fulfilled, the Scheduled Maturity Date;
- (ii) otherwise, the first Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Purchase are fulfilled.

**First Call Date** means the Interest Payment Date falling on 18 January 2028.

**First Reset Date** means 18 January 2028.

**H.15(519)** means the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/> or any successor site or publication.

**Margin** means 3.235 per cent. *per annum*.

**Relevant Five Year Reset Rate** means the prevailing CMT Rate on the Reset Rate Determination Date.

**Reset Date** means the First Call Date, the fifth anniversary date of that date and each subsequent fifth anniversary of the previous fifth anniversary thereof.

**Reset Rate Determination Date** means, in respect of each Reset Period, the day falling five U.S. Government Securities Business Days prior to the relevant Reset Date.

**Reset Reference Dealer Rate** means, on any Reset Rate Determination Date, the rate calculated by the Calculation Agent as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices for Reset U.S. Treasury Securities at approximately 4:30 p.m. (New York City time) on such Reset Rate Determination Date, of leading primary U.S. government securities dealers in New York City (each, a **Reference Dealer**). The Calculation Agent will select five Reference Dealers to provide such bid prices and will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); provided, however, that, if fewer than five but more than two such bid prices are provided, then neither the highest nor the lowest of those quotations will be eliminated prior to calculating the arithmetic mean of such bid prices.

**Reset Period** means each period from, and including, a Reset Date to, but excluding the next succeeding Reset Date.

**Reset U.S. Treasury Securities** means, on any Reset Rate Determination Date, U.S. Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no more than one year shorter than five years and in a principal amount equal to an amount that is representative for a single transaction in such U.S. Treasury Securities in the New York City market. If two U.S. Treasury Securities have remaining terms to maturity equally close to five years, the U.S. Treasury Security with the shorter remaining term to maturity will be used.

**Scheduled Maturity Date** means 18 January 2048, if the Conditions to Redemption and Purchase are satisfied and otherwise as soon thereafter as the Conditions to Redemption and Purchase are satisfied.

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association or its successor recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

**U.S. Treasury Securities** means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

#### **4.2 Interest Accrual**

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 rate as specified in this Condition 4 on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

#### **4.3 Interest Amount**

The amount of interest payable on each Note and on each Interest Payment Date will be the product of the Principal Amount of such Note and the Initial Interest Rate or, as the case may be, the Reset Rate, multiplied by the 30/360 Day Count Fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

**30/360 Day Count Fraction** means the interest shall be calculated on the basis of a 360-days consisting of 12 months of 30 days each and in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

#### **4.4 Notifications**

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

#### **4.5 Calculation Agent**

The Fiscal Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation 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 Calculation Agent or failing duly to determine the Reset Rate and the interest amount for any Reset Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

The Calculation Agent shall cause the Reset Rate and the interest amount for each Reset Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent (if different from the Calculation Agent) and each other Paying Agent (if any), to any stock exchange on which the Notes are at the relevant time listed and to the Noteholders as soon as possible after their determination.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 12 and, so long as the Notes are listed on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

**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.

#### **4.6 Interest Deferral**

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

On any Interest Payment Date other than a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date (an **Optional Interest Payment Date**), the Issuer may, at its option, elect by notice to (x) the Noteholders in accordance with Condition 12 and (y) the Fiscal Agent pursuant to subparagraph (f) below, to defer payment of all (but not some only) of the interest accrued to that date and any failure to pay shall not constitute a default by the Issuer for any purpose.

##### **(b) Mandatory Interest Deferral Dates**

On any Mandatory Interest Deferral Date, the Issuer will (subject to the provisions below) be obliged, by notice to (x) the Noteholders in accordance with Condition 12 and (y) the Fiscal Agent pursuant to subparagraph (f) below, to defer payment of all (but not some only) of the interest accrued to that date (and if relevant any Arrears of Interest) and such non-payment shall not constitute a default by the Issuer under the Notes for any purpose.

##### **(c) Compulsory Interest Payment Dates**

The Issuer shall, on each Compulsory Interest Payment Date, pay interest in respect of the Notes accrued to that date in respect of the interest period ending on such Compulsory Interest Payment Date, together with all Arrears of Interest at such time.

##### **(d) Arrears of Interest**

Any interest not paid on an Optional Interest Payment Date or a Mandatory Interest Deferral Date shall constitute **Arrears of Interest** and shall be payable as outlined below. In the case of Notes exchanged in accordance with Condition 5.7, Arrears of Interest accrued on the Notes originally issued will be transferred to, and assumed by the Issuer under, such exchanged Notes. Noteholders shall not receive any additional interest or compensation for the optional or mandatory deferral of payment. In particular, the resulting Arrears of Interest shall not bear interest.

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 a Compulsory Interest Payment 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 by a competent court for the judicial liquidation of the Issuer (*liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganisation (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason.

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

(e) **Definitions**

In this Condition 4.6 and for the purposes of the Conditions:

**Compulsory Interest Payment Date** means each Interest Payment Date prior to which during a period of six months a Compulsory Interest Payment Event occurred unless such Interest Payment Date constitutes a Mandatory Interest Deferral Date.

**Compulsory Interest Payment Event** means any of the following events:

- (i) the Issuer has made a payment on any other Ordinary Subordinated Obligations, unless such payment was a mandatory payment under the terms of any such other Ordinary Subordinated Obligations of the Issuer;
- (ii) the Issuer has made a payment on any securities ranking junior to Ordinary Subordinated Obligations (including on any Mutual Certificates of the Issuer) unless such payment was a mandatory payment under the terms of any such securities;
- (iii) the Issuer has redeemed, purchased or acquired any Ordinary Subordinated Obligations by any means unless such redemption, purchase or acquisition was a mandatory redemption, purchase or acquisition under the terms of any such securities; and
- (iv) the Issuer has redeemed, purchased or acquired any securities ranking junior to Ordinary Subordinated Obligations (including any partial prepayment of such securities - but excluding, for the avoidance of doubt the buy-back of Mutual Certificates of the Issuer in the context of its buy-back programme (*programme de rachat de certificats mutualistes*) or any future buy-back programmes, by any means unless such redemption, purchase or acquisition was a mandatory redemption, purchase or acquisition under the terms of any such securities.

**Group** shall mean the Issuer, together with its fully consolidated subsidiaries taken as a whole.

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

however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such interest payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such interest payment (and, if relevant, any Arrears of Interest) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Solvency II Regulations);
- (ii) paying interests (and, if relevant, any Arrears of Interest) does not further weaken the solvency position of the Issuer as determined in accordance with the Solvency II Regulations; and
- (iii) the minimum capital requirement will be complied with immediately after the interest payment (and, if relevant, any Arrears of Interest) is made.

**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.

**Regulatory Deficiency** means the own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer or of SGAM AG2R La Mondiale Group is not sufficient to cover the capital requirement (or whatever the terminology employed by the Solvency II Regulations) of the Issuer or of SGAM AG2R La Mondiale Group and either a deferral of interest (and, if relevant, any Arrears of Interest) is required or a redemption or repayment of principal is prohibited under the Solvency II Regulations in order for the Notes to qualify as "tier two" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations). For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer or SGAM AG2R La Mondiale Group fails to meet the solvency capital requirement or minimum capital requirement (both as defined in the Solvency II Directive).

**SGAM AG2R La Mondiale Group** means the combined group (*groupe combiné*) of SGAM AG2R La Mondiale (which includes, as of the Issue Date the combination of two perimeters, AG2R Réunica Prévoyance and La Mondiale) evolving from time to time.

**Relevant Supervisory Authority** means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required to comply with certain applicable solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Autorité de Contrôle Prudentiel et de Résolution* (the **ACPR**).

**Solvency II Directive** means Directive 2009/138/EC of the European Union of 25 November 2009 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 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 (as amended or, as the case may be, supplemented)).

**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 becomes domiciled in a jurisdiction 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), 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 its



Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion in their own funds regulatory capital (or whatever the terminology that may be retained).

**(f) 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 12 and to the Fiscal Agent:

- (i) of any Optional Interest Payment Date on which the Issuer elects to defer interest as provided in subparagraph (a) above;
- (ii) of any Mandatory Interest Deferral Date and specifying that interest will not be paid due to a Regulatory Deficiency continuing on the next Interest Payment Date, provided that if the Regulatory Deficiency occurs less than five (5) Business Days before such Interest Payment Date, the Issuer shall give notice of the interest deferral as soon as practicable under the circumstances before such Mandatory Interest Deferral Date; and
- (iii) of any date upon which amounts in respect of Arrears of Interest shall become due and payable.

So long as the Notes are listed on the regulated market of Euronext Paris and the rules of such stock exchange so require, notice of any such deferral or suspension shall also be given as soon as reasonably practicable to such stock exchange.

**(g) Partial Payment of Arrears of Interest**

If amounts in respect of Arrears of Interest are paid in part:

- (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 period; 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.

**5. REDEMPTION AND PURCHASE**

The Notes may not be redeemed otherwise than in accordance with this Condition.

**5.1 Redemption at Maturity**

Subject to Condition 5.11 below and to the Prior Approval of the Relevant Supervisory Authority, unless previously redeemed or purchased and cancelled as provided for below, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest, on the Final Maturity Date.

**5.2 Optional Redemption from the First Call Date**

The Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued (including Arrears of Interest) to the date fixed for redemption on the First Call Date or on any Reset Date falling thereafter.

### 5.3 Optional Redemption for Taxation Reasons

- (a) The Notes may be redeemed at their principal amount plus any accrued interest (including Arrears of Interest) at the option of the Issuer in whole, but not in part, at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, a withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax is required as a result of (i) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date of the Notes, provided that the due date for redemption shall not be earlier than the latest practicable date on which the Issuer could make such payment without withholding or deduction for French taxes.
- (b) If the Issuer would on the date of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may forthwith redeem all, but not some only, of the Notes then outstanding, at their principal amount plus any accrued interest (including Arrears of Interest), upon giving not less than seven (7) nor more than thirty (30) calendar days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be no earlier than the latest practicable date on which the Issuer could make payment without withholding or deduction for French taxes, or if such date is past, as soon as is practicable thereafter.
- (c) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest), at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, the part of the interest payable by the Issuer under the Notes that is tax-deductible is reduced as a result of (i) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date, provided that the due date for redemption shall be no earlier than the latest practicable date preceding the effective date on which the part of the interest payable under the Notes that is tax-deductible is reduced. Prior to the giving of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by a director of the Issuer stating that the part of the interest payable under the Notes that is tax-deductible is reduced as aforesaid and that the Issuer is entitled to effect such redemption and (B) an opinion of independent legal advisers of recognised standing to such effect.

In each case, subject to Condition 5.11 below and the Prior Approval of the Relevant Supervisory Authority.

### 5.4 Optional Redemption for Regulatory Reasons

If, at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.11, redeem the Notes in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest).

A **Regulatory Event** means that after the Issue Date, the Issuer (a) is subject to regulatory supervision by the Relevant Supervisory Authority, and (b) is not permitted to treat the aggregate net proceeds of the Notes (in whole) that are outstanding as eligible (x) for the purpose of the

determination of the solvency margin or capital adequacy levels of the Issuer or of SGAM AG2R La Mondiale Group (y) as "tier two" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations at the time), except as a result of the application of the limits on inclusion of such securities in the regulatory capital.

### **5.5 Optional Redemption for Rating Reasons**

If at any time, the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes, the Issuer may, at any time, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.11, redeem the Notes in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest).

A **Rating Methodology Event** will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation of such methodology) as a result of which the equity content assigned by that Rating Agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by that Rating Agency to the Notes at or around the Issue Date.

**Rating Agency** means S&P Global Ratings (**Standard & Poor's**) or any other rating agency of equivalent international standing (and their respective successors or affiliates) solicited by the Issuer to grant a credit rating to the Issuer.

### **5.6 Optional Redemption for Accounting Reasons**

If, at any time, the Issuer determines that an Accounting Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority, redeem the Notes in whole, but not in part, at their principal amount plus any accrued interest (including Arrears of Interest).

An **Accounting Event** shall be deemed to occur if, as a result of a change in accounting principles or the application thereof which becomes effective on or after the Issue Date, but not otherwise, the obligations of the Issuer under the Notes must not or may no longer be recorded as "liabilities" in the next following audited annual financial statements of the Issuer, prepared in accordance with International Financial Reporting Standards (IFRS) or any other accounting standards that the Issuer applies in the preparation of its audited annual financial statements in accordance with French company law (applicable accounting standards).

### **5.7 Exchange or Variation for Regulatory Event or Rating Methodology Event**

If a Regulatory Event or a Rating Methodology Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or exchange all (and not some only) of the Notes for other Notes, so that the varied Notes or the exchanged Notes, as the case may be, become Qualifying Equivalent Securities.

The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in exchange will be equal to the Principal Amount of the Notes.

Any variation or exchange 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 exchange) in accordance with Condition 12 (Notices) and to:

- (a) 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);

- (b) the Issuer being in compliance with the Solvency II Regulations on the date of such variation or exchange, and such variation or exchange not resulting directly or indirectly in a breach of the Solvency II Regulations;
- (c) the Issuer complying with the rules of any stock exchange (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;
- (d) the issue, of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new exchanged 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
- (e) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date.

**Qualifying Equivalent Securities** means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the independent investment bank and in respect of the matters specified in (a) to (g) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (a) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Solvency II Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (b) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (c) 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 (Interest) or, as the case may be, Condition 5 (Redemption and Purchase);
- (d) shall rank at least *pari passu* with the Notes;
- (e) 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;
- (f) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (g) 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 has accrued to Noteholders and not been paid.

## 5.8 Clean-Up Redemption

The Issuer may elect, subject to the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at their principal amount plus any accrued interest (including

Arrears of Interest) if 80% (eighty per cent.) or more in aggregate principal amount of the Notes issued on the Issue Date has been purchased and cancelled at the time of such redemption.

## **5.9 Purchases**

The Issuer or any of its affiliated entities may at any time, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.11, purchase Notes (provided that all unmatured Coupons and Talons relating thereto are purchased therewith) in the open market or otherwise at any price. Notes so purchased by the Issuer may be (i) 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) cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

## **5.10 Cancellation**

All Notes which are purchased for cancellation by the Issuer pursuant to this Condition 5 will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith).

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

## **5.11 Conditions to Redemption and Purchase**

Any redemption or purchase of the Notes is subject to the conditions (amongst others as described herein) that (a) no Regulatory Deficiency has occurred and is continuing on the date due for redemption or purchase, (b) such redemption or purchase would not itself cause a Regulatory Deficiency and (c) to the extent required under the Solvency II Regulations in order for the Notes to be treated as "tier two" own funds regulatory capital (or, if different, whatever terminology is employed to denote such concept by the Solvency II Regulations) of the Issuer and/or SGAM AG2R La Mondiale Group for the purposes of the determination of the Issuer and/or SGAM AG2R La Mondiale Group's regulatory capital, no Insolvent Insurance Affiliate Winding-up has occurred nor is continuing on the date due for redemption or purchase.

In addition, and unless as otherwise provided in the relevant rules, the Notes may not be redeemed or purchased pursuant to the Conditions 5.3(c), 5.4, 5.5, 5.6 and 5.8, prior to the fifth anniversary of the Issue Date, and in the case of Condition 5.3 (a) and (b), prior to the Relevant Anniversary, in each case unless the redemption or purchase has/have been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes.

Should a Regulatory Deficiency or an Insolvent Insurance Affiliate Winding-up occur after a notice for redemption has been made to the Noteholders, such redemption notice would become automatically void and notice would be made promptly by the Issuer.

Notwithstanding that a Regulatory Deficiency may have occurred and be continuing on the date due for redemption or purchase, or if such redemption or purchase would of itself cause a Regulatory Deficiency, the Notes may still be redeemed or purchased on such date to the extent permitted under, and in accordance with, the Solvency II Directive and the applicable regulations and provided that all of the following conditions are met:

- (a) 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;
- (b) the relevant redeemed or purchased Notes are replaced by other own funds regulatory capital of at least the same quality; and

- (c) the applicable minimum capital requirement (or, if different, whatever terminology is employed to denote such requirement by the then applicable regulations) is complied with after the relevant redemption or purchase of the Notes has been made.

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 Directive and the Solvency II Regulations and provided that, on or prior to such date, the Prior Approval of the Relevant Supervisory Authority has been exceptionally obtained with respect to the relevant redemption or purchase of the Notes.

If practicable under the circumstances, the Issuer will give notice to the Noteholders and to the Fiscal Agent 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.

For the purpose of this Condition:

**Insolvent Insurance Affiliate Winding-up** means:

- (i) the winding-up of any Insurance Undertaking within the Group or SGAM AG2R La Mondiale Group; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group or SGAM AG2R La Mondiale Group,

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 AG2R La Mondiale Group may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or reinsurance 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 or reinsurance 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.

**Redemption Alignment Event** will be deemed to have occurred if at any time before the tenth anniversary of the Issue Date the Issuer determines, in consultation with the Relevant Supervisory Authority, that the option to redeem the Notes under Condition 5.3 (a) and (b) of the Optional Redemption for Taxation Reasons from the fifth anniversary without such redeemed Notes being required to be replaced by other own funds regulatory capital of at least the same quality, would not cause the Notes to no longer fulfil the requirements in order to be treated under the then applicable supervisory regulations as "tier two" own funds regulatory capital (or, if different, whatever terminology is employed to denote such concept by the then applicable supervisory regulations) of the Issuer and/or SGAM AG2R La Mondiale Group for the purposes of the determination of the Issuer's and/or SGAM AG2R La Mondiale Group's regulatory capital (including for the purpose of any capital requirements of internationally active insurance groups) and the Issuer gives not less than thirty (30) nor more than forty-five (45) calendar days' notice of such fact to the Fiscal Agent and the Noteholders.

**Relevant Anniversary** means the tenth anniversary of the Issue Date, provided however that Relevant Anniversary shall mean the fifth anniversary of the Issue Date if a Redemption Alignment Event has occurred.

Except as otherwise indicated above, any redemption or purchase shall have been notified by the Issuer having given not more than sixty (60) nor less than thirty (30) calendar day's prior notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

#### **5.12 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 10 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.

### **6. PAYMENTS AND EXCHANGES OF TALONS**

#### **6.1 Payments in respect of Notes**

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

#### **6.2 Method of Payment**

Payments of principal, interest and other amounts in respect of the Notes will be made in the manner provided in Condition 6.1 in U.S. Dollars, by credit or transfer to an account denominated in U.S. Dollars (or any other account to which U.S. Dollars may be credited or transferred) specified by the payee in a country within the TARGET2 System. Such payments shall be made to, or to the order of, the Fiscal Agent for the benefit of the Noteholders and all payments so made will 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, the Fiscal Agent, the Calculation Agent or the Paying Agents shall be liable to any Noteholder or other person for any commission, costs, losses or expenses in relation to, or resulting from, the credit or transfer of U.S. Dollars, or any currency conversion or rounding effect in connection with such payment being made in U.S. Dollars.

Payments will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

For the purposes of this Condition:

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

#### **6.3 Payments on Business Days**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 8) is or falls after the relevant due date;

- (a) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (b) in the case of payment by credit or transfer to a U.S. Dollar account as referred to above, is a Business Day in New York City and Paris.

In this Condition, **Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place.

#### **6.4 Missing Unmatured Coupons**

Each Note should be presented for payment together with all relative unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons). Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

#### **6.5 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

#### **6.6 Fiscal Agent, Paying Agents and Calculation Agent**

The names of the initial Agents and their specified offices are set out below:

**Fiscal Agent, Principal Paying Agent and Calculation Agent**  
BNP Paribas Securities Services, Luxembourg Branch  
60 avenue J.F. Kennedy  
L-1855 Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or a Paying Agent and/or appoint additional or other Paying 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 12 and, so long as the Notes are listed on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

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 12.

### **7. TAXATION**

All payments in respect of the Notes and/or Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any 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 or Coupon be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges, and provided a Tax Alignment Event has occurred and is continuing, the Issuer, shall, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders or, as the case may be, the Couponholders 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 or Coupon, as the case may be:

- (a) **Other connection:** to, or to a third party on behalf of, a Noteholder or, as the case may be, a Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with France other than the mere holding of the Note or Coupon; or
- (b) **Presentation more than thirty (30) days after the Relevant Date:** presented for payment more than thirty (30) days after the Relevant Date except to the extent that the Noteholder or, as the case may be, the Couponholder would have been entitled to such Additional Amounts on presenting it for payment on the last day of such period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 6.3); or
- (c) where such Additional Amounts are due prior to the Relevant Anniversary.

As used in these Conditions, **Relevant Date** in respect of any Note or Coupon means the date on which payment in respect of it first becomes due and payable or (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of monies payable on such date in respect of such Note or Coupon is paid to the Paying Agent.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts.

A **Tax Alignment Event** will be deemed to have occurred if at any time the Issuer determines, in consultation with the Relevant Supervisory Authority, that the obligation to pay Additional Amounts would not cause the Notes to no longer be treated under Solvency II Regulations as "tier two" own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) and gives not less than thirty (30) nor more than forty-five (45) calendar days' notice of such fact to the Fiscal Agent, the Noteholders (which notice shall be in effect until the Issuer revokes a prior given notice by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice of such fact to the Fiscal Agent and the Noteholders).

## 8. PRESCRIPTION

Notes and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6. There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition or Condition 6.

## 9. 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 a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason.

## **10. REPLACEMENT OF NOTES AND COUPONS**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **11. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### **11.1 Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50% in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an **Extraordinary Resolution** of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

For purpose of this Condition 11.1, the term "outstanding" does not include notes repurchased and held by the Issuer in accordance with Condition 5.9.

### **11.2 Modification**

The Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (a) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (b) in any other manner which is not materially prejudicial to the interests of the Noteholders. Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12.

Any modifications of any of these Conditions shall be subject to the Prior Approval of the Relevant Supervisory Authority.

## 12. NOTICES

- (a) Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared; except that so long as the Notes are listed and admitted to trading on Euronext Paris and the rules of such regulated market so require, notices shall also be published in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos* or such other newspaper as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the Noteholders).
- (b) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.
- (c) Notices will, if published more than once, be deemed to have been given on the date of the first publication as provided above.
- (d) Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

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.

## 13. FURTHER ISSUES

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

## 14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 15. 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 15 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 15.

For the purposes of this Condition 15, **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.

## **16. GOVERNING LAW AND JURISDICTION**

### **16.1 Governing Law**

The Agency Agreement, the Notes and the Coupons are governed by, and will be construed in accordance with, English law, other than the provisions of Condition 2 which shall be governed by, and construed in accordance with, French law.

### **16.2 Jurisdiction of English Courts**

- (a) Subject to Condition 16.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 16.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

### **16.3 Appointment of Process Agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited currently at Fifth Floor, 100 Wood Street, London EC2V, 7EX to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent. Nothing shall affect the right to serve process in any manner permitted by law.

### **16.4 Other Documents**

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the **Global Notes**) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.*

### 1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if:

- (a) An enforcement event (as set out in Condition 9) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Fiscal Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

### 2. Payments

Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note

(if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

### **3. Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 12, provided that, so long as the Notes are listed and admitted to trading on Euronext Paris and the rules of such regulated market so require, notice will also be given by publication in a leading daily newspaper of general circulation in France (which is likely to be *Les Echos* or such other newspaper as the Fiscal Agent shall deem necessary to give fair and reasonable notice to Noteholders). Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Fiscal Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

### **4. Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders other than with respect to the payment of principal and interest on the principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

### **5. Prescription**

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

### **6. Cancellation**

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

**7. Euroclear and Clearstream, Luxembourg**

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system (including, without limitation, Euroclear France and any relevant financial intermediary entitled to hold, directly or indirectly, accounts on behalf of its customers therewith) through which interests in the Notes are held.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes, after deduction of any applicable commission, will be used to strengthen the own funds of the Issuer in accordance with applicable regulation, including to conform to Solvency II Directive (Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance) and its implementing texts and for the Issuer's general corporate purposes, including for the refinancing of the Issuer's outstanding bond issues.



## DESCRIPTION OF THE ISSUER

### Description of the Issuer

*This section shall be read and construed in conjunction with the relevant sections of the 2016 Annual Report and the 2015 Annual Report relating to the financial statements and the unaudited 2017 Half-Year Consolidated Balance Sheet and Profit and Loss Account (see section "Documents Incorporated by Reference") which are incorporated in, and shall be deemed to form part of, this Prospectus.*

### LEGAL ENVIRONMENT OF LA MONDIALE

#### Legal form, legal and commercial name

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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 44 94 67 00 and +33 (0)3 20 67 37 00.

#### History

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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 statutes 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* (SGAM) together with AG2R Réunica Prévoyance. SGAM AG2R La Mondiale and its members, each with its own consolidated perimeter, form part of a combined group (the **SGAM AG2R La Mondiale Group**).

La Mondiale is also a member of the tax group headed by SGAM AG2R La Mondiale since 1 January 2014.

In 2009, AG2R (which is now AG2R Réunica 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 Réunica Prévoyance is specialised in protection, health and pension servicing on behalf of the public pension system.

## Activities permitted by the by-laws

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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

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Mr. Jean-François DUTILLEUL, Director and Chairman

Chairman of the Strategic Committee, Member of the Investment Committee and of Remuneration and Appointments Committee and permanent guest of the Strategic Committee

- Director and Vice-Chairman of SGAM AG2R LA MONDIALE
- Chief Executive Officer of Rabot Dutilleul Holding SAS
- Chairman of the Corporate Foundation AG2R LA MONDIALE

Mr. André RENAUDIN, Director and Chief Executive Officer

Permanent guest of the Strategic Committee, of the Appointments & Remunerations Committee, of the Risks Committee and of the Investment Committee

- Chief Executive Officer of SGAM AG2R LA MONDIALE
- General Delegate of the *Association sommitale* AG2R LA MONDIALE RÉUNICA
- Vice-Chairman of Arial CNP Assurances
- Deputy Executive Director of Prima
- Director and member of the Supervisory Board of AG2R LA MONDIALE's other entities

Mr. Thierry JEANTET, Director

Member of the Risks Committee and of the Strategic Committee

- Director of SGAM AG2R LA MONDIALE
- Director of the Corporate Foundation AG2R LA MONDIALE

Mr. Philippe LAMBLIN, Director

Chairman of the Remuneration and Appointments Committee and member of the Strategic Committee

- Head of Human Resources and Internal Communication of Groupe Avril
- Director of SGAM AG2R LA MONDIALE
- Chairman of the Board of Directors of the Caisse d'Épargne Nord France Europe (SA Coopérative)
- Chairman of the Foundation of the Caisse d'Épargne Nord France Europe
- Member of the Board of Directors of the medical university of Lille
- Member of the Board of Directors of Natixis NGAM SA
- Director of Natixis Interépargne SA

Mr. Serge FAUTRÉ, Director

Member of the Strategic Committee, of the Remuneration and Appointments Committee and of the Investment Committee

- Director & Chairman of the Executive Committee of AG Real Estate (Belgium)
- Director of SGAM AG2R LA MONDIALE

Mr. André-Paul BAHUON, Director

Chairman of the Audit and Accounts Committee and member of the Strategic Committee

- Chairman of Créatis Groupe SAS
- Director of SGAM AG2R LA MONDIALE
- Vice-Chairman of the Supervisory Board of Interfimo-LCL

Mrs. Sylvie REULET, Director

Member of the Risks Committee and Chairman of the Nominations Committee

- Lawyer, member of the Bar in Bordeaux
- Director of SGAM AG2R LA MONDIALE

Mr. Christian GOLLIER, Director

Member of the Risks Committee and permanent guest of the Investment Committee

- University Professor, Director of the Chair of the SCOR Insurance economy in Toulouse
- Director of SGAM AG2R LA MONDIALE

Mr. Gilles GUITTON, Director

Chairman of the Investment Committee, member of the Audit and Accounts Committee and of the Strategic Committee and permanent guest of the Risks Committee

- Director of SGAM AG2R LA MONDIALE
- Chairman of SASU GG7
- Chairman of the Association Neuillénne de soins à domicile (ANSIAD)
- Chairman of GB Corporate Finance

Mr. Guy ROULET, Director

Member of the Audit and Accounts Committee and of the Nominations Committee

- Accountant
- Director of SGAM AG2R LA MONDIALE

Mr. Pierre GEIRNAERT, Director representing the employees

Member of the Audit and Accounts Committee

- Director of SGAM AG2R LA MONDIALE
- Director of the Corporate Foundation AG2R LA MONDIALE
- Member of the Supervisory Board of Prado Épargne
- Director of Arial CNP Assurances

Mrs. Joëlle PREVOT-MADERE, Director

Member of the Risks Committee

- Manager of a transport company in Guyana
- Director of SGAM AG2R LA MONDIALE

Mrs. Odette JARIEL, Director

- Collaborating spouse of Cabinet Philippe Jariel, Conseil & Expertise
- Director of SGAM AG2R LA MONDIALE
- Director of the Corporate Foundation AG2R LA MONDIALE

Mrs. Laurence BEULIN, Director  
Member of the Risks Committee

- Director brands of Campagnes TV
- Director of SGAM AG2R LA MONDIALE
- Director of the SICAV PME EMPLOIS DURABLES

Mrs. Manou HEITZMANN-MASSENEZ, Director

- Export Director of the Distillerie Massenez
- Director of SGAM AG2R LA MONDIALE

Mr. Franck MOUGIN, Director

- Head of Human Resources and Sustainable Development of the Groupe Vinci and member of the Executive Committee
- Director of SGAM AG2R LA MONDIALE
- Director and member of the bureau de l'Association sommitale of AG2R LA MONDIALE RÉUNICA and of AG2R Retraite Agirc

Mr. Alain GAJAN, Censor  
Member of the Audit and Accounts Committee

- Director of SGAM AG2R LA MONDIALE
- Director of La Mondiale Partenaire
- Director of Pasiphaé (Tontine)

The business address of the members of Board of Directors is 104-110 Boulevard Haussmann – 75008 Paris – France.

### **Executive Committee**

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Mr. André RENAUDIN, Chief Executive Officer of LA MONDIALE

- Chief Executive Officer of LA MONDIALE

Mr. Jean-Marc ROBINET, Assistant Chief Executive Officer (*Directeur général adjoint*) of LA MONDIALE

- Director of Arial CNP Assurances

Mr. Philippe DABAT, Deputy Chief Executive Officer (*Directeur général délégué*) of LA MONDIALE

- Chief Executive Officer of Prima
- Director of Arial CNP Assurances
- Director and/or member of the Supervisory Board of AG2R LA MONDIALE's other entities

Mr. David SIMON, Member of the Executive Committee of LA MONDIALE

- Finances, investments 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

Mr. Jean-Marc CRESTANI, Member of the Executive Committee 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

Mrs. Claire SILVA, Member of the Executive Committee of LA MONDIALE

- Human Resources

Mrs. Sophie DE SAINT ETIENNE, Member of the Executive Committee of LA MONDIALE

- Corporate Secretary (*Secrétariat général*)

Mr. Pascal CHAUMÉNY, Member of the Executive Committee of LA MONDIALE

- General counsel and tax director

Mr. Jean-Christophe COMBEY, Member of the Executive Committee of LA MONDIALE

- IT Director

Mr. François-Marie GESLIN, Member of the Executive Committee of LA MONDIALE

- Community Involvement Director

Mrs. Emmanuelle SAUDEAU, Member of the Executive Committee of LA MONDIALE

- Digital

The business address of the members of Executive Committee is 104-110 Boulevard Haussmann – 75008 Paris – France.

#### **Auditors**

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

KPMG Audit, Département de KPMG SA  
Tour EQHO, 2 avenue Gambetta, CS 60055  
92066 Paris La Défense  
France

#### **General description and Business overview of La Mondiale**

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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 2016, La Mondiale had the following competitive positions : n°2 for supplementary retirements benefits (Source: *Argus de l'assurance*), n°2 for collective supplementary retirements benefits (Source: *Argus de l'assurance*), n°1 for "Madelin" retirement benefits (Source: *FFA*), n°3 for individual and collective health insurance (Source: *Argus de l'assurance*), n°4 for individual and collective personal protection insurance (Source: *Argus de l'assurance*), n°7 in long term care (Source: *Argus de l'assurance*), n°10 in savings (Source: *Argus de l'assurance*).

La Mondiale completed its 2012-2014 plan, and is implementing a new plan for 2015-2018 (see section Strategic Objectives for further information).

Since 2008, SGAM AG2R LA MONDIALE is a group mutual insurance company which encompasses all the Group's insurance activities through its two members: AG2R Réunica Prévoyance 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 decreased by 2.6 per cent. to Euro 6.6 bn in 2016 and total investments have reached Euro 90.9 bn, representing an increase of 6.7 per cent. At 31 December 2016, La Mondiale had a surplus (equivalent to shareholders' equity) of Euro 3.5 bn (excluding minority interests) and consolidated net profit of Euro 288.3 million. The Group had 3,015 employees at the end of 2016.

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.

Its regulatory solvency capital (admitted surplus + unrealised capital gains + subordinated debt) is Euro 8.693 bn, representing 2.56 times the minimum required solvency ratio and 1.43 times the core solvency ratio (as defined under the Solvency II regulation).

### **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 2016:

- savings related activity of La Mondiale recorded a decrease in subscriptions of 6 per cent. compared to 2015, amounting to Euro 325 million;
- pension plan related activity of La Mondiale amounted to Euro 1,034 million of subscriptions, which corresponds to an increase of 1.7 per cent. compared to 2015;
- individual pension plan related activity of La Mondiale recorded an increase in subscriptions of 1.7 per cent. compared to 2015, amounting to Euro 846 million; and
- collective and group pension plan related activity of La Mondiale recorded an increase in subscriptions of 1.6 per cent. compared to 2015, amounting to Euro 188 million.

### **Group pension and insurance (through Arial Assurance renamed Arial CNP Assurances)**

As part of the La Mondiale and AG2R Réunica Prévoyance partnership which has been established since 2003, Arial CNP Assurances is a major player in group health 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.

In 2016, collective and group pension plan related activity of Arial CNP Assurances recorded an increase of 12 per cent compared to 2015, amounting to 737 million in gross premiums.

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

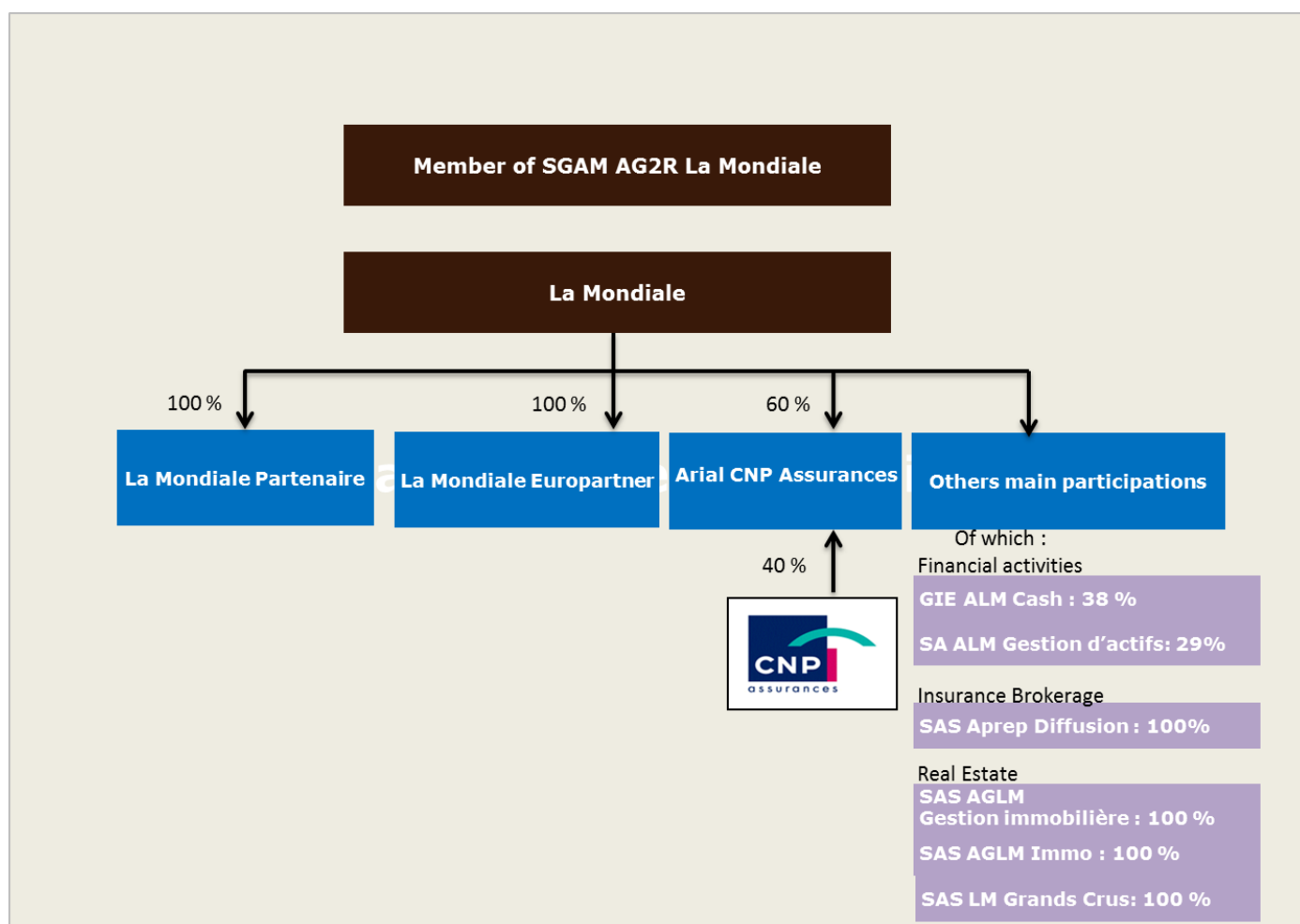
La Mondiale Partenaire operates in life insurance products. It offers savings products distributed through private banking arms of large banks and independent financial advisers (portfolio and asset managers).

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 (43 per cent. of its activity), with operations in Italy, Switzerland and Luxembourg representing 57 per cent. of premiums in 2016.

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

**Group Structure as of 30 June 2017 (N.B : the percentages below both refer to capital and voting rights)**



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

**1. La Mondiale**

La Mondiale's gross premiums amounted to Euro 5,127 million for the period ending on 31 December 2016, which constitutes a 6 per cent. decrease compared to the period ending on 31 December 2015.

Gross premiums accepted in respect of its subsidiaries amounted to Euro 3,558 million for the period ending on 31 December 2016, which constitutes an 8.8 per cent. decrease compared to the period ending on 31 December 2015. 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 1,569 million for the period ending on 31 December 2016, which constitutes a 0.3 per cent. decrease compared to the period ending on 31 December 2015.

**2. Arial Assurance (renamed Arial CNP Assurances)**

In 2016, the gross premiums of Arial CNP Assurances increased by 9.2 per cent. compared to 2015 and amounted to Euro 741 million.



The pension activity gross premiums amount to Euro 737 million and increased by 12 per cent. compared to 2015. This increase is explained by the expansion of individual voluntary payments on defined contribution pension plans, the growth of the wage bill, the setting up of new contracts and the implementation of early retirement devices.

In addition to the gross premiums of Arial CNP Assurances and in order to give a clear view of the overall group pension activity of the Group, it is to be noted that gross premiums of La Mondiale which resulted from businesses brought by Arial CNP Assurances amounted to Euro 59 million in 2016 compared to Euro 57 million in 2015.

### **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 2,282 million for the period ending on 31 December 2016, with a 1.6 per cent. decrease compared to the period ending on 31 December 2015. A 2 per cent. increase in claims costs amounting to Euro 2,140 million led to a positive amount of net collect revenue of Euro 142 million in 2016.

### **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 2016, La Mondiale Europartner, the Luxemburg office of the Group, managed a total amount of technical reserves of Euro 13.1 billion, which constitutes an 10.1 per cent. increase compared to 2015.

Gross premiums of La Mondiale Europartner amounted to Euro 2,068 million in 2016, compared to Euro 2,298 million in 2015, showing a decrease of 10 per cent. In 2016, 65 per cent. of the gross premiums were reinsured, mainly by the general fund of La Mondiale.

## **SGAM AG2R La Mondiale**

La Mondiale is a member of the SGAM AG2R La Mondiale 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 AG2R La Mondiale and means are shared between them (*e.g.* management, IT, support functions, sales network etc.).

SGAM AG2R La Mondiale has two objectives: establish a financial solidarity between the entities of the combined group and allow them to keep their own brand and systems of governance. SGAM AG2R La Mondiale is the operational structure of the combined group for insurance activities: welfare, health, savings, supplementary pensions, nursing care. SGAM AG2R La Mondiale'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 AG2R La Mondiale 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 Réunica Prévoyance as the other affiliate of SGAM AG2R La Mondiale. Following approval on 26 May 2016 by the General Assembly of AG2R Réunica 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

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As of 31 December 2016, La Mondiale had 519,755 policyholders (*sociétaires*). Each policyholder has the same voting rights.

## Strategic Objectives

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To improve adaptability, La Mondiale launched in 2015 its 2015-2018 strategic plan. Presented to the Group's employees in 2015, it is called "Élan 2018". In order to implement such a strategic plan, the company will focus on reinforcing and strengthening the 4 following pillars:

1. Proximity: the objectives are articulated around the reinforcement of client knowledge notably by the progressive deployment of a shared access to client information and the implementation of a unique customer repository at Group level;
2. Legitimacy: the objectives are to allow the Group to become a natural partner in the pension and insurance to persons industry;
3. Solidity: financial solidity should be reinforced to face an unfavourable economic environment combined with a higher regulatory pressure.
4. Cohesion: the objectives are to gather the employees from each of the Group and AG2R Réunica Prévoyance's group around a unified organisation.

In the previous 2012-2014 strategic plan which aimed at reinforcing La Mondiale's competitive positioning, the Issuer had notably three objectives: (1) increasing market shares on markets selected for their profitability, (2) increasing the level of assets in 2014 and (3) increasing the return on capital equity.

This has been achieved by (1) focusing sales network on profitable targets, (2) increasing multichannel distribution, beyond traditional distribution partnerships, including direct or internet distribution and (3) committing to quality of service, specially related to delay in answering requests or paying claims.

## Partnerships

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### 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**

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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 risks committee**

The audit and account 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, Standard & Poor's described La Mondiale's liquidity as "exceptional".

## **Financial Results**

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As of 31 December 2016, La Mondiale had consolidated investments assets of Euro 91.0 billion of which 25 per cent. are unit-linked products. The 75 per cent. remaining are guaranteed products invested in General Funds split between bonds (78.0 per cent.), equities (6.5 per cent.), real estate (4.0 per cent.) and other financial assets (11.5 per cent.).

Consolidated equity capital at 31 December 2016 increased from Euro 3,113.9 million to Euro 3,507.8 million (including Euro 9.5 million minority interests and including Euro 145.8 million of deeply subordinated Notes classified as equities according IFRS rules). Subordinated obligations amounted to Euro 1,590.1 million of which Euro 1,398.8 million are on a perpetual basis with a call option. As per the consolidated accounts of La Mondiale, the coverage ratio of Solvency Capital Requirement (**SCR**) is 215.2 per cent. with impact of transitional on technical provisions (111.3 per cent. without transitional on technical provisions). For La Mondiale as a stand-alone entity, this ratio stands at 256 per cent. (with impact of transitional on technical provisions) as of 31 December 2016.

La Mondiale's consolidated financial statement reported in 2016 an operating income of Euro 360.1 million compared to Euro 364.6 million the previous year. La Mondiale generated consolidated net income of Euro 288.4 million in 2016, up 15.0 per cent. compared to 2015.

As at 31 December 2016, La Mondiale's consolidated subordinated debt amounted to Euro 1,590.1 million compared to Euro 1,599.5 million on 31 December 2015.

## **Conflict of Interest**

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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**

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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**

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There are, at the date of this Prospectus, 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.

## RECENT DEVELOPMENTS

### *Press release dated 28 November 2017:*

AG2R LA MONDIALE and the MATMUT Group enter into exclusive negotiations to discuss closer working relationship

AG2R LA MONDIALE and the MATMUT Group have today announced that they are entering into exclusive negotiations to discuss the possibility of a closer working relationship. Such close collaboration could take effect on 1 January 2019, subject to the agreement of the governing bodies of both groups, after consultation with personnel representatives, as well as the approval of the competent authorities.

### *Issue of USD 400,000,000 Reset Subordinated Notes due 21 December 2047*

On 21 December 2017, the Issuer issued USD 400,000,000 Reset Subordinated Notes due 21 December 2047 at an issue price of 100 per cent. of the aggregate nominal amount. These notes will bear interest (i) from (and including) 21 December 2017, to (but excluding) 21 December 2027, at a fixed rate of 4.80 per cent. per annum payable semi-annually in arrear on 21 June and 21 December in each year commencing on 21 June 2018, and (ii) thereafter in respect of each successive five year period commencing on (and including) 21 December 2027, at a reset rate calculated on the basis of the prevailing CMT Rate plus a margin of 3.44 per cent. Such interest will be payable semi-annually in arrear on 21 June and 21 December in each year commencing on 21 June 2018.

## TAXATION

*The following is a general description of certain withholding tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.*

*This description is based upon the laws as in effect on the date of this Prospectus and is subject to any change in law and/or interpretation thereof that may take effect after such date (potentially with a retroactive effect).*

### France

#### *Withholding taxes on payments made outside France*

Payments of interest and other assimilated revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made outside France in a Non-Cooperative State, a 75% withholding tax will be applicable by virtue of Article 125 A III of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other assimilated revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq* of the French *Code général des impôts*, in which case such non-deductible interest and other assimilated revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 30% (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments made to legal persons who are not French tax residents, (ii) 12.8% for payments made to individuals who are not French tax residents or (iii) 75% for payments made outside France in a Non-Cooperative State (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the main purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other assimilated revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are *inter alia*:

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

by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- (ii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Since the Notes will be admitted to trading on Euronext Paris and admitted, at the time of their issue, to the operations of Euroclear and Clearstream, Luxembourg, payments of interest and other assimilated revenues made by the Issuer under the Notes are not subject to the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion does not apply to such payments.

#### *Withholding taxes on payments made to individuals fiscally domiciled in France*

Pursuant to Article 125 A I of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain exceptions, interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 17.2% on such interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

#### **U.S. Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “Terms and Conditions of the Notes — Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.



## SUBSCRIPTION AND SALE

### Subscription Agreement

Credit Suisse Securities (Europe) Limited and Deutsche Bank AG, London Branch (the **Joint Lead Managers**) have entered into a Subscription Agreement dated 16 January 2017 (the **Subscription Agreement**) according to which the Joint Lead Managers have jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for USD 310,000,000 aggregate principal amount of Notes at an issue price equal to 100 per cent. of the principal amount of the Notes. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Notes.

The Joint Lead Managers 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 Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

The Issuer and the Joint Lead Managers have agreed that commissions may be payable to certain third party intermediaries on the principal amount of their purchase in connection with the initial sale and distribution 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 United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold 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 Joint Lead Manager 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 40 days after completion of the distribution of the Notes as determined, and certified to the Issuer by the Joint Lead Manager, 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.

In addition, until 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.

#### Hong-Kong

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other

circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **Singapore**

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## **Switzerland**

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or

from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

## **Taiwan**

The Notes may not be offered, sold or delivered to any person for reoffering, resale or redelivery, in any such case directly or indirectly, in Taiwan or to any resident of Taiwan in contravention of any applicable laws.

## **Selling Restrictions for the jurisdictions inside the European Economic Area**

### **Prohibition of Sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. 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 Directive 2014/65/EU (as amended, **MiFID II**); or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each a **Relevant Member State**), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus to the public in that Relevant Member State except that it may with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Managers; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC, as amended.

## United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (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 Lead Managers has represented and agreed that (in connection with the initial distribution of the Notes only) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## Italy

The offering of the Notes has not been registered with **CONSOB** (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998 as amended (the **Financial Services Act**) and the relevant implementing CONSOB regulations, as amended from time to time, and in Article 2 of Directive No. 2003/71/EC of 4 November 2003 as amended; or
- (b) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (Regulation No. 11971).

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (A) or (B) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 as amended;
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

## **General**

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes. Neither the Issuer nor any of the Joint Lead Managers 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 Joint Lead Manager 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 Prospectus 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 Lead Manager shall have responsibility therefore.

## GENERAL INFORMATION

- (1) Listing and admission to trading: Application has been made to the AMF to approve this document as a prospectus and this Prospectus has received visa n°18-019 from the AMF on 16 January 2018. Application has been made for the Notes to be listed on, and admitted to trading on the regulated market (within the meaning of Directive 2004/39/EC) of Euronext Paris.
- (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 shareholders general meeting dated 30 November 2017 and the resolutions of the *Conseil d'administration* of the Issuer, on 13 January 2018.

- (3) Trend information: There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2016 being the date of its last published audited financial statements.
- (4) Significant change in the Issuer's and the Group's financial or trading position: There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2017 being the end of the last financial period for which interim financial information has been published.
- (5) Legal and arbitration proceedings: 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 12 months immediately preceding the date of this Prospectus which have had in the recent past a significant effect on the Issuer's or the Group's financial position or profitability.
- (6) Clearing and settlement: The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) for the Notes is XS1751476679. The Common Code for the Notes is 175147667.

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

- (7) Auditors: The statutory auditors of the Issuer are KPMG Audit, Département de KPMG S.A. and Mazars.

KPMG Audit, Département de KPMG S.A. and Mazars have audited and rendered an unqualified report on the consolidated financial statements of the Issuer for the financial year ended 31 December 2015 and 31 December 2016.

KPMG Audit, Département de 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*.

- (8) Expenses: The estimated costs for the admission to trading of the Notes are €19,100 (including AMF fees).
- (9) Yield: The yield in respect of the Notes from the issue date to the First Call Date is 4.80 per cent. per annum and is calculated on the basis of the issue price of the Notes.

- (10) 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 Lead Managers are paid commissions in relation to the issue of the Notes. Any such Manager and its 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.
- (11) Joint Lead Managers' Conflicts: Certain of the Joint Lead Managers 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 Lead Managers 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. Certain of the Joint Lead Managers 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, such Joint Lead Managers 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 Lead Managers 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.

## PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

I declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this Prospectus 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

Dirigeant effectif en charge de la finance, des investissements et des risques

Executed in Paris, on 16 January 2018



### *Autorité des marchés financiers*

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the **AMF**), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa no. 18-019 on 16 January 2018. This document was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply any approval of the opportunity of the operation or authentication of the accounting and financial data set out in it.



**Issuer**

**La Mondiale**  
32, avenue Emile Zola  
Mons-En-Baroeul  
59896 Lille Cedex 9  
France

**Joint Lead Managers**

**Credit Suisse Securities (Europe) Limited**  
One Cabot Square  
London E14 4QJ  
United Kingdom

**Deutsche Bank AG, London Branch**  
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London EC2N 2DB  
United Kingdom

**Fiscal Agent, Principal Paying Agent and Calculation Agent**

BNP Paribas Securities Services, Luxembourg Branch  
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L-1855 Luxembourg

**Auditors**

**KPMG Audit, Département de KPMG S.A.**

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France

**Mazars**

Tour Exaltis  
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France

**Legal Advisers**

**Allen & Overy LLP**

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75008 Paris  
France