

THIS DOCUMENT IS A FREE NON BINDING TRANSLATION, FOR INFORMATION PURPOSES ONLY, OF THE FRENCH LANGUAGE "PROSPECTUS DE BASE" DATED THE DATE OF THIS DOCUMENT PREPARED BY UNÉDIC. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH LANGUAGE "PROSPECTUS DE BASE" SHALL PREVAIL.

Base Prospectus dated 16 May 2018

Unédic

Unédic

€ 37,000,000,000

**EURO MEDIUM TERM NOTE PROGRAMME TO THE SERVICE OF EMPLOYMENT
WITH OR WITHOUT THE GUARANTEE OF THE FRENCH STATE**

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Unédic (the "**Issuer**" or "Unédic"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**"). The Final Terms (as defined in "Terms and Conditions of the Notes", a form of which is included in this Base Prospectus) prepared in respect of any issue of Notes will specify whether or not the Notes will benefit from the guarantee of the French State (the "**Guaranteed Notes**"). The aggregate nominal amount of Notes outstanding shall not at any one time exceed € 37,000,000,000 (or its equivalent in other currencies) at any date of issue.

Under certain circumstances, a request for admission to trading on Euronext Paris ("**Euronext Paris**") may be presented. Euronext Paris is a regulated market for the purposes of the Directive 2004/39/EC dated 21 April 2004 (a "**Regulated Market**"). Notes may also be admitted to trading on any other Regulated Market in a Member State of the European Economic Area ("**EEA**") in accordance with the Prospectus Directive (as defined below), or on any non regulated market, or may be unlisted. The Final Terms prepared in respect of any issue of Notes will specify whether or not such Notes will be admitted to trading and, if so, on which relevant Regulated Market(s). Notes admitted to trading on a Regulated Market shall have a minimum denomination of at least €100,000 (or its equivalent in other currencies), or such higher amount as may be allowed or required by the relevant monetary authority or any applicable laws or regulations.

This Base Prospectus has been submitted to the clearance procedures of the *Autorité des marchés financiers* (the "**AMF**") and received the visa 18-179 on 16 May 2018.

Notes will be issued in dematerialised form and may, at the option of the Issuer, be issued in either bearer form (*au porteur*) or in registered form (*au nominatif*), as more fully described herein. Notes will be in book entry form in compliance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier*. No physical documents evidencing title to the Notes will be issued in respect of the Notes. Notes issued in bearer form (*au porteur*) shall be inscribed as from their issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title, Redenomination and Consolidation") including Euroclear Bank S.A./N.V., ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Notes issued in registered form (*au nominatif*) may, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title, Redenomination and Consolidation"), either be (a) in fully registered form (*au nominatif pur*), in which case they will be inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer or (b) in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holder designated by the relevant Noteholder.

The Issuer is rated Aa2 (positive outlook) by Moody's Investors Service Limited and AA (stable outlook) by Fitch France S.A.S. As at the date of this Base Prospectus, each of these rating agencies is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009, as amended.

Notes issued under the Programme may, or may not, be rated. The rating of Notes (if any) will be specified in the relevant Final Terms. The rating of Notes will not necessarily be the same as the rating assigned to the Issuer, it being understood that a rating does not constitute a recommendation to buy, sell or hold Notes and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

This Base Prospectus and the documents incorporated by reference in this Base Prospectus will be available on the websites of the Issuer (www.unedic.org) and the AMF (www.amf-france.org).

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

This Base Prospectus (together with any supplements thereto), which contains or incorporates by reference all relevant information concerning the Issuer as well as the basic terms and conditions of the Notes to be issued under the Programme, constitutes a base prospectus for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (which includes the amendments made by Directive 2010/73/EU of the European Parliament and of the Council dated 24 November 2010, to the extent that such amendments have been implemented in a Member State of the EEA) (the "Prospectus Directive").

Each Tranche (as defined in "General Description of the Programme") of Notes will be issued pursuant to the relevant provisions described in "Terms and Conditions of the Notes", as supplemented by the provisions of the relevant Final Terms determined by the Issuer and the relevant Dealers (as defined in "General Description of the Programme") at the time of the issue of such Tranche. The Base Prospectus (together with any supplement thereto) and the Final Terms will together constitute a prospectus for the purposes of Article 5.1 of the Prospectus Directive.

The Issuer represents that, after having taken all reasonable measures to this effect, all information contained or incorporated by reference in this Base Prospectus is, to its knowledge, in accordance with the facts and does not contain any omission likely to affect its import. It contains all relevant information necessary for prospective investors to knowingly assess the assets, activities, financial position, results and prospects of the Issuer, as well as the rights attached to the securities. The Issuer assumes the responsibility thereto.

None of the Dealers has verified the information contained or incorporated by reference in this Base Prospectus. Neither any of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each prospective investor of Notes shall determine the relevance of the information contained or incorporated by reference in this Base Prospectus on its own and its purchase of Notes should be based upon such investigation as it deems necessary. Neither any of the Dealers undertake to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor of any information that may come to their attention.

This Base Prospectus may only be used for the purposes for which it has been published.

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of Notes. If given or made, such information or representation shall not be relied upon as having been authorised by the Issuer or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, imply that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has most recently been supplemented, or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has most recently been supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Notes and any related guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered within the United States. The Notes are being offered and sold outside the United States of America to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S").

This Base Prospectus does not constitute an offer of, nor an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

The distribution of this Base Prospectus and the offering or sale of Notes may, in certain jurisdictions, be restricted by law. Neither the Issuer nor the Dealers represent that this Base Prospectus will be distributed in compliance with the law, or that the Notes will be offered in compliance with the law, any relevant

registration or any requirement of any competent authority or by virtue of any exemption that would be applicable, and shall not be liable for facilitating such distribution or such offer. In particular, neither the Issuer nor the Dealers have taken any action for the Notes to be offered to the public or the distribution of this Base Prospectus on the territory of a competent authority that would require such an action to be taken. As a result, Notes shall not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any offering document shall be distributed or published on the territory of a competent authority, other than compliance with any relevant laws or regulation of such territory. Persons into whose possession this Base Prospectus comes or that would be interested in subscribing to the Notes are required to inform themselves about and to observe the restriction relating to the distribution of this Base Prospectus and the offer and sale of Notes which are applicable to them. Restrictions on the distribution of this Base Prospectus and the offer and sale of Notes notably exist in the United States of America and the EEA (notably in France and the United Kingdom).

For a description of the applicable restrictions on offers, sales and transfers of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

Neither the Dealer nor the Issuer makes any representation to a prospective investor of Notes on the legality of its investment pursuant to the laws applicable to that prospective investor. Any prospective investor of Notes shall be capable of bearing the economic risk of its investment in the Notes for an undetermined period of time.

In connection with the issue of any Tranche (as defined in "General Description of the Programme"), the Dealer, if any, named as the stabilising manager in the relevant Final Terms (the "Stabilising Manager") (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager(s)) will undertake such stabilisation actions. Such stabilisation actions may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the relevant Tranche and sixty (60) days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" and "euro" are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD", "U.S. dollars" and "US Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan and references to "CHF" and "Swiss Francs" are to the lawful currency of Switzerland.

Governance of MiFID II Products/Target Market – The Final Terms of each series of Notes will contain a section entitled "Governance of MiFID II Products" which will set out the assessment of the Notes' target market and appropriate distribution channels. Any person offering, selling or subsequently recommending the Notes (a distributor) must take this assessment of the target market into account; however, any distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is required to conduct their own assessment of the target market of the Notes (by adopting or expanding the assessment made of the target market) and determine the appropriate distribution channels.

For each issue it will be determined if, in the interests of the rules of governance of products under Delegated Directive (EU) 2017/593 (the "Rules of Governance for MiFID Products"), any Dealer subscribing for the Notes must be considered as a manufacturer of the said Notes, failing which neither the Arranger, the Dealers nor any of their respective affiliates will be manufacturers within the meaning of the Rules of Governance for MiFID Products.

PRIIPs Regulation / Prohibition on sale to retail investors established within the European Economic Area – The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this paragraph, a retail investor shall mean a person meeting any of the following criteria: (i) a retail client as defined in item (11) of Article 4(1) of MiFID II, or (ii) a client within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"),

where the client is not classified as a professional client as defined in item (10) of Article 4(1) of MiFID II, or (iii) an investor who is not a qualified investor within the meaning of the Prospectus Directive. Accordingly, no key information document stipulated under Regulation (EU) No. 1286/2014 (as amended, the "PRIIPs Regulation") in order to offer or sell the Notes or to make them available to retail investors within the European Economic Area has been prepared and, consequently, offering or selling the Notes or making them available to any retail investor may be prohibited in accordance with the PRIIPs Regulation."

TABLE OF CONTENTS

RISK FACTORS	6
GENERAL DESCRIPTION OF THE PROGRAMME	17
DOCUMENTS INCORPORATED BY REFERENCE	21
SUPPLEMENT TO THE BASE PROSPECTUS.....	23
TERMS AND CONDITIONS OF THE NOTES.....	24
USE OF PROCEEDS.....	40
DESCRIPTION OF THE ISSUER.....	41
DESCRIPTION OF THE GUARANTEE.....	59
FORM OF FINAL TERMS.....	60
TAXATION	72
SUBSCRIPTION AND SALE.....	74
GENERAL INFORMATION	76
RESPONSIBILITY WITH RESPECT TO THE BASE PROSPECTUS	78

RISK FACTORS

The Issuer believes that the following factors are relevant for Noteholders to decide whether to invest in the Notes and/or may affect the Issuer's ability to fulfil its obligations towards investors under the Notes. These risks 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.

The Issuer believes that the risk factors described below represent, as at the date of this Base Prospectus, the principal risks inherent in investing in Notes issued under the Programme. The list of risk factors set out below is not intended to be exhaustive and investors may be affected by other factors. Other risks and uncertainties which, on the date of this Base Prospectus, are not known to the Issuer, or are considered non-relevant, may have a significant impact on the investment in the Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and have their own opinion prior to making any investment decision. Investors should in particular conduct their own assessment of the risks relating to the Notes before making such an investment.

The Issuer considers that the Notes shall only be purchased by investors which are (or are advised by) financial institutions or other professional investors who are in a position to assess the specific risks involved by an investment in the Notes.

Any reference thereunder to a Condition refers to a numbered condition in the "Terms and Conditions of the Notes" section.

1. Risk factors relating to the Issuer and its activities

It should be recalled at the outset that the Issuer, being a non-profit association governed by the non-profit associations Act of 1 July 1901, exhibits numerous specific features that distinguish it from all other associations governed by that Act of 1 July 1901.

This is because the Issuer was instituted at the initiative of the social partners and its affairs are consistently managed on a joint basis. Its activities of managing the unemployment insurance scheme in France (which is compulsory in the sense that all employers in the private sector are required to include their employees in the scheme pursuant to Article L. 5422-13 of the French Code du Travail) make it the cornerstone of the French unemployment insurance system, conferring upon it a role in society which has no equivalent elsewhere in France.

Its method of governance and its usefulness to society intrinsically link the Issuer to the social partners and the government authorities which organise the unemployment insurance scheme in the public interest. At the date of this Base Prospectus, the predominance of the Issuer as an institution in the public employment service has not been called in question by the national actors in employment policy.

Impact of the macroeconomic environment on the Issuer

The Issuer, as manager of the unemployment insurance scheme, is particularly sensitive to national and international macroeconomic trends. The main factors influencing the Issuer's financial position are the growth rate in the French Gross Domestic Product with its knock-on effects on employment among subscribers to the scheme, the employment policies of the Government and of businesses, and the effect of decisions by the social partners on the rules for compensating those seeking work and on contribution rates.

In view of the macroeconomic environment at the date of this Base Prospectus, the Issuer's activity shows a worsening of its financial position; the fund raising needs being inherent to a negative trend of the context and of the current macroeconomic fundamentals.

The scissor effect caused by the increase in number of job seekers (a fall in the number of contributors and an increase in the cost of benefit payments) will negatively impact the Issuer's results; any improvement in the economic situation will result in the opposite scissor effect, contributing to the improvement in the Issuer's financial situation.

Authorisation of the unemployment insurance agreement may be withdrawn for failure to maintain the financial equilibrium of the unemployment insurance scheme or to protect the rights of job seekers

Articles L. 5422-13 and following of the French *Code du Travail* lay down the principle of the existence of a compulsory unemployment insurance scheme. The measures implementing these rules which were set by the legislator are enacted by way of agreements concluded by the social partners and, for those measures to be binding and applicable, they must be approved by the Minister with responsibility for Employment¹. This authorisation represents the agreement given by the Minister with responsibility for Employment for the application of the unemployment insurance agreement to all employers and employees in the private sector.

Authorisation may be withdrawn where the stipulations of the agreement or the conditions for its application cease to be in conformity with the legal provisions². The legal provisions in question include in particular those providing for the contribution and benefit rates to be calculated so as to guarantee the financial equilibrium of the unemployment insurance scheme³.

Accordingly, adjustments in the financial situation of the unemployment insurance scheme must be covered by an agreement of all the social partners managing the Issuer, and this agreement is subject to the authorisation of the State. In the event that economic conditions make it impossible to continue ensuring the financial equilibrium of the scheme, the social partners must take all necessary measures to restore that financial equilibrium, particularly by revising the parameters for unemployment compensation (contribution rates, benefit entitlement rules). These decisions are designed to ensure the financial equilibrium of the unemployment insurance scheme during medium-term cycles "accommodating" the economic situation, allowing for the lag between economic developments and their impact on employment.

The Conseil d'Etat took the view that when the Minister with responsibility for Employment regards the financial equilibrium of the unemployment insurance scheme or the protection of the rights of job seekers as not guaranteed by the agreement of the social partners, the State may, by virtue of its powers of appraisal, object in the general interest to the authorisation sought for the unemployment insurance agreement⁴.

In the absence of that authorisation, or in the event of its withdrawal, the French *Code du Travail* provides for the State, under a management agreement, to confer upon any Private bodies that it chooses the management of the unemployment insurance scheme, including the payment of unemployment benefit and the collection of contributions. However, in the absence of such a management agreement, the management of the unemployment insurance scheme is entrusted to a national public corporation of administrative character [quasi-government]⁵.

While a risk therefore exists that the Issuer may have its authorisation withdrawn, so that it no longer has charge of managing the unemployment insurance scheme, undermining the financial equilibrium of the Issuer and, more generally, the French unemployment benefit system, mechanisms exist to forestall such a risk. This is because the Issuer is subject to inspection by the Inspection Générale des Finances [General Finance Inspectorate] and by the Treasury auditors⁶, and is also subject to the supervision of a member of the "corps du contrôle général économique et financier" [general economic and financial inspectorate] who attends the meetings of the Issuer's Executive Committee and Board of Directors. Government is thus involved in the management decisions made by the Issuer and may object to them and withdraw its authorisation if it takes the view that the Issuer's management fails to fulfil the statutory obligation to ensure the scheme's financial equilibrium.

It results from these provisions that the continuity of the unemployment insurance scheme in any event, including notably when the measures provided under the agreement that are necessary to guarantee its equilibrium or return to its equilibrium cannot be taken.

The authorisations given to the unemployment benefit agreement of 14 May 2014 and the related agreement of 14 April 2017 illustrate this situation: whereas the unemployment insurance scheme is in deficit, the State approved the provisions of the agreement negotiated by the social partners even though in the economic context, those provisions could not be applied without recourse to borrowing by the Issuer, illustrating the fact that the

¹Art. L. 5422-21 *Code du Travail*.

²Art. R.5422 -16, para. 2 *Code du Travail* .

³Art. L. 5422-12 *Code du Travail* .

⁴Conseil d'Etat, 11 July 2001, req. [application] No. 224586 and following.

⁵Art. L. 5427-7 *Code du Travail* .

⁶Art. L. 5427-6 *Code du Travail* .

government authorities provide the support for the undertakings subscribed by the Issuer, where those undertakings are made with due regard to the prospects for restoring the Issuer's financial situation in the medium term.

Conformity and extension of the unemployment benefit agreement of 14 May 2014

As a consequence of the cancellation of a specific provision of the general rules (*règlement général*) attached to the unemployment benefit agreement pertaining to the “deferred compensation” measure, the Conseil d’Etat, by a decision dated 5 October 2015, cancelled the Order (“*Arrêté*”) dated 25 June 2014 approving the agreement of 14 May 2014 with effect as of 1 March 2016, as further described in the paragraph “*Legislation governing the Issuer’s activities*” in section “*Description of the Issuer*” below. The social partners held a meeting on 18 December 2015 in order to bring the agreement of 14 May 2014 into compliance with the law by way of amendment in view of a new approval of the agreement. This amendment agreement was executed on 18 December 2015 and entered into force on 1 March 2016.

The unemployment benefit agreement of 14 May 2014 was entered into for a fixed term between 1 July 2014 and 30 June 2016. The implementation measures for the unemployment benefit scheme are established by Decree (“*Décret*”) at Conseil d’Etat in the absence of an agreement between the social partners on the terms of new unemployment benefit agreement. Pursuant to Article L. 5422-20 of the Labour Code and in the absence of any such agreement between the social partners, the implementation measures for the unemployment benefit scheme were established under the terms of Decree no. 2016-869 of 29 June 2016, superseded by Decree no. 2016-8669 of 13 July 2016, relating to the unemployment benefit scheme for workers made redundant involuntarily which, in their version applicable as of 30 June 2016 and with the exception of the provisions or stipulations they contain concerning their period of application, provides for the extension of agreement of 14 May 2014 and of the general rules appended to the said agreement until the coming into force of the Order implementing a new unemployment benefit agreement agreed by the social partners⁷.

Adoption of the new unemployment insurance agreement of 14 April 2017

A new unemployment benefit agreement was agreed on 14 April 2017 by the social partners. The unemployment benefit agreement of 14 April 2017 was approved by Order issued by the Minister of Employment, Vocational Training and Social Dialogue dated 4 May 2017, notably pursuant to the provisions of Article L.5422-20 to Article L.5422-23 of the Labour Code. The agreement and its annexes establish the implementation measures of the unemployment benefit scheme with effect from 1 October 2017 for a duration of 3 years, namely until 30 September 2020.

The main changes made to the unemployment benefit scheme by the agreement of 14 April 2017 notably concern (i) calculation of unemployment benefit, now based on the number of days worked (regardless of the term of the employment contracts, with a uniform requirement of the number of days worked for entitlements to commence), (ii) modification of the maximum benefit duration for unemployed people aged over 50 (progressive scale from 24 months to 36 months maximum for unemployed people aged over 55), (iii) specific benefit deferral in the event of supra-legal indemnities being paid (reduced from 180 to 150 days), (iv) creation of a temporary extraordinary contribution for a maximum period of 3 years (i.e. until 30 September 2020 at the latest) at the rate of 0.05% and exclusively payable by the employer, and (v) withdrawal of the current modulation of employers’ contributions to unemployment benefit for fixed-term contracts.

At its meeting held on 31 January 2018, the Board of Directors of Unédic recorded that no difficulty had been observed with the operational implementation of these new rules.

Applicability of Article L. 213-15 of the Monetary and Financial Code

Article L. 213-15 of the Monetary and Financial Code provides in particular that when, as a result of the cumulative losses recognised in the accounting records, the net worth of a non-profit association has fallen by more than half of the amount outstanding at the end of the financial year preceding that of the issue, the general meeting, the Board of Directors for purposes of the Issuer since under the Articles of association that Board exercises the powers and duties usually assigned to the general meetings must meet within four months of the approval of the financial statements recording such losses, for the purpose of deciding whether to continue the association’s activity or to dissolve it.

⁷ Decree no. 2016-869 of 13 July 2016 was taken to integrate within the general rules appended to the amended agreement of 14 May 2014 the provisions of the joint agreement of 28 April 2016 and its amendment of 23 May 2016 relating to intermittent workers in the entertainment industry.

If it is decided not to dissolve, the association is required, no later than the end of the second financial year following the one in which the losses were recognised, to reconstitute its net worth.

In the event of the activity continuing, but without the net worth being reconstituted within the required time limit, or failing any valid decision as to whether the association's activity should be continued, the association is no longer entitled to issue new securities and any holder of securities already issued may apply to the courts for immediate refund of the whole outstanding amount. The court may nevertheless grant the association 6 months in which to remedy the situation; the court may not order immediate reimbursement if, on the date of its ruling on the merits, the situation has been remedied.

However, investors' attention is drawn to the fact that the applicability of Article L. 213-15 of the Monetary and Financial Code depends on several factors, which remain undetermined at the date of this Base Prospectus, in particular the following: (i) the change in the amount of the Issuer's net worth compared with the amount obtained at the end of the financial year preceding that of the issue (in continual decline since 2008 yet without net worth falling by more than one-half from one period to the next, with the exception of financial year 2010), and (ii) the maturity periods of the issues to be carried out under the Programme detailed in this Base Prospectus.

Article 107§2 of the law No.2004-1485 of 30 December 2004 (French *loi de finances rectificative pour 2004*) provides that the loss of the right to issue new securities and the option offered to any holder to apply to the courts for immediate refund of the whole amount issued is not applicable to the Issuer's issues when such issues benefit from the guarantee of the French State. Pursuant to Article 82 of the law No. 2017-1775 of 28 December 2017 (French *loi de finances rectificative pour 2017*), the Minister for Economy has been expressly authorized to grant the guarantee of the French State to the borrowings subscribed by the Issuer in 2018, in terms of principal and interest, subject to a maximum overall amount of €4.5 billion in principal. Pursuant to Article 122 of the law No. 2016-1918 of 29 December 2016 (French *loi de finances rectificative pour 2016*) and Article 105 of the law No. 2015-1786 of 29 December 2015 (French *loi de finances rectificative pour 2015*), the Minister for Economy was expressly authorized to grant the guarantee of the French State to the borrowings subscribed by the Issuer, in terms of principal and interest, subject to a maximum amount of €5 billion in principal (for the borrowings subscribed in 2017) and of €5 billion in principal (for the borrowings subscribed in 2016). It results from the preliminary discussions over these legal texts that the members of the *Assemblée Nationale* (French National Assembly) and of the *Sénat* (French Senate) intended by these articles to avoid application of the provisions of the second sentence of Article L. 213-15§6 to any issues that could be made by the Issuer within the limits above mentioned. Although not automatic, the guarantee of the French State was thus granted to the Issuer's bonds issues subscribed in 2017 by Order ("*Arrêté*") of the Minister of the Economy and Finance of 6 March 2017 and to the Issuer's bonds issues subscribed in 2018 up to €2 billion by Order ("*Arrêté*") of the Minister for the Economy and Finance of 10 April 2018, it being specified that a new guarantee tranche (up to 2.5 billion euros) must be granted by the Minister of the Economy and Finance for the Issuer's bond loans in excess of the limit established by Order dated 10 April 2018.

A large proportion of the Issuer's activities is carried out by Pôle Emploi and by the Agence centrale des organismes de sécurité sociale (Acos) on behalf of the Issuer

Under the terms of the two agreements between the Issuer and Pôle Emploi dated 19 December 2008 and of the quadripartite agreement executed between the Issuer, Pôle Emploi, the AGS (Association for the management of the unemployment insurance scheme of the employees creditors "*Association pour la gestion du régime d'assurance des créanciers des salaires*") and Acooss on 17 December 2010, Pôle Emploi and Acooss perform a number of missions on the Issuer's behalf, which actually constitute the Issuer's operational activities. It should be pointed out that Pôle Emploi is a public body created on 19 December 2008.

Pôle Emploi and Acooss (for the majority of employees via the urssaf network) collect the contributions payable under the unemployment insurance scheme and the contributions payable under the scheme for guaranteeing amounts payable to employees, as well as paying unemployment benefit to jobseekers.

Accordingly, investors' attention is drawn to the fact that these Issuer's operational activities are performed by third parties which the Issuer's main role consists of prescribing. The Issuer has nevertheless created structures to control such operational risks, enabling it within the framework of negotiated agreements, to carry out the necessary controls to check compliance with the rules it prescribes, with respect to unemployment benefit payments and to the rates and bases of unemployment insurance contributions.

Possible changes to the unemployment benefit scheme within the context of reforms announced by the government

In late 2017, consultation on unemployment benefits was initiated by the French government, notably covering the possibility of the benefit scheme being widened to include populations not currently covered (self-employed workers and those having resigned from their posts) and developing the scheme's modes of financing and governance.

At the request of the government, the social partners negotiated and published a national inter-professional agreement dated 22 February 2018 on the reform of unemployment benefits within the framework of the roadmap forwarded to them by the government on 14 December 2017.

The agreement of 22 February 2018 includes four main measures and themes:

- Creation of a right to receive benefit for those who resign from their posts ("AREP"): the objective is to offer security to those resigning from their posts who are pursuing a professional development project. Employees may be entitled to AREP, the amount and duration of which would be equivalent to the benefits entitlement under ordinary law, if they are able to demonstrate (i) the existence of a professional retraining project requiring new qualifications or additional training following validation of prior experience, (ii) a minimum affiliation period to the benefit scheme of 7 uninterrupted years constituted under the previous posts occupied, and (iii) effective resignation from their post. Furthermore, the social partners are scheduled to meet every 12 months to verify the financial equilibrium of the measure and to discuss any required adjustments to prevent it from significantly exceeding the lower cost limit estimated by Unédic (180 million euros per year).
- Inclusion of self-employed workers: a working group will be established by the social partners in order to look into this matter and to propose regulatory changes. The agreement of 22 February 2018 states that covering situations where the self-employed have no work would call for the introduction of a specific financial contribution or, failing this, a state-backed scheme financed out of taxes and distinct from unemployment benefits for salaried workers, providing for a specific benefit. The conclusions of the working group are scheduled to be issued before the end of 2018.
- Moderation of the use of short-term contracts: all of the professional branches should commence negotiations in order to determine how best to establish long-term employment. An agreement or report on the conclusions is anticipated before 31st December 2018.
- Development of governance and management: reaffirming their support for the collaborative nature of the scheme, the social partners have no plans to question the current organisation yet wish to clarify responsibilities and to work towards more harmonious interaction between solidarity policies and unemployment insurance.

The government has confirmed the missions of Unédic while adapting the scope of the unemployment insurance scheme in accordance with the following principles, as specified in the draft legislation entitled "In support of the freedom to choose one's own professional future", published by the Ministry of Employment on 6 April 2018:

- Introduction of benefit entitlement for those resigning from their posts, creating a new legal basis for legitimate and "equivalent" resignations;
- Introduction of a new benefit entitlement for self-employed workers.

The evolution of the unemployment benefit schemes will be ratified via legislation based on a draft bill entitled "In support of the freedom to choose one's own professional future" which is scheduled to be presented to parliament in June, in parallel to negotiations with the social partners and inter-professional negotiations on long-term employment and the rules covering the cumulation of employment and unemployment. Within the context of the legislative developments, the French government reserves the right to intervene by way of Decree in the field of unemployment insurance prior to the next negotiations scheduled for 2020.

Regarding the governance of Unédic, the draft bill retains the responsibilities of the social partners in the definition of regulations but, prior to the negotiation of unemployment insurance agreements, provides for the introduction of financial scoping specifying the future financial objectives, the deadline for the conclusion of negotiations and, as applicable, the objectives for any development of the rules governing the unemployment insurance scheme.

Any decisions relating to possible changes to the unemployment insurance scheme likely to affect the Issuer will lead to an update of this Base Prospectus.

Accounting principles, rules and methods of the Issuer

The annual financial statements of the Issuer (consisting of the balance sheet, income statements and notes) are prepared in accordance with the chart of accounts for the unemployment insurance scheme approved by the Conseil National de la Comptabilité on 9 January 1995 (declaration of conformity no. 79). They take into account the specific aspects of the declarative nature of unemployment insurance. Unemployment insurance is a specific pay-as-you-go scheme.

The Issuer "consolidates" all of the accounts of the unemployment insurance institutions. In a strictly legal sense, "consolidates" equates to a "combination" of accounts in accordance with regulation no. 99-02 of the Conseil National de la Comptabilité. The accounting principles, rules and methods of the Issuer are set out in more detail in its financial report (see section entitled "Documents incorporated by reference").

The financial assessment of the Issuer by investors must take this specific form of accounting into consideration.

Liquidity risk

The liquidity risk vis-à-vis the Issuer would arise should the latter not have adequate funds to honour its commitments. The liquidity risk is permanently hedged by proactive management of liquidities and access to diversified sources of financing, both in the long term (EMTN programme totalling 37 billion euros) and in the short term (medium-term note programme totalling 8 billion euros and short-term note programme totalling 10 billion euros).

Exchange rate risks

The Issuer maintains a sound policy with respect to the management of the interest rate risk and the exchange rate risk. The Issuer uses or shall use standard interest rate hedging instruments in the case of an issue of floating rate Notes and concludes or will conclude euro currency swap agreements in the case of an issue of Notes in foreign currencies. See the paragraphs entitled "Risks related to fluctuations in interests rates and inflation" and "Exchange rate and exchange control risks" from the section below entitled "Risk factors relating to the notes and to the market".

2. Risk factors relating to the Notes and to the market

The following paragraphs describe the principal risks factors that the Issuer believes are material with respect to the Notes in order to assess the risks associated with these Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investments in a specific Series of Notes and the suitability of such investment in light of their particular circumstances.

Prescription of the Guarantee

The limitation period applicable to the guarantee of the French State is different from the one applicable to the Notes.

Pursuant to Article 1 of law no. 68-1250 dated 31 December 1968 on prescription periods including those relating to claims on the French State, any demand for payment by the French State, and therefore including demands for payments pursuant to the Guarantee, is extinguished following a period of four (4) years as from the 1st of January in the year following the date on which the guaranteed amounts become due. No claim for payment in respect of the Guarantee instituted after that date could be honoured. Pursuant to French law as at the date hereof, the State's assets cannot be seized and cannot be the subject of private law enforcement proceedings in France. Consequently, should the Issuer default, Noteholders may not instigate any private-law enforcement proceedings or any seizure proceedings in France against the assets or property of the State.

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from their respective due date.

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful assessment of the Notes, the merits and risks of investing in the relevant Notes and the information contained in this Base Prospectus or in any supplement to this Base Prospectus as well as in the relevant Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its own financial position and of its sensitivity to the risk, an investment in the relevant Notes and the impact the relevant Notes may have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the prospective investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to assess (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate or any other factor that may affect its investment and its ability to face the applicable risks.

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

Each prospective investor should consult its own legal, tax, accounting and/or financial advisers before investing in the Notes.

Legal restrictions may limit certain investments

Certain prospective investors are governed by investment laws and regulations, or by examinations or regulations from certain regulatory or controlling authorities. Such prospective investors shall consult their legal advisers to determine if and how (1) the law authorises them to invest in the Notes, (2) the Notes may be used as a security for other types of borrowings, and (3) if other restrictions relating to the Notes are applicable. The financial institutions shall consult their legal advisers or the relevant regulatory authorities to determine the treatment applicable to the Notes with respect to balanced equity ratios depending on risks and other similar rules.

The decision to invest in the Notes should depend on the investor's sole judgment

A prospective investor cannot rely on the Issuer, the Dealers or their respective affiliates (nor on their employees, directors, officers or external advisers) for determining the legality of his investment in the Notes, nor for appreciating the risk factors mentioned in this section. The Issuer, the Dealers or their respective affiliates (as well as their employees, directors, officers and external advisers) are not responsible for the compliance by a prospective investor with the applicable legislation and regulation when investing in the Notes, whether such laws come from the jurisdiction where he is registered or, if different, from the one where it operates its business, nor is he responsible for the compliance by such prospective investor with the laws, regulations or recommendations applicable to him.

The debt securities market can be volatile and negatively impacted by many events

The market for debt securities is influenced by economic and market conditions and, to varying degrees, by interest, exchange and inflation rates in other European and industrialized countries. There can be no guarantee that events in France, Europe or elsewhere will not create market volatility or that such volatility will not negatively impact the market value of the Notes or that economic and market conditions will not have some other negative effect.

Investors will not be able to calculate in advance the yield rate on Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that the interests income of the Floating Rate Notes cannot be anticipated. As a result of the variation in interest incomes, investors cannot determine a given yield of the Floating Rate Notes at the time of purchase. Therefore, the return as their investments cannot be compared to that of investments having longer fixed interest periods. If the terms and conditions of the Notes determine frequent dates for payment of interest, the investors are exposed to the risk of reinvestment if the trading interest rates shall decrease. In such case, investors may only reinvest their interest income at the lowest interest rate in force at that time.

An active market for the Notes may not develop or continue

There can be no guarantee that an active market for the Notes will develop or, if one does, that it will continue. If an active market for the Notes does not develop or does not continue, the market price and liquidity of the Notes may be negatively affected. As a result, investors might not be able to easily sell their Notes or to sell them at a price that would offer a yield on similar products for which an active market would have developed.

The Issuer has the right to purchase Notes pursuant to the terms defined in Condition 7(e) and the Issuer may issue new Notes, pursuant to the terms defined in Condition 13. Such transactions may affect the course of the price of the Notes, either positively or negatively. The introduction of additional or competing products on the markets could negatively affect the value of the Notes.

The Notes may be redeemed prior to maturity

If at the time of repayment of principal or interest, the Issuer is obligated to pay additional amounts pursuant to Condition 9(b), it may then, pursuant to Article 7(d), redeem all the Notes at the Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date established for redemption. The terms and conditions of redemption for tax reasons are specified in Article 7 (d) (ii) and in Article 9 (b).

Any early redemption option for the benefit of the Issuer, provided in the Final Terms for a given Issue of Notes may result, for the Noteholders, in a yield that is considerably lower than anticipated.

The Final Terms for a given Tranche may provide an early redemption option for the benefit of the Issuer. As a result, the yield at the time of redemption may be lower than anticipated by Noteholders and the value of the amount of the Notes redeemed may be lower than the Noteholder's purchase price. As a result, part of the Noteholders' capital invested could be lost which means Noteholders might not receive the full amount of the capital invested if they had paid a purchase price greater than par. Furthermore, in case of early redemption, Noteholders who choose to reinvest the funds they receive might only be able to reinvest in financial instruments with yields below those of the redeemed Notes.

Early partial redemption by the Issuer or Noteholders may affect the liquidity of the Notes of a given Series for which the option has not been exercised.

Risks related to fluctuation in interest rates and inflation

It cannot be guaranteed that the market value of Fixed Rate Notes will not be adversely affected by future fluctuations on the interest rate market or by inflation.

Exchange rate and exchange control risks

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Final Terms (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 risks notably consist in exchange rates significantly changing (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and in authorities with jurisdiction over the Investor's Currency imposing or modifying exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes in the Investor's Currency, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities having jurisdiction on the Specified Currency or the Investor's Currency may impose (as some have done in the past) exchange control measures that could adversely affect exchange rates. As a result, investors may receive lower interest or principal amounts than anticipated, or even no interest or principal at all.

Credit risks of the Issuer

Potential investors are exposed to the credit risk of the issuer. Credit risk shall be taken to mean the risk of the Issuer being unable to meet its financial obligations under the Notes, giving rise to a partial or full loss by the investor. However, such risks should be viewed within the context of the status of the Issuer.

Potential Conflicts of interest

Each of the Dealers and their affiliates have or may in the future engage, in their ordinary course of business, in commercial or financial advisory dealings with the Issuer in relation to the securities issued by the Issuer. In their ordinary course of business, each of the Dealers and their affiliates have or may in the future (i) perform investment, trading or hedging activities, including brokerage business or derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by the Issuer or (iii) act as financial advisers to the Issuer. In the context of these transactions, each of the Dealers and their affiliates hold or may hold shares or other securities issued by the Issuer, in which case, each of the Dealers and their affiliates receive or may receive customary fees and commissions for these transactions.

In addition, the Issuer and each of the Dealers may engage in transactions involving an index or derivatives based on or related to the Notes, which may affect the market price, liquidity or value of the Notes and which could be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the Calculation Agent, as the case may be, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

Risk relating to credit ratings

Independent credit rating agencies may assign credit ratings to the Notes issued under the Programme in addition to the credit ratings that may be assigned to the Issuer itself. Such ratings do not necessarily reflect the potential impact of the risk factors described in this section, and other risk factors that may affect the value of the Notes issued under the Programme. A credit rating does not constitute a recommendation to buy, sell or hold Notes and may be revised, suspended, modified or withdrawn by the rating agency at any time.

Modification of the Terms and Conditions of the Notes

The Noteholders will be grouped automatically for the defence of their common interests, for each Tranche of the same Serie, in a Masse, as defined in Condition 12 of the Terms and Conditions of the Notes "Representation of the Noteholders", and a general meeting of Noteholders can be held. The terms and conditions of representation of the Noteholders permit in certain cases to bind all Noteholders who did not attend the relevant general meeting or who voted in a manner contrary to the majority by the vote of Noteholders who did attend the relevant general meeting or had been represented.

The general meeting of Noteholders may, deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Taxation

The European Commission has proposed on 14 February 2013 a Directive implementing a close cooperation in relation to the tax on financial transactions which, if adopted, could enforce a tax on the financial transactions related to the Notes.

In addition and more generally, potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial notes such as the Notes.

In accordance with Directive 2011/16/EU of 15 February 2011 as regards Administrative Cooperation in the field of Taxation, as amended by Directive 2014/107/EU of 9 December 2014 and subsequently by Directive 2015/2376/EU of 8 December 2015 to bring European law in line with the standards set by the Organization for Economic Co-operation and Development ("OECD") (the "**Administrative Cooperation Directive**"), member States have to comply with a certain number of obligations regarding mandatory automatic exchange of information in the field of taxation since 1 January 2016.

Pursuant to Article 1649 AC of the French *Code général des impôts* transposing the Administrative Cooperation Directive, any account holder, any insurance or equivalent institution as well as any other French financial institution shall disclose the requested information, not only to comply with the agreements entered into by France permitting an automatic exchange for tax purposes, but also to comply with Article 8, 3bis, of the Administrative Cooperation Directive (for this purpose, information regarding in particular the account, the identity of any person subject to disclosure who holds the account, or who controls the account through an entity, as well as its taxpayer identification number (TIN) shall be reported).

Potential investors are advised not to rely upon the tax summary contained in this Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, remuneration, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the section "Taxation" of this Base Prospectus and the relevant Final Terms, if any.

Change in legislation

The Terms and Conditions of the Notes and the provisions relating to the Guarantee are governed by French law as at the date of this Base Prospectus. No representation is made as to the impact of a judicial or administrative court decision or a change in French laws or regulations (or the manner in which they are construed by competent authorities) as of any later date.

Risks relating to Notes related to benchmark indexes

The Euro Interbank Offered Rate ("**EURIBOR**"), the London Interbank Offered Rate ("**LIBOR**") and other indexes considered to be benchmark indexes are subject to national and international regulations, recent regulatory developments and draft reforms. Certain of these reforms have already come into force, whereas others are awaiting implementation. These reforms could affect the performance of the benchmark indexes, cause them to be withdrawn or have other unforeseeable consequences. All such consequences could have a negative impact on the Notes related to a benchmark index.

Regulation (EU) 2016/1011 (the "**Regulation on Benchmark Indexes**") was published in the Official Journal of the EU on 29 June 2016 and most of the provisions came into force on 1 January 2018. The Regulation on Benchmark Indexes applies to the provision of benchmark indexes, the provision of data underlying a benchmark index and the use of a benchmark index within the EU. The Regulation on Benchmark Indexes (i) will require administrators of benchmark indexes to be approved or registered (or, if located outside the EU, to be recognised or receive an endorsement or equivalent), and (ii) prohibits the use by entities supervised at European level of benchmark indexes provided by non-approved or unregistered administrators (or, if located outside the EU, those without recognition or not having received an endorsement).

The Regulation on Benchmark Indexes could have a material impact on the Notes related to a rate or index considered to be a benchmark index, notably if the methodology or other structural aspects of the benchmark index are modified in order to comply with the requirements of the Regulation on Benchmark Indexes. The potential effects of any such modifications include a reduction, increase or change in the published rate or the level of the benchmark index.

On 27 July 2017, the Chief Executive of the UK Financial Conduct Authority ("**FCA**"), which regulates LIBOR, announced his intention to cease asking or requiring banks to submit rates for calculating LIBOR from 2021 (the "**FCA Announcement**"). The FCA Announcement states that the calculation of LIBOR on the current basis

cannot be guaranteed after 2021. The potential elimination of the LIBOR benchmark index or of any other benchmark index, or a change in the manner in which such indexes are administered, could require the terms of the Notes of a Tranche in circulation to be modified, which in turn could necessitate a general meeting of the Noteholders of the Notes of the Tranche in question, or some other form of collective decision, or give rise to other consequences, with regard to the Notes related to the benchmark index in question (including, but not excluding Variable Rate Notes whose interest rates are related to LIBOR). Any such consequence could have a negative impact on the value and yield of the Notes.

Investors should be aware that in the event of LIBOR being withdrawn or made unavailable, the interest rates of Variable Rate Notes that refer to LIBOR shall be established for the period in question in accordance with the clauses setting out alternative solutions applicable to the Notes. In accordance with the manner in which the LIBOR benchmark index must be established in the Terms and Conditions, in certain circumstances the alternative solution could (i) depend on the reference banks providing quotations proposed for the LIBOR benchmark index which, depending on the market conditions, may not be available at the desired time, or (ii) result in the application in practice of a fixed rate based on a rate applied to a previous period when LIBOR was still available. All the foregoing could have a negative impact on the value, liquidity or yield of Variable Rate Notes that refer to LIBOR.

Investors are invited to avail themselves of their own independent advice and to make their own assessment of the potential risks relating to reforms, investigations and approval issues arising out of the Regulation on Benchmark Indexes before investing in any Notes related to a benchmark index.

GENERAL DESCRIPTION OF THE PROGRAMME

The terms and expressions defined in the section entitled "Terms and Conditions of the Notes" below shall have the same meaning in this general description.

Unless stated otherwise, the Notes shall be issued in accordance with the Terms and Conditions of the Notes set out on pages 20 to 35, as supplemented by the relevant Final Terms agreed by the Issuer and the Dealer(s) concerned. The following section must be read subject to the other information contained in this Base Prospectus.

Issuer:	Unédic
Guarantee:	If the relevant Final Terms state that the Notes benefit from a guarantee provided by the French State, all payments in principle and interest due from the Issuer vis-à-vis the Guaranteed Notes shall benefit from a guarantee provided by the French State under the terms set out in the section entitled "Description of the Guarantee" and in the relevant Final Terms.
Programme:	Euro Medium Term Note Programme. The Notes constitute <i>obligations</i> (bonds) within the meaning of French law.
Dealers:	The programme does not lead to any permanent appointment of dealers. The Issuer reserves the right to nominate dealers on an ad hoc basis for one or more Tranches. All references in this Base Prospectus to " Dealers " shall mean any person designated as a dealer for one or more Series or Tranches.
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services. Euroclear France Participant Code: 29106
Maximum Amount of the Programme:	The aggregate nominal amount of Notes outstanding at any given time shall not exceed 37,000,000,000 euros (or the equivalent amount in another currency, calculated as of the issue date).
Method of issue:	The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series "), where each Series shall be composed of one or more tranches (each a " Tranche ") issued at different issue dates. The Notes of each Series are interchangeable with all other notes of that Series, the specific terms of each Tranche issued from one Series being identical to the terms of the other Tranches of such Series (other than in respect of the issue date, issue price and nominal amount of the tranche). The specific terms of each Tranche will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms supplementing this Base Prospectus.
Form of the Notes:	The Notes will be issued in dematerialised form and may, at the option of the Issuer, be issued in bearer form (<i>au porteur</i>) or in registered form (<i>au nominatif</i>), and in such latter case, at the option of the relevant Noteholder, either in fully registered form (<i>au nominatif pur</i>) or in administered registered form (<i>au nominatif administré</i>). No physical document evidencing title to the Notes will be issued in respect of the Notes.
Issue price:	The Notes may be issued at par, below par or with an initial premium, as specified in the relevant Final Terms.

Maturities:	Subject to compliance with all relevant laws, regulations and directives, Notes shall have a maturity of at least one (1) month (inclusive) from the date of original issue, as provided for in the relevant Final Terms. The maximum maturity of the Notes is fifteen (15) years.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euros, US dollars, Japanese yen, Swiss francs, pounds sterling or in any other currency agreed between the Issuer and the relevant Dealer(s).
Nominal value:	The Notes shall have the nominal value specified in the relevant Final Terms, it being understood that there may only be one nominal value per Series. Notes admitted to trading on a Regulated Market shall have a unit nominal value of at least 100,000 euros (or the equivalent value in other currencies) or of any higher amount that may be authorised or required by the relevant monetary authority or by any law or regulation applicable to the Specified Currency.
Rank of the Notes:	Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured debts and guarantees of the Issuer.
Negative pledge:	The Terms and Conditions of the Notes include a negative pledge, as more fully described in Condition 4 of the Terms and Conditions of the Notes, "Negative Pledge".
Events of default:	The Terms and Conditions of the Notes include events of default, as more fully described in Condition 10 of the Terms and Conditions of the Notes, "Events of Default".
Redemption amount:	Subject to any applicable laws, regulations and directives, the relevant Final Terms will specify the basis for calculating the redemption amounts payable.
Optional redemption:	The relevant Final Terms will state whether the Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and, if so, the terms applicable to such redemption.
Early redemption:	Except as provided for in the paragraph entitled "Optional Redemption" above, Notes will only be redeemable at the option of the Issuer prior to their stated maturity in instances provided for in Condition 7 of the Terms and Conditions of the Notes, "Redemption, purchase and options".
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The Notes may have a maximum interest rate, a minimum interest rate (as defined in the relevant Final Terms, as the case may be) or both. The use of Interest Accrual Periods permits the Notes to bear interest at different rates in the same interest period (see section 6 "Calculation of interest and other calculations" in the Terms and Conditions of the Notes). All such information will be set out in the relevant Final Terms.
Fixed Rate Notes:	Interest on Fixed Rate Notes will be payable in arrears on the date or dates specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) On the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency, in accordance with the *Convention Cadre FBF* of 2007 as published by the Fédération Bancaire Française; or
- (ii) On the same basis as the floating rate applicable to a notional interest rate swap transaction in the relevant Specified Currency, governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (iii) On the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, but not limited to, EURIBOR, EONIA and LIBOR).

In each case, plus or minus any applicable margin, where calculations and interest periods shall be defined in the relevant Final Terms.

Redenomination:	Notes issued in any currency of any Member State of the European Union participating in the third stage of the Economic and Monetary Union may be redenominated into euros, as more fully provided for in Condition 1(d).
Consolidation:	Notes of one Series may be consolidated with Notes of another Series as more fully provided for in Condition 1(e).
Withholding tax:	All payments of principal or interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If under French legislation payments in principal or interest relating to any Note must be subject to any existing or future charge or withholding, as permitted under the law and save in certain limited circumstances, the Issuer undertakes to increase its payments such that Noteholders receive all of the amounts that would have been paid to them in the absence of any such charge or withholding. For a detailed description of the withholding tax, see the section entitled "Taxation".
Governing law:	The Terms and Conditions of the Notes and the Guarantee shall be governed by French law.
Clearing systems:	Euroclear France, acting as central depository, and/or any other clearing system that may be agreed upon by the Issuer, the Fiscal Agent and the relevant Dealer.
Initial delivery of Notes:	The <i>lettre comptable</i> relating to each Tranche of Notes shall be deposited with Euroclear France in its capacity as central depository at least one (1) Paris business day before the issue date of the said Tranche.
Admission to trading:	On Euronext Paris and/or any other regulated market in accordance with the Prospectus Directive or on any non-regulated market as specified in the relevant Final Terms. The relevant Final Terms may specify that a Series of Notes will not be admitted to trading on any market.
Rating:	The Issuer has been rated Aa2 (positive outlook) by Moody's Investors Service Limited since 22 September 2015 and AA (stable outlook) by Fitch France SAS since 18 December 2014.

Moody's Investors Service Limited and Fitch France SAS are 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, as modified.

The relevant Final Terms will specify (i) the rating of the Notes, if any (which will not necessarily be the same as the one assigned to the Issuer), and (ii), as applicable, whether or not such rating is issued by a rating agency 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, as amended.

A rating does not constitute a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the relevant rating agency.

Selling restrictions:

There are restrictions on the offer, sale or transfer of Notes and on the distribution of offering material in various jurisdictions, as more fully described in "Subscription and Sale". Regarding the offering and sale of a specific Tranche, additional selling restrictions may be specified in a supplement to this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) the 2015 and 2016 financial statements of the Issuer, in the French language, for the years ended 31 December 2015 and 2016, and
- (ii) the Terms and Conditions of the Notes included in the base prospectus dated 1 March 2011, having been granted the visa No 11-061 on such date by the AMF, the Terms and Conditions of the Notes included in the base prospectus dated 26 March 2012, having been granted the visa No 12-131 on such date by the AMF, the Terms and Conditions of the Notes included in the base prospectus dated 20 March 2013 having been granted the visa No 13-083 on such date by the AMF, the Terms and Conditions of the Notes included in the base prospectus dated 5 February 2014, having been granted the visa No 14-035 on such date by the AMF and the Terms and Conditions of the Notes included in the base prospectus dated 6 February 2015, having been granted the visa no. 15-046 on such date by the AMF, the Terms and Conditions of the Notes included in the base prospectus dated 24 February 2016 and granted visa no. 16-058 on this date by the AMF, and the Terms and Conditions of the Notes included in the base prospectus dated 17 March 2017 granted visa no. 17-100 by the AMF on this date.

In case of discrepancy between any statement included in the present Base Prospectus and any statement included in any document incorporated by reference, the statements of the present Base Prospectus shall prevail.

Copies of the documents incorporated by reference are available without charge (i) on the website of *la Direction de l'information légale et administrative* (www.info-financiere.fr), (ii) the website of the Issuer (www.unedic.org) and (iii) upon request at the registered office of the Fiscal Agent or Paying Agent during normal business hours so long as Notes are outstanding, as described in section "General Information" below.

A free English translation of the financial statements, for information purposes only, is available on the Issuer's website (www.unedic.org).

Information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below.

Cross-reference list

Information incorporated by reference (Annex IX of Regulation 809/2004/EC)	<i>Reference</i>	
	<i>2015</i> <i>Financial statement</i>	<i>2016</i> <i>Financial statement</i>
Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses <u>Historical Financial Information</u> <u>Financial Statements</u>		
- Consolidated Balance Sheet	Page 8-9	Page 8-9
- Consolidated Profit and loss account	Page 10	Page 10
- Notes	Pages 12-38	Pages 11-41
<u>Auditing of historical annual financial information</u> Statutory auditors' report	Pages 39-41	Pages 42-43

Information incorporated by reference	Reference
Terms and Conditions of the Notes included in the base prospectus dated 26 March 2012, having been granted the visa No 12-131 on such date by the AMF	Pages 18 to 34 of the base prospectus dated 26 March 2012, having been granted the visa No 12-131 on such date by the AMF
Terms and Conditions of the Notes included in the base prospectus dated 20 March 2013 having been granted the visa No 13-083 on such date by the AMF	Pages 19 to 35 of the base prospectus dated 20 March 2013 having been granted the visa No 13-083 on such date by the AMF
Terms and Conditions of the Notes included in the base prospectus dated 5 February 2014, having been granted the visa No 14-035 on such date by the AMF	Page 18 to 33 of the base prospectus dated 5 February 2014, having been granted the visa No 14-035 on such date by the AMF
Terms and Conditions of the Notes included in the base prospectus dated 6 February 2015, having been granted the visa No 15-046 on such date by the AMF	Page 18 to 33 of the base prospectus dated 6 February 2015, having been granted the visa No 15-046 on such date by the AMF
Terms and Conditions of the Notes included in the base prospectus dated 24 February 2016 and granted visa no. 16-058 on this date by the AMF.	Page 20 to 35 of the base prospectus dated 24 February 2016 and granted visa no. 16-058 on this date by the AMF.
Terms and Conditions of the Notes included in the base prospectus dated 17 March 2017 and granted visa no. 17-100 on this date by the AMF.	Page 21 to 36 of the base prospectus dated 17 March 2017 and granted visa no. 17-100 on this date by the AMF.

SUPPLEMENT TO THE BASE PROSPECTUS

In connection with Notes admitted to trading on a regulated market, any significant new factor or any mistake or inaccuracy relating to information included in this Base Prospectus, which would have significant influence on the assessment of the Notes and would occur or would be witnessed after the date of this Base Prospectus and before the beginning of the trading of the Notes on the said regulated market, shall be mentioned in a supplement to the Base Prospectus as provided by Article 212-25 of the General Regulation of the AMF.

Any supplement to this Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer (www.unedic.org) and (iii) any other relevant regulatory authority and will be available for review, without charge, at the normal business hours any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Fiscal Agent or Paying Agent, where copies may be obtained.

TERMS AND CONDITIONS OF THE NOTES

The following sets forth the basic terms and conditions of the Notes that, subject to later completion or amendment and as supplemented by the provisions of the relevant Final Terms, shall be applicable to the Notes (the "**Terms and Conditions**"). All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms of a given Tranche. References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below. References in the Terms and Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. References to "**Guaranteed Notes**" in the Terms and Conditions refer to the Notes benefiting from the guarantee of the French State.

The Notes are issued by Unédic (the "**Issuer**" or "**Unédic**") in series (each a "**Series**"), each Series including one or more tranches (each a "**Tranche**") with different issue dates. The specific terms of each Tranche (including the aggregate nominal amount, issue price, redemption price, and interest payable) will be determined by the Issuer and the relevant Dealer(s) and will be specified in the final terms of such Tranche (the "**Final Terms**").

The Notes are issued with the benefit of an agency agreement dated 16 May 2018 (as amended, the "**Agency Agreement**") and entered into between the Issuer and BNP Paribas Securities Services as fiscal agent and principal paying agent. The fiscal agent, the paying agent and the calculation agent (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agent**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent**".

For the purposes of these Terms and Conditions, "**Regulated Market**" means any regulated market located in a member state of the European Economic Area ("**EEA**"), as defined in the Directive 2004/39/EC.

1. Form, denomination, title, redenomination and consolidation

(a) Form

Notes will be issued in dematerialised form. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document evidencing title to the Notes (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

Notes will be issued, at the option of the Issuer, as described in the relevant Final Terms, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*), inscribed in the books of an Account Holder designated by the relevant Noteholder, or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Terms and Conditions, "**Account Holder**" means any intermediary institution entitled to hold securities accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

The Notes may be "Fixed Rate Notes" or "Floating Rate Notes" as specified in the relevant Final Terms.

(b) Denomination

Notes from a Series shall be issued in the denomination specified in the relevant Final Terms (the "**Denomination**"), it being understood that there can only be one Denomination per Series. Notes admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (inter alia, by Directive 2010/73/EU of the European Parliament and of the Council dated 24 November 2010, to the extent implemented in a Member State of the European Economic Area) (the

"**Prospectus Directive**") shall have a minimum denomination of at least €100,000 (or its equivalent in any other currency), or such higher amount as may be allowed or required by any relevant competent authority or any applicable laws or regulations applicable to the Specified Currency.

(c) **Title**

Title to the Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon registration of the transfer of the Notes in the accounts of the Account Holders. Title to Notes in fully registered form (*au nominatif pur*) shall only pass upon registration of the transfer of the Notes in the accounts maintained by the Issuer or by the Registration Agent.

Except as ordered by a judicial or administrative court decision or as required by applicable laws or regulations, the Noteholder (as defined below), shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or any interest in it, and no person shall be liable for so treating the Noteholder.

In these Terms and Conditions, "**Noteholder**" means the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes.

(d) **Redenomination**

The Issuer may (if so specified in the relevant Final Terms), on any date, without the consent of the holder of any Note by giving at least thirty (30) calendar days' notice in accordance with Condition 14 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "**EC**"), as amended from time to time (the "**Treaty**")) or events have occurred which have substantially the same effects (in either case, "**EMU**"), redenominate all (but not some only) of the Notes of any Series into Euros and convert the aggregate nominal amount and the Denomination set out in the relevant Final Terms accordingly as more fully described in the relevant Final Terms.

(e) **Consolidation**

Unless otherwise provided in the relevant Final Terms, the Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the redenomination date on giving not less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series denominated in Euro with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

2. Conversions and exchanges of Notes

Notes issued in bearer form (*au porteur*) may not be converted for Notes in registered form (*au nominatif*), whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

Similarly, Notes issued in registered form (*au nominatif*) may not be converted for Notes in bearer form (*au porteur*).

Notes issued in fully registered form (*au nominatif pur*) may, at the option of the relevant Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

3. Status

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4 below) unsecured

obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated debt of the Issuer.

4. Negative pledge

The Issuer represents, until all the Notes have been redeemed, that he will not grant or permit to subsist any security interest (*sûreté réelle*) (which includes any mortgage, pledge, charge, lien or other interest) upon all or part of its assets and revenues, present or future, to secure indebtedness of, or guaranteed by, the Issuer, and represented by bonds, commercial paper, other securities or other financial instruments within the meaning of Article L.211-1 of the French *Code monétaire et financier*, whether listed or not, unless the Notes are equally and rateably secured therewith.

5. Guarantee

Under Article 82 of the law no. 2017-1775 dated 28 December 2017 (French *loi de finances rectificative pour 2017*), the borrowing subscribed by the Issuer in 2018 may benefit from the guarantee of the French State in principal and interest, up to a maximum overall amount of €4.5 billion in principal.

The State Guarantee was therefore granted to the Issuer's bonds issued in 2018 in the amount of 2 billion euros (corresponding to an initial portion of the guarantee) by way of Order ("*Arrêté*") issued by the Minister for the Economy and Finance dated 10 April 2018, it being specified that a further portion of the guarantee (up to a maximum of 2.5 billion euros) must be granted by the Minister for the Economy and Finance for the Issuer's bond issues in excess of the limit set by the Order of 10 April 2018.

The Final Terms prepared in respect of any issue of Notes will specify whether or not the Notes will benefit from the guarantee of the French State (the "**Guarantee**"), pursuant to an Order ("*Arrêté*") of the Minister for the Economy and Finance, adopted pursuant to Article 82 of the above-mentioned law, under the terms described in "Description of the Guarantee" and in the relevant Final Terms.

The obligations of the French State under the Guarantee will rank *pari passu* with present, future, direct, unconditional, unsubordinated and unsecured obligations of the French State.

Pursuant to Article 1 of law no. 68-1250 dated 31 December 1968 on prescription periods including those relating to claims on the French State, any demand for payment by the French State, and therefore including demands for payments pursuant to the Guarantee, is extinguished following a period of four (4) years as from the 1st of January in the year following the date on which the guaranteed amounts become due. Under French law at the date of this Base Prospectus, the French State's assets cannot be subject to execution or other enforcement proceedings of private law in France.

6. Calculation of interest and other calculations

(a) Definitions

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

"**Benchmark**" means the reference rate as set out in the relevant Final Terms.

"**Business Day**" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (TARGET 2) (the "**TARGET System**") is operating (a "**TARGET Business Day**"),
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency,

- (iii) in the case of a Specified Currency and/or one (1) or more additional business centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

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

- (i) if "**Actual/365**", "**Actual/365-FBF**" or "**Actual/Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any calendar year; and
 - (B) if the Calculation Period is longer than the Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any calendar year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any calendar year,

in each case where

"**Determination Period**" means the period from and including a Determination Date in any calendar year to but excluding the next Determination Date, and

"**Determination Date**" means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;

- (iii) if "**Actual/Actual-FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
 - (x) the number of complete years shall be counted back from the last day of the Calculation Period;
 - (y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (iv) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (v) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve (12) 30-day months (unless (a) the last day of the Calculation Period is the

31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

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

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

the fraction is:

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

then:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

or

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)];$$

where:

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

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

- (viii) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve (12) 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);
- (ix) if "**30E/360-FBF**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following the exception:

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

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

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)].$$

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first (1st) day of the Interest Accrual Period to which such Interest Determination Date relates.

"**Euro-zone**" means the region comprised of member states of the European Union that have adopted the single currency in accordance with the Treaty.

"**FBF Definitions**" means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together the "**FBF Master Agreement**"), unless otherwise specified in the relevant Final Terms.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two (2) TARGET Business Days prior to the first (1st) day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first (1st) day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the relevant Final Terms for the Specified Currency prior to the first (1st) day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**Interest Payment Date**" means the date(s) specified in the relevant Final Terms.

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

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (formerly known as International Swap Dealers Association), unless otherwise specified in the relevant Final Terms.

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

"**Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Thomson Reuters ("**Reuters**")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate, as disclosed in the relevant Final Terms.

"**Rate of Interest**" means the rate of interest payable in respect of the Notes of a similar Series and that is specified in the relevant Final Terms or calculated in accordance with its provisions.

"**Reference Banks**" means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR or EONIA is the relevant Benchmark, shall be the Euro Zone and, if LIBOR is the relevant Benchmark, shall be London).

"**Relevant Date**" means, in respect of any Note, the date on which payment in respect of it first became due

or (if any amount due is unduly unpaid or its payment is unduly delayed) the date on which payment in full of the amount outstanding is made.

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR or EONIA, shall be the Euro Zone and, in the case of LIBOR, shall be London) or, if none is so connected, Paris.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **"local time"** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11:00 a.m. (Brussels time).

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Specified Currency" means the currency specified as such in the relevant Final Terms.

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6(c)(ii).

(b) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest calculated on its outstanding nominal amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, except as otherwise provided in the relevant Final Terms.

If a fixed amount of interest ("**Fixed Coupon Amount**") or a broken amount of interest ("**Broken Amount**") is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) Interest on Floating Rate Notes

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears (except if otherwise provided in the Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Business Day Convention: If a date referred to in these Terms and Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Following

Business Day Convention, such date shall be postponed to the next day that is a Business Day, (B) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (C) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

- (ii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in (i) the relevant Final Terms and/or (ii) the provisions hereafter relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

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

- (a) the Floating Rate is as specified in the relevant Final Terms and
- (b) the Floating Rate Determination Date is as specified in the relevant Final Terms

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Agent**" and "**Floating Rate Determination Date**" are translations of the French terms "*Taux Variable*", "*Agent*" and "*Date de Détermination du Taux Variable*", respectively, which have the meanings given to those terms in the FBF Definitions.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), ISDA Rate for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms,
- (b) the Designated Maturity is a period specified in the relevant Final Terms, and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity**, **Reset Date** and **Swap Transaction** have the meanings given to those terms in the ISDA Definitions.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided hereafter, the Rate of Interest shall be:
- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two (2) Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided hereafter, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided hereafter, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) Accrual of interest

Interest shall cease to accrue on each Note on the due date for redemption, unless on such due date payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before a potential court decision) at the Rate of Interest in the manner provided in this Condition to the Relevant Date.

(e) Margin, Rates of Interest, Maximum/Minimum Redemption Amounts and Rounding:

(i) Margin and Rates of Interest

If any Margin is specified in the relevant Final Terms (either (x) generally or (y) in relation to one (1) or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

(ii) Maximum/Minimum Redemption Amounts

If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, each of such Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless a higher Minimum Interest Rate is specified in the Final Terms, the Minimum Interest Rate shall be deemed to be zero.

(ii) Rounding

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (a) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (b) otherwise all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (c) all figures shall be rounded to seven figures (with halves being rounded up) and (d) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(f) Calculations

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

(g) Determination and publication of Rates of Interest, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts

The Calculation Agent or the Fiscal Agent, as the case may be, shall, as soon as practicable on such date as it may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of the Notes in respect with Condition 14 and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding. If any Reference

Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office, as appropriate, or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

7. Redemption, purchase and options

(a) Final redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) Redemption at the option of the Issuer, Exercise of Issuer's Options and Partial Redemption

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

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

The Redemption Option of the Issuer, may be effected either (i) by reducing the nominal amount of the Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of the Notes and, in such latter case, the choice between those Notes that will be fully redeemed and those that will not be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and relevant Regulated Market requirements.

(c) Early redemption

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 7(d) or 7(g) or upon it becoming due and payable as provided in Condition 10 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption unless otherwise specified in the relevant Final Terms.

(d) Redemption for taxation reasons

(i) If, by reason of any change in French law or regulation, or any change in the official application or interpretation of such law or regulation by French competent authorities, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 9(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than sixty (60) nor

less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 9(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent. The Issuer shall upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date, the date for redemption pursuant to such notice of Noteholders be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes or, if that date is passed, as soon as practicable thereafter.

(e) Purchases

The Issuer shall have the right at all times to purchase Notes in the open market or otherwise (including by tender offer) at any price, subject to the applicable laws and regulations.

All the Notes purchased by or on behalf of the Issuer may at its sole option, be held in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes, or cancelled in accordance with Condition 7(f), unless otherwise specified in the relevant Final Terms.

(f) Cancellation

The Notes purchased by the Issuer for cancellation will be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France. If so transferred or surrendered, the relevant Notes shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all rights relating to payment of interest and other amounts relating to such Notes). Any Notes so cancelled or, where applicable, transferred and surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(g) Illegality

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

8. Payments

(a) Method of Payment

Any Payment of principal and interest in respect of Notes shall (i) in the case of Notes in bearer form (*au porteur*) or administered registered form (*au nominatif administré*), be made by transfer to the account denominated in the Specified Currency of the relevant Account Holders for the benefit of the Noteholders

and, (ii) in the case of Notes in fully registered form (*au nominatif pur*), to an account denominated in the Specified Currency with a Bank (as defined below) designated by the relevant Noteholder. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

(b) Payments subject to applicable laws

All payments are subject to any applicable fiscal or other laws, regulations and directives but without prejudice to Condition 9. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) Appointment of Agents

The Fiscal Agent, the Paying Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus. The Fiscal Agent, the Paying Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent acts as an independent expert and, under no circumstances shall act as agents of any Noteholder (unless otherwise specified). The Issuer may at any time vary or terminate the appointment of the Fiscal Agent, any Paying Agent, any Calculation Agent or Registration Agent and appoint other Fiscal Agent(s), Paying Agent(s), Calculation Agent(s) or Registration Agent(s) or additional Paying Agent(s), Calculation Agent(s) or Registration Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent having specified office in one major European city (this city being Paris so long as the Notes are admitted to trading on Euronext Paris and that the rules applicable to that Regulated Market so require), (iii) one or more Calculation Agents if required by the Conditions (iv) in the case of Notes in fully registered form, a Registration Agent and (v) such other agent as may be required by the rules of any other Regulated Market on which the Notes may be admitted to trading.

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

(d) Business Days for payment

If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day unless otherwise specified in the relevant Final Terms, nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) on which Euroclear France is open for business, (ii) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "**Financial Centre(s)**" in the relevant Final Terms and (B) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a Bank in the Specified Currency, a day on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii), in the case of payments made in Euro, which is a TARGET Business Day.

(e) Bank

For the purpose of this Condition 8, "**Bank**" means a bank in the principal financial centre of the Specified Currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

9. Taxation

(a) Tax exemption

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

(b) Additional amounts

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders 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 :

(i) Other connection

to, or to a third party on behalf of, a Noteholder who is liable to such taxes or duties by reason of his having some connection with the Republic of France other than the mere holding of the Note; or

(ii) Payment to individuals

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any other conclusion of the ECOFIN Council on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Conditions to (a) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, and (b) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it.

10. Events of Default

The Representative (as defined in Condition 12), upon request of any Noteholder, or in the event no Representative has been appointed, any Noteholder, may, upon written notice addressed by registered letter with acknowledgment of receipt to the Fiscal Agent (with copy to the Issuer) given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice is received by the Fiscal Agent, if any of the following events (each an "**Event of Default**") shall occur:

- (i) default in any payment when due of principal of, or interest on, any of the Notes (including the payment of additional amounts mentioned in Condition 9) by the Issuer, and the continuance of any such default for a period of ten (10) calendar days thereafter; or
- (ii) default in the performance of, or compliance with, any other obligation of the Issuer under the Terms and Conditions of the Notes, if such default shall not have been remedied within twenty (20) calendar days after receipt by the Issuer of notice of such default given by the Representative (as defined in Condition 12) or a Noteholder; or
- (iii) one or more, present or future, indebtedness of the Issuer for borrowed money, whether individually or collectively in excess of Euro 200,000,000 (or its equivalent in any other currency), shall become or might become due and payable prior to its stated maturity as a result of a default thereunder by the Issuer, or if any such indebtedness shall not be paid when due or, as the case may be, at the expiry of any applicable grace period thereof, or if a security thereto is implemented, or in the event of a payment default of any amount in connection with a guaranteed debt of a third party by the Issuer; or
- (iv) if the Issuer is liquidated, dissolved, merged, split or absorbed, before full redemption of the Notes, except if the obligations of the Issuer under the Notes are transferred to the surviving entity pursuant to such liquidation, dissolution, merger, split or absorption, as the case may be;
- (v) if the Issuer proposes a general moratorium in relation to its debt within the framework of negotiations with its creditors in the context of any out-of-court proceedings, is subject to a safeguard procedure (*procédure de sauvegarde*) or applies for the appointment of a *conciliateur* or a *mandataire ad hoc* (except when such appointment is due to statutory requirements of the Issuer or to a management

assignment), or is subject to such an application, or enters into an amicable settlement (*procédure de conciliation*) with its creditors; or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer; or, to the extent permitted by applicable law, is subject to similar proceedings; or the Issuer makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, its creditors; or

- (vi) regarding only the Guaranteed Notes, if the Guarantee ceases to be valid or to be in full force and effect for any reason.

11. Prescription

Claims against the Issuer for payment of any sums payable with respect to the Notes shall be prescribed within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from their due date.

The prescription period applicable to the Guarantee is described in Condition 5.

12. Representation of Noteholders

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

In accordance with Article L.213-17 of the French *Code monétaire et financier*, the *Masse* will be governed by the provisions set out in articles L.228-46 to L.228-89 of the French *Code de commerce* applicable to associations and will act through an initial representative (the "**Representative**") and an alternate representative, whose names and remuneration with respect to such appointment will be specified in the relevant Final Terms.

13. Further issues

Unless otherwise provided in the relevant Final Terms, the Issuer may from time to time without the consent of the Noteholders create and issue further Notes to be assimilated (*assimilées*) with the Notes already issued provided such Notes and the further Notes carry rights identical in all respects (or identical in all respects save as to the issue date, issue price and first payment of interest specified in the relevant Final Terms) and that the terms of such Notes provide for such assimilation, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. Notices

- (a) Notices to the holders of Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) they are published in a leading economic and financial daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*). It is specified that so long as such Notes are admitted to trading on any Regulated Market and that the rules applicable to such Regulated Market so require, notices will only be deemed to be valid if they are published on the website of any relevant regulatory authority, in a leading economic and financial daily newspaper with general circulation in the city/ies where such Notes are admitted to trading, which in the case of Euronext Paris, shall be, *La Tribune* or *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.
- (b) Notices to the holders of Notes in bearer form (*au porteur*) shall be valid if published (i) in a leading economic and financial daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and (ii) so long as such Notes are admitted to trading on a Regulated Market and that the rules applicable to such Regulated Market so require, in a leading economic and financial daily newspaper with general circulation in the city/ies where such Notes are admitted to trading, which in the case of Euronext Paris, shall be, *La Tribune* or *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading economic and financial daily newspaper with general circulation in Europe. Any notice given to the Noteholders by publication 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 as provided above.

- (d) Notices required to be given to the Noteholders (whether in registered or in bearer form) (*au porteur* or *au nominatif*) pursuant to these Terms and Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 14(a), (b) et (c) above; provided that so long as such Notes are admitted to trading on any Regulated Market(s) and the rules applicable to that Regulated Market so require, notices shall also be published in a leading economic and financial daily newspaper with general circulation in the city/ies where such Notes are admitted to trading, which in the case of Euronext Paris, shall be, *La Tribune* or *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.

15. Governing law, language and jurisdiction

(a) Governing law

The Terms and Conditions of the Notes and the Guarantee are governed by, and shall be construed in accordance with, French law.

(b) Language

This Base Prospectus has been prepared in the English language, made available by the Issuer and in the French language, but only the French version shall be regarded as binding.

(c) Jurisdiction

Any claim against the Issuer in connection with any Notes or against the Guarantor in connection with the Guarantee may be brought before any competent court in Paris.

USE OF PROCEEDS

The net proceeds of the issue of Notes will be used to support the financing needs of the Issuer (as specified, as the case may be, in the relevant Final Terms), which is in charge of ensuring the performance of the unemployment insurance scheme in favour of employees, companies and the unemployed, by making sure that the operators shall apply the rules and provisions adopted by the social partners and in close cooperation with the later, within a perspective of a socially responsible management of the unemployment insurance scheme. The issuer's activity is further described in section "Description of the Issuer" below.

DESCRIPTION OF THE ISSUER

History and development of the Issuer

The Issuer is a jointly-managed body created under the National inter-industry agreement of 31 December 1958 to manage the unemployment insurance scheme. At that time, the scope of the unemployment insurance scheme was confined to the activity sectors represented on the Conseil National du Patronat Français (French national employers' association – CNPF). The scheme was progressively widened to include all trades and professions in the private sector. The following are the milestones in the widening of its scope:

1959	Inclusion of the industrial and commercial sectors represented on the Conseil National du Patronat Français (CNPF)
1967	Inclusion of all industrial and commercial sectors and optional membership for industrial and commercial public corporations (utilities)
1974 – 1977	Inclusion of the agricultural scheme
1979 – 1980	Inclusion of domestic servants and child minders
1987	Optional, revocable membership of local government and administrative public corporations other than those of the State, for non-established staff
1999	Optional, revocable membership of universities, major higher training institutions (grandes écoles) and scientific and technological public corporations

Issuer's corporate name and business name

The Issuer's name is "Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce - Unédic".

Registration place and number of the Issuer

The Issuer is registered with the Paris Trade and Corporate Register under the unique identification number 775 671 878 RCS Paris.

Formation and term of the Issuer

The Issuer filed its articles of association with the non-profit associations office of the Préfecture de police [police headquarters] on 23 January 1959 and began its activity on 5 February 1959. The Issuer was subsequently registered with the Paris Trade and Corporate Register on 20 January 1994 for an unlimited term.

Its financial year begins on 1 January and ends on 31 December each year.

Registered office, legal form, legislation governing the activities of the Issuer, country of origin, address and telephone number of the registered office

Legal form and registered office

The Issuer is a private-law, non-profit association formed under the non-profit association Act of 1 July 1901. The Issuer was instituted pursuant to the National inter-industry agreement of 31 December 1958 creating a national, inter-industry unemployment insurance scheme, signed between the national employers' organisations and the national trade-union organisations of employees, representative at inter-industry level.

The following is the contact information for the Issuer's registered office, 4 rue Traversière, 75012 Paris, France, tel.: +33 (0)1.44.87.64.00, website: www.unedic.org,

Legislation governing the Issuer's activities

The Issuer is governed by French law and in particular by the provisions of the non-profit associations Act of 1 July 1901 and by the provisions of the French *Code du Travail* and of the aforementioned national agreements concerning the unemployment-insurance institutions and the unemployment insurance scheme which apply to all employers in the private sector.

The Issuer implements the provisions of relevance to unemployment insurance.

- **Agreements concerning the unemployment insurance institutions**

The agreement of 31 December 1958 was succeeded by the agreement of 24 February 1984, then by that of 22 March 2001 relating to institutions concluded for an indefinite term, both maintaining the institutions created in 1958. The agreement of 22 March 2001 currently governs the Issuer's internal operation, supplementing its articles of association.

- **The unemployment insurance agreements**

Since 1984, the social partners have concluded unemployment insurance agreements for fixed terms to take account in particular the financial position of the unemployment insurance scheme. These agreements are then approved by the national authorities competent in employment matters to make those agreements binding upon all employers and employees in the private sector. The Issuer is tasked with the responsibility of implementing these unemployment insurance agreements.

The latest unemployment insurance agreement dated 14 April 2017, which replaces the previous agreement dated 14 May 2014, will be applicable, for most of its provisions, as from 1 October 2017.

Conformity and extension of the unemployment insurance agreement of 14 May 2014

The agreement of 14 May 2014 was aimed at (i) strengthening the security of the employees during the transition process between employment and unemployment to tackle precariousness, (ii) at further encouraging the recovery of employment, and more generally, (iii) at simplifying the rules in order to make them more readable. It provided, in particular, for new rules on refillable rights and on the combination of salary and unemployment benefit.

This agreement and the appended rules were approved by Order ("*Arrêté*") of the Minister of Labour and Social Dialogue dated 25 June 2014⁸.

By a decision dated 5 October 2015, the Conseil d'Etat cancelled three provisions of the general rules (*règlement général*) attached to the unemployment insurance agreement dated 14 May 2014 pertaining to (i) the recovering of overpayments' process, (ii) the consequences of the non-declared periods and (iii) to the inclusion of the compensation granted by the labour courts into the calculation of the specific deferred compensation.

The cancellation of the first two measures, as it does not affect the unemployment insurance agreement, took immediately effect and the relevant provisions were cancelled as they could not legally be formally approved. However, the provisions pertaining to the deferred compensation being one and indivisible with regard to the other provisions of the unemployment insurance agreement, the Conseil d'Etat decided on the cancellation of the unemployment insurance agreement in its entirety, as from 1 March 2016, in order to allow to take the measures necessary to ensure the continuity of the unemployment insurance scheme.

Therefore, the social partners held a meeting on 18 December 2015 in order to bring the agreement of 14 May 2014 into compliance with the law by way of amendment in view of a new approval of the agreement. This amendment agreement was executed on 18 December 2015 and entered into force on 1 March 2016.

The unemployment insurance agreement of 14 May 2014 was entered into for a fixed period between 1 July 2014 and 30 June 2016. The implementation measures of the unemployment benefit scheme are established by Decree ("*Décret*") at Conseil d'Etat in the absence of agreement between the social partners

⁸ Official Journal of the French Republic - JORF No. 0146 of 26 June 2014

on the terms of a new unemployment insurance agreement. In accordance with Article L. 5422-20 of the Labour Code and in the absence of an agreement between the social partners, the implementation measures of the unemployment benefit scheme have been established in accordance with the terms of Decree no. 2016-869 of 29 June 2016, superseded by Decree no. 2016-8669 of 13 July 2016, relating to the unemployment benefit scheme for workers made redundant involuntarily, which provides for the extension (in their version applicable as of 30 June 2016 and with the exception of the provisions or stipulations they contain concerning their period of validity) of the agreement of 14 May 2014 and of the general rules appended thereto until the entry into force of the Order ("*Arrêté*") approving a new unemployment insurance agreement agreed between the social partners.

Adoption of the new unemployment insurance agreement

A new unemployment insurance agreement was entered into on 14 April 2017 by the social partners. The unemployment insurance agreement of 14 April 2017 was approved by Order issued by the Minister of Work, Employment, Professional Training and Social Dialogue dated 4 May 2017⁹, notably in application of the provisions of Article L.5422-20 to Article L.5422-23 of the Labour Code. The agreement and the appended texts establish the implementation measures of the unemployment benefit scheme with effect from 1 October 2017 for a period of 3 years, until 30 September 2020.

New general rules are appended to this agreement, notably specifying the rules for granting benefits, measures to promote return to work and to safeguard careers, and the process applicable to benefit and support applications, to providing information to people made redundant and to the collection of contributions intended to finance unemployment insurance.

The main changes made to the unemployment benefit scheme under the agreement of 14 April 2017 notably concern (i) calculation of unemployment benefit, which is now based on the number of days worked (regardless of the duration of the employment contract, with uniform consideration being given to the number of days of work required to gain entitlement), (ii) modification of the maximum benefit period for unemployed people aged over 50 (progressive scale from 24 months to 36 months maximum for unemployed people aged over 55), (iii) specific benefit deferral in the event of supra-legal indemnities being paid (reduced from 180 to 150 days), (iv) creation of a temporary extraordinary contribution for a maximum period of 3 years (i.e. until 30 September 2020 at the latest) at the rate of 0.05% and exclusively payable by the employer, and (v) elimination of the current adjustment of employers' contributions to unemployment benefit for fixed-term contracts.

Recent events specific to the Issuer and significantly influencing assessment of its solvency

The number of salaried jobs covered by unemployment insurance rose sharply by +1.1% in 2016, i.e. by +219,000 jobs over one year, after a rise in 2015 (+123,000 jobs, i.e. +0.2%) and a fall in 2014 (-27,000 jobs, i.e. -0.1%). Meanwhile, the increase in the number of jobseekers indemnified by the unemployment insurance grew (based on updated data, +2.7% in 2016 after +7.6% in 2015 and +1.7% in 2014). Some 2.6 million of beneficiaries of the "back-to-work" allowance (*Allocation d'aide au retour à l'emploi –ARE*) were concerned on 31 December 2016 (CVS data for mainland France).

The moderate rise in payroll (*masse salariale*), the increase in the number of jobseekers receiving benefit and the corresponding rise in benefit payments have increased the debt of the unemployment insurance system in 2015:

- Benefit expenditure increased by 2.2 % in one year:

- + 3.6% for the "back-to-work" benefit (*Allocation d'aide au retour à l'emploi –ARE*);
- A slight reduction for other benefits.

- The proceeds from contributions increased mainly by the effect of the increase in the affiliated salaries in 2016 (+2.1%).

The difference between the contributions, benefits and other technical charges (excluding the *Pôle Emploi* contribution) is negative, at €569 million in 2016, comparable to 2015, i.e. 605 million euros. After including the contribution of the unemployment insurance to the operation of *Pôle Emploi* (€3,301 billion), the results of technical management comes to a deficit of €3.87 billion for 2016, stable compared to the 2015 deficit, i.e. 3.847 billion euros.

⁹ Official Journal of the French Republic – JORF no. 0107 of 6 May 2017

Issuer Rating

The Issuer is rated Aa2 (stable outlook) by Moody's Investors Service Limited and AA (positive outlook) by Fitch France S.A.S. The financial rating agencies Fitch France S.A.S. and Moody's Investors Service Limited had downgraded the Issuer respectively on 18 December 2014 and 22 September 2015, along with the sovereign rating downgrade for France decided by these agencies. The short-term ratings of P1 (issued by Moody's Investors Service Limited) and F1+ (issued by Fitch France S.A.S.) remained unchanged.

Overview of the Issuer's activities

Issuer's main activities

(A) Issuer's corporate object

Pursuant to Article 2 of its articles of association dated 31 January 2017, the corporate object of the Issuer is:

- (1) to manage or finance all compensation scheme regarding involuntary work-deprivation, loss-jobs prevention, jobs retention and national training programme and more generally all employment scheme;
- (2) to conduct all studies and research in the field of employment, nationally and internationally;
- (3) to liaise as necessary with the public services, agencies and bodies, principally regional joint representation bodies whose activity concerns employment and to provide its cooperation as necessary;
- (4) to provide the regional management joint representation bodies with the guidelines ensuring implementation of the unemployment insurance regulations and make available to them all information and more generally all useful points in order to achieve this task and follow-up those tasks delegated to the unemployment insurance's operators;
- (5) to respond to all requests of the regional joint representation bodies and, as the case may be, take all necessary follow-up measures;
- (6) in compliance with provisions of Law n°2008-126 of 13 February 2008 reforming the organisation of the public employment service, to take all initiatives conducive to the return to employment of workers deprived of work against their will;
- (7) to defend, with respect to any person not having the capacity of a member, the interests of the unemployment insurance scheme before any jurisdiction;
- (8) to ensure that all public employment service members correctly apply all devices entrusted for implementation by Unédic;
- (9) to promote the quality of the services provided to workers deprived of employment against their will and to businesses;
- (10) to access to all personal information collected by all public agencies and bodies entrusted by Unedic with a mandate or a delegation for management, statistical and control purposes;
- (11) to contribute expertise to all other members of the employment public services, particularly in all fields referred to by the present article,
- (12) to manage any plan or funds necessary to the performance of the missions that have been or will be assigned to it by law, by order or by an agreement between the social partners or by any agreement with another entity and of which it undertakes to comply with the regulation. For that effect, it provides for the economical, legal and social unity of each of these schemes and of the means deployed.

The Articles of association of the Issuer were amended by way of a decision of the Board of Directors dated 7 February 2012 with a view to have them adapted to the new organisation of the public employment service (creation of Pôle emploi, abolition of the Groupe paritaire national de suivi, etc...).

- (B) The Issuer manages (i) the contractual and jointly-managed unemployment insurance scheme and (ii) other mechanisms provided under the agreements.

(1) The contractual unemployment insurance scheme

- Unemployment insurance

The unemployment insurance scheme introduced by the national inter-industry agreement of 31 December 1958 is a contractual scheme of which the principles are laid down by statute. The Issuer manages on a jointly-representative basis the contractual provisions for compensating employees deprived of employment in France against their will.

Under the scheme, unemployment benefit is paid to employees deprived of employment against their will who fulfil the conditions of age and of previous activity that has given rise to the payment of unemployment insurance contributions. Unemployment insurance benefits are calculated on the basis of the average gross salary for the last twelve (12) months of an employee deprived of employment against his will. The period for which benefit is paid depends on the length of the earlier activity having given rise to membership of the unemployment insurance scheme and on the age of the employee deprived of employment.

At the outset, the unemployment insurance scheme concerned only businesses that were members of a trade association. However, it was widened in successive stages to all private-sector businesses and today has become an inter-industry scheme. It is a compulsory basic scheme: all employers in the private sector must subscribe to the unemployment insurance scheme to cover all their employees¹⁰.

The unemployment insurance scheme is funded by compulsory contributions from employers and employees in accordance with the principle of professional solidarity. These contributions used to be collected by *Pôle emploi* on behalf of the Issuer. Since 1 January 2011, collecting contributions, on behalf of the Issuer, is principally provided by Acoff and by the urssaf network¹¹. These resources are managed by the Issuer. Their amount is laid down by the social partners in the agreement of 14 April 2017 on unemployment benefit, and changes in accordance with the expenditure to cover. Today, the contribution rate is set at 5%, of which 4.05% is payable by the employer and 0.95% by the employees. A temporary extraordinary contribution was introduced under the unemployment insurance agreement of 14 April 2017 for the entire duration of the agreement. The rate is 0.05%, exclusively borne by employers and applies to all employment contracts.

The contributions are used to finance the benefits paid to employees who are deprived of employment and have paid sufficient contributions. Pursuant to Article L. 5422-24 of the French *Code du Travail*, 10% of these contributions are paid to *Pôle emploi* for its operating expenses and investment costs, and its assistance in finding employment for workers deprived of employment. For 2016, technical management activities produced a deficit of 3.87 billion euros.

- In order to enable *Pôle emploi* to carry on the missions previously performed by the unemployment insurance institutions, two service agreements were entered into on 19 December 2008 between the Issuer and *Pôle emploi* concerning the payment of unemployment insurance benefit and the collection of contributions on a transitional basis.

Under these terms, the Issuer prescribes, particularly to *Pôle emploi*, the rules concerning payment of unemployment benefit, and implements the unemployment insurance financial policy defined by the social partners. For this purpose, the Issuer drafts instructions and disseminates, among others, circulars, instructions, printed material and operating forms nationwide. In addition, it monitors disputes on questions of principle and manages the finances and cash of the unemployment insurance scheme.

¹⁰ Art. L. 5422-13 *Code du Travail*

¹¹ Collecting contributions on behalf of the unemployment insurance was transferred further to provisions of Law 2008-126 of 13 February 2008.

With a view to simplifying formalities by employers in the context of payment of unemployment benefit insurance contributions, by reducing specifically the number of declarations and interlocutors, these service agreements were subsequently incorporated in the context of a quadri-partite agreement dated of 17 December 2010 entered into by the Issuer, *Pôle Emploi*, AGS and Acoiss regarding the collection of contributions and subscriptions due from employers. The missions of the Issuer as referred to in the previous paragraph are incorporated and detailed in this new agreement.

The agreement also describes in detail the conditions according to which *Pôle Emploi* and Acoiss collect on behalf of the Issuer, contributions due for unemployment insurance and subscriptions to guarantee employees' claims, as well as payment of unemployment benefit to jobseekers.

- The *Contrat de sécurisation professionnelle* (Careers safeguarding agreement)

In the context of the national inter-professional agreement of 31 May 2011 and Law n°2011-893 of 28 July 2011 for the development of work-study contracts and safeguarding of careers contracts, social partners adopted the agreement of 19 July 2011 for the safeguarding of careers contracts ("*contrat de sécurisation professionnelle*" or "*CSP*") (which duration had been extended to 31 December 2014), in replacement of the individualised return-to-work agreement ("*convention de reclassement personnalisé*") and the professional transition agreement ("*contrat de transition professionnelle*"). The CSP is intended to assist and pay a specific allowance to the employees who are made redundant for economic reasons in order to promote their accelerated job-reclassification.

The social partners agreed, within the framework of the national inter-industry agreement ("*accord national interprofessionnel*") dated 8 December 2014 concluded for two years, to renew and adapt the measures regarding safeguarding of careers contracts ("*contrat de sécurisation professionnelle*").

The CSP applies to all redundancy procedures for economic reasons by all companies which are not submitted to the reclassification leave (i.e. all companies, consisting of all their businesses branches, with a workforce of less than 1,000 employees or those in receivership or judicial liquidation regardless of their workforce).

The amendments relate, in particular, to the reduction of the safeguarding of careers indemnity ("*allocation de sécurisation professionnelle*"), the establishment of a re-employment premium and of a "*CSP-glissant*" to take into account the periods of work and the broadening of the conditions of the return to employment.

The national inter-industry agreement ("*accord national interprofessionnel*") has been implemented in a new agreement on the CSP dated 26 January 2015, entered into force on 1 February 2015. On 17 November 2016, the social partners concluded an amendment (Amendment no. 1) providing for an 18-month extension to the agreement of 26 January 2015, which will therefore remain in force until 30 June 2018.

(2) The other schemes

The Issuer also carries out other missions on behalf of third parties under management agreements with the State and the AGS (Association pour la Gestion du régime d'assurance des créanciers des Salariés – Association managing the scheme insuring amounts owed to employees).

- The Unédic-AGS agreement

The AGS is the employers' organisation financed by businesses, created in early 1974; it pays the debts arising from the employment contract in the event of a business going into receivership or judicial liquidation. A management agreement was concluded between AGS and the Issuer; the latter is responsible for collecting the contributions, making the necessary

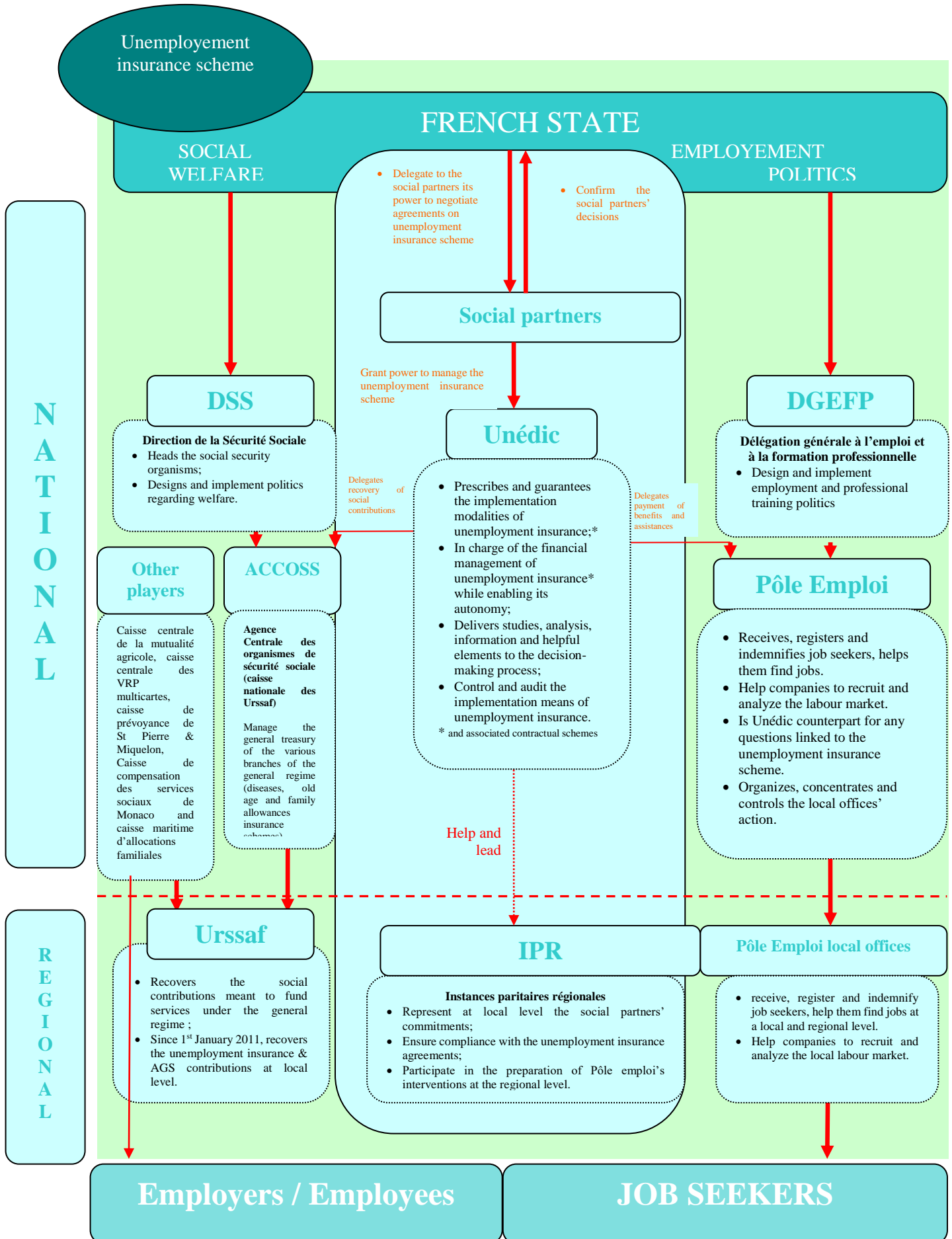
funds available to the appointed agents and judicial administrators, recovering sums advanced and keeping accounts of the transactions involved.

- The State-Unédic agreement on compensation for short-time working

In response to the economic difficulties encountered by businesses, an alternative to short-time working has been instituted, turned "activité partielle à longue durée" (long-term part-time working). This scheme may provide for the payment, under a part-time working agreement, of additional benefits for short-time working to employees whose working time is reduced below the legal or contractual period for a long period, with counterpart job-maintenance and training guarantees. These benefits are funded jointly by the business, the State and the unemployment insurance scheme. The scheme contributes to the financing of the arrangement up to a maximum of €150 million (to which an additional envelope of €80 million had been added in 2012), with the aim of avoiding as many redundancies as possible, for which it would have to assume financial responsibility. Beyond 31 December 2012, long-term part-time working ("activité partielle à longue durée") was funded by the balance of the previous envelope. The State's participation is in addition to its existing participation in the special short-time working benefit.

Flowchart

Place of the Issuer in the organisational scheme of the public employment service.



The unemployment insurance scheme is a protection scheme with rules adopted by the social partners. The Issuer has been put in charge of administering these contractual rules.

The Issuer is joint-representation body managing the unemployment insurance scheme; on behalf of the social partners, it also performs the role of research and expertise in subjects related to employment and unemployment. For this purpose, it provides to the social partners or to its management bodies analytical information required by them to develop their projects and conduct their activities (using indicators, studies, surveys, simulations, estimates, underwriting balance and assessments, benefit forecasts, etc.).

(A) The Issuer and Acoess

In the framework of Law No. 2008-126 of 13 February 2008 reforming the organisation of the public employment service, Acoess and Urssaf network were entrusted, on behalf of Unédic and AGS, with the collection of unemployment insurance's contributions and subscriptions.

The implementation phase was endorsed by a quadri-partite agreement concluded on 17 December 2010 by the Issuer, Pôle emploi, AGS and Acoess, which provides the practical terms pursuant to which Acoess and all services of the recovery branch collect, on behalf of the Issuer and AGS, contributions and subscriptions.

(B) The Issuer and Pôle Emploi

Law No. 2008-126 of 13 February 2008 organised the merging of the Agence nationale pour l'emploi (ANPE – National employment agency) and the unemployment insurance operating network (the Assédic and Garp agencies) and provided for the creation of a new public corporation called Pôle emploi. This new institution was created on 19 December 2008.

Pôle emploi enjoys legal personality and financial independence. On behalf of the issuer, it is responsible for carrying out the missions of the public employment service including placement, payment of benefit, job finding, training, support and advice for job seekers. In accordance with Article L. 5312-1 of the French *Code du Travail*, the six (6) missions of Pôle emploi consist of the following:

- (1) prospecting the labour market, developing expertise in trends in the job market and in skills, collecting job offers, assisting and advising businesses in their recruitment, matching job offers with jobseekers and participating actively in combating hiring discrimination and in campaigning for professional equality;
- (2) receiving, informing, guiding, supporting and advising persons regardless of whether they are in work, who are seeking work, training or professional advice, prescribing all actions conducive to developing their professional skills and improving their employability, facilitating their return to work and professional betterment, facilitating their geographical and professional mobility and contributing to their finding work and a place in society;
- (3) taking registrations on the list of jobseekers, keeping that list up-to-date and ascertaining whether jobseekers are duly seeking work;
- (4) on the Issuer's behalf, paying the unemployment insurance benefit and on behalf of the State or the Solidarity fund, paying the Solidarity benefits, return-to-work bonus, the lump-sum bonus and any other benefit or assistance the state requires it to pay under contract;
- (5) collecting, processing, disseminating and making available to the relevant State and Issuer services, data concerning the labour market and payment of benefits to jobseekers; and
- (6) implementing all actions entrusted to it by the State, local and regional government and the Issuer of relevance to its mission.

Pôle emploi collected contributions as a transitional measure; this task is now handed over to the urssaf (see above).

The Issuer prescribes the rules concerning payment of unemployment benefit and any assistance negotiated by the social partners. The relevant instructions are transmitted to Pôle emploi for payment on the Issuer's behalf of benefits to jobseekers who have been subscribed to the unemployment insurance scheme.

The Issuer also defines, specifies and forwards the necessary instructions for collection of employers' and employees' contributions and participates in the implementation of other contractual mechanisms.

The Issuer ensures that Pôle emploi is compliant in fulfilling its instructions, pursuant to the tripartite, multi-year agreement signed between Unédic, the State and Pôle emploi on 18 December 2014 (further to the first tripartite agreement dated of 11 January 2012)¹².

The Issuer is also the main contributor to Pôle emploi's budget, with financing to approximately 10% of contributions received (of around €3.1 billion in 2013 and €3.19 billion in 2014 and 3.24 billion in 2015)¹³,

(C) The Issuer and the regional joint bodies

Article L. 5312-10 of the French *Code du Travail*, in its drafting as arising pursuant to Act No. 2008-126 of 13 February 2008 reforming the organisation of the public employment service, institutes regional joint bodies within the regional management entities of Pôle emploi. Those bodies have the following missions:

- (1) Delivering an opinion on programming of Pôle emploi action at the relevant territorial level; and
- (2) Overseeing the implementation of the unemployment insurance agreement.

The multi-year agreement provided in Article L. 5312-3 of the French *Code du Travail*, signed between the State, Unédic and Pôle emploi on 18 December 2014 provides for the regional joint bodies to exercise a role of alerting the Issuer as part of their remit of overseeing due implementation of the unemployment insurance agreement. Moreover, the regional joint bodies may consult the Unédic technical services "*in the event of difficulty in interpreting the unemployment insurance regulations and of its implementing agreements*".

The regional joint bodies, regarded as the local or regional arm of the social partners managing the unemployment insurance scheme, had their terms of reference specified by the agreements of 19 February 2009, 6 May 2011 and 14 May 2014 (as amended) concerning unemployment benefit and their implementing instruments. The regional joint bodies are thus partly substituted for the joint boards (commissions paritaires) and local offices of the Assédic unemployment benefit agencies.

The Issuer coordinates the action of the regional joint bodies, supporting and advising them in the fulfilment of their mission.

Subsidiaries of the Issuer

The Issuer does not own any subsidiary.

Administrative and management bodies

Description & composition of the Issuer's administration and management bodies

The Issuer is a jointly managed institution featuring equal representation on its management bodies between the representatives of national organisations representing employers and the representations of inter-industry organisations representing employees. It is administered by a Board of Directors and an Executive Committee. The Issuer's general management functions are performed by a Managing Director.

A. Description of the Issuer's administration and management bodies

(1) The Board of Directors

The Board of Directors has joint and even-handed representation of a panel of employers and a panel of employees each consisting of twenty-five (25) representatives.

The panel of employers is composed of the *Mouvement des Entreprises de France* (MEDEF), the *Confédération des PME* (CPME) and the *Union des entreprises de proximité* (U2P).

¹² Art L. 5312-3 *Code du Travail*

¹³ Art. L. 5312-7 and L. 5422-24 of the Labour Code

The employees' panel is composed of the Confédération Française Démocratique du Travail (CFDT), the Confédération Française de l'Encadrement - Confédération Générale des Cadres (CFE-CGC), the Confédération Française des Travailleurs Chrétiens (CFTC), the Confédération Générale du Travail (CGT), and the Confédération Générale du Travail - Force Ouvrière (CGT-FO).

The Board of Directors enjoys the widest powers for operations in keeping with the Issuer's corporate object. In particular, it may draw up all internal regulations for implementing the issuer's articles of association, make any amendments to the articles of association, enforce those articles of association and regulations in particular cases that may arise, manage the resources of the Association and any fund to aid workers deprived of employment. The Board of Directors, pursuant to the Articles and Memorandum of Association, also performs the duties ordinarily incumbent on the General Meetings.

(2) The Executive Committee

The Executive Committee is composed with equal representation of the social partners of a maximum of ten (10) members chosen by the Board of Directors from among its members every two (2) years. It is chaired in the framework of alternating 2-year terms by a representative of the national employers' organisations and the representation of the employees' national trade union organisations.

The Chairman, failing whom a second or a third Deputy Chairman belonging to the same panel, ensures the smooth running of the Issuer, in accordance with the articles of association and its regulations and chairs the meetings of the Executive Committee and the Board of Directors, signs all the instruments, deliberations or agreements and represents the Issuer before the courts and in the acts of civil society.

The Executive Committee takes all the measures necessary for the smooth running of the Issuer's administrative affairs, sees to the due dispatch of its ordinary business, exercises any powers delegated to it by the Board of Directors and appoints the Managing Director.

(3) The Managing Director

The Issuer's Managing Director, appointed by the Executive Committee, is in charge of the proper operation of the Issuer's services. He performs his duties and represents the Issuer under powers delegated to him by the Executive Committee. He concludes collective labour agreements for application to all categories of staff covered by the unemployment insurance scheme and chairs the meetings of the staff representative bodies.

(4) The State supervisor

The Issuer is supervised by a State supervisor who sits on the Issuer's Board of Directors and Executive Committee in a consultative capacity.

B. Composition of the Issuer's administrative and management bodies

(1) Board of Directors

- Panel of employers sitting on the Board of Directors

MEDEF

Incumbent Panel Members

Patrice BERGEN
Claude COUTON
Dominique DELCOURT
Monique FILLON

Alternate Panel Members

Henri BEDIER
Michel FARDIN

Michel GUILBAUD

Pierre-Matthieu JOURDAN
Eric LE JAOUEN
Martine MARANDEL
Thierry MICOR
François MIGAYROU

Laurence D'ORGLANDES
Denis RICHARD
Houria SANDAL-AOUMEUR
Alexandre SAUBOT
Jacques VESSAUD

CPME

Incumbent Panel Members

Alain AUBERT
Sophie JAMI SEBAH
Jean-Michel POTTIER
Georges TISSIE
Benoît WILLOT

Alternate Panel Members

Julier CORNY
Valérie DEQUEN
Grégory GODDARD
Josiane ROSIER
Anouk ULLERN

U2P

Incumbent Panel Members

Michel CARNEJAC
Robert FARCY
Patrick LIEBUS

Alternate Panel Members

Pierre BURBAN
Yves DEVAUX

- Panel of employees sitting on the Board of Directors

CFDT

Incumbent Panel Members

Stéphane BONNETAIN
Pascal CATTO
Véronique DESCACQ
Patricia FERRAND
Jean-Luc MICHEL

Alternate Panel Members

Géraldine CORNETTE
Chantal RICHARD
Isabelle ROUSSEAU

CFE-CGC

Incumbent Panel Members

Didier DERNONCOURT
Christine DIEBOLD
Jean-François FOUCARD
Paul HOUSSMANN
Franck MIKULA

Alternate Panel Members

Franck BOISSART
Michel DAVRIL
Philippe SCHAFER

CFTC*Incumbent Panel Members*

Cyril CHABANIER
 Eric COURPOTIN
 Anne-Sophie DELETOMBE
 Maryse FOURCADE
 Yves RAZZOLI

Alternate Panel Members

Jean-Marie DUFOURNET
 Audrey IACINO

CGT*Incumbent Panel Members*

Eric AUBIN
 Denis GRAVOUIL
 Dominique KALINSKI
 Philippe TIXIER
 Esther ZDUNEK

Alternate Panel Members

Denis LALYS
 Marie LEMOINE
 Muriel WOLFERS

FO*Incumbent Panel Members*

Michel BEAUGAS
 Nathalie CAPART
 Nicolas CARMi
 Françoise CHAZEAU
 Stéphane LARDY

Alternate Panel Members

Myriam BARNEL
 Michel CAMERA
 David DELOYE

Patricia FERRAND is the Chairperson of Unédic's Board of Directors.

Alexandre SAUBOT is the 1st Deputy Chairperson of Unédic's Board of Directors.

The members of the Issuer's Board of Directors can be contacted at the Issuer's registered office:
 4 rue Traversière, 75012 Paris, France.

(2) The Executive Committee

Patricia FERRAND – CFDT	Chairperson
Alexandre SAUBOT – MEDEF	1 st Deputy Chairperson
Eric COURPOTIN – CFTC	2 nd Deputy Chairperson
Jean-Michel POTTIER – CPME	3 rd Deputy Chairperson
Patrick LIEBUS – U2P	Treasurer
Jean-François FOUCARD – CFE – CGC	Deputy Treasurer
Michel BEAUGAS - FO	Assessor
Denis GRAVOUIL – CGT	Assessor
Elisabeth TOMÉ – MEDEF	Assessor
Eric LE JAUEN – MEDEF	Assessor

(3) General management

Vincent DESTIVAL is the Managing Director since his appointment by the Issuer's Executive Committee on 21 July 2010, with effect from 27 September 2010.

The members of the Issuer's Executive Committee and Board of Directors can be contacted at the Issuer's registered office: 4 rue Traversière, 75012 Paris, France.

(4) State Supervisor

The issuer is under the supervision of Alain CASANOVA.

Overall remuneration of the members of the Issuer's management and control bodies

The members of the Issuer's management and control bodies, and more generally the members of the Executive Committee and of the Board of Directors, do not receive any remuneration for the duties they perform for the Issuer. The organisations to which they belong receive an indemnity to offset the costs incurred while fulfilling their mandates on behalf of the public unemployment benefits service.

Offices held by members of the Issuer's management and control bodies in other businesses

With the exception notably of (i) M. Alexandre Saubot, its deputy chair, who also holds the office of Directeur Général Délégué of Haulotte Group company, (ii) Mr. Benoît Willot, in respect of his activities in Arcdis SAS – Marché U and (iii) Mr. Eric Le Jaouen, founder and managing director of human resources consulting firm Ginkgo, most of the members of the Executive Committee conduct their main activities within the organisations that they represent in the management and administration bodies of the Issuer, within the contractual scheme and according to the rules defined by the social partners.

Conflicts of interest – agreements between the Issuer and any legal entity having common senior managers with the Issuer

The Issuer has not identified any person who is a member of its administrative and management bodies who may have a conflict of interest between (i) its duties to the Issuer and (ii) that person's private interests among others.

It should be noted that the Issuer has issued internal regulations governing procurement and other contracts in order to prevent any conflict of interest particularly within its administrative and management bodies. These internal regulations contain a number of recommendations and specify a number of incompatibilities for purposes of the award by the Issuer of procurement and other contracts.

Expenses incurred according to agreements on the Issuer's financial contribution to Trade Union and employers' costs incurred through their employees' participation in the management of the public unemployment benefits service are the subject of a special Auditors' report approved by the Board of Directors' meeting of 19 June 2017. During the Board of directors' meeting of 31 January 2017, the agreements were renewed for expenses incurred in 2017.

The Issuer has not concluded any agreement with the companies/enterprises listed in the above-mentioned paragraph.

Main shareholders

Nil.

Financial information concerning the Issuer's net assets, financial position and results

Date of latest financial information

The latest elapsed financial year of the Issuer for which the annual financial statements and consolidated annual financial statements have been audited by the statutory auditors is the year ended 31 December 2016.

Amount of net worth not carried forward from the end of the last financial year

The amount of net worth not carried forward at the end of the Issuer's last financial year consists solely of its global loss carried forward of €29.125 million as at 31 December 2016.

Total amount of the issuer's commitments and the breakdown by maturity

Maturity on 31 December 2016 of the balance on debts and provisions at 31 December 2016

<i>in millions Euros</i>	Current charges considered as maturing in less than 1 year	Maturing in between 1 and 5 years	Maturing after more than 5 years	TOTAL
Provisions for risks	79.88	1.53	14.09	95.50
Debts	11,575.43	11,550.00	15,500.00	38,625.43
Debenture loans	1,721.80	8,300.00	15,500.00	25,521.80
Bank and credit establishment loans	5,061.71	3,250.00	-	8,311.71
Bank overdrafts	-	-	-	-
Misc. financial debts	8.12			8.12
Creditor affiliates	165.45			165.45
Debtor beneficiaries	2,895.68			2,895.68
Tax and social welfare debts	69.82			69.82
Trade debts	8.05			8.05
Other debts	1,644.80			1,644.80
Prepayments	176.70			176.70
Total debts and prepayments	11,752.13	11,550.00	15,500.00	38,802.13
TOTAL	11,832.01	11,551.53	15,514.09	38,897.63

The total outstanding benefits due from the Public Unemployment Benefits Service to eligible beneficiaries registered at the end of the 2016 financial year has been evaluated by the Department of Studies and Analysis of Unédic to be €26.086 billion. This amount does not include benefits due to those who are beneficiaries of a compensation maintenance scheme until their retirement.

Outstanding benefits due from Public Unemployment Benefits Service to beneficiaries entitled to retain indemnification concern jobseekers who may under certain circumstances, continue receiving benefits until retirement age. The total benefits due to these beneficiaries registered at the end of the 2016 financial year have been evaluated by the Department of Studies and Analysis of Unédic to be €475 million.

Collateral provided for securities previously issued by the Issuer

No outstanding bond issues at the date of this Base Prospectus are the subject of any guarantees; being specified that the bonds issues achieved in 2012, 2013, 2014, 2015, 2016 and 2017 referred to in section “Previous bond issues” below) are guaranteed by the French State (see the section “*Description of the Guarantee*” below).

Significant information extracted from the issuer's provisional financial statements

The Issuer does not draw provisional financial statements.

Significant changes in the Issuer's financial or commercial situation

There has been no change in the Issuer's financial or commercial situation since 31 December 2016 of significance for the issue of the Notes. It should nevertheless be recalled that, in France, the Issuer is a unique institution responsible for managing the unemployment insurance scheme. Consequently, the Issuer is permanently affected by national and even international macroeconomic trends. The Issuer is directly affected by French general

economic trends. Since 31 December 2016 (the date of its latest audited and published financial statements), the trends affecting the Issuer were as follows:

- The reduction in the French unemployment rate for 2016 by -0.3% (INSEE data for mainland France) and the increase in the number of recipients of unemployment benefits by +26,000 persons (*Pôle emploi* data for mainland France);
- the weak economic growth rate, +1.1% in France in 2016 (INSEE data) and hence the fall in the amount of contributions paid to the Issuer.
- finance for supplementary needs generated by these developments, which required:
 - (i) maintaining the Issuer's *Titres Négociables à Court Terme* (Short-Term Negotiable Notes) programme (details of applications at 31 December 2016 shown hereunder), it being specified that the Issuer's Board of Directors at its meeting on 31 January 2017 confirmed the maximum overall amount of this Programme to be 10 billion euros;
 - (ii) maintaining the Issuer's *Titres Négociables à Moyen Terme* (formerly called *bons à moyen terme négociables* (Medium-Term Negotiable Notes)) programme (details of applications at 31 December 2016 shown hereunder), it being specified that during the meeting held on 31 January 2017, the Issuer's Board of Directors raised the limit for the outstanding amount from 6 billion euros to 8 billion euros;
 - (iii) bonds issues issued under the Programme (cf. paragraph "Significant agreements").

Significant agreements

The following are the significant agreements (other than agreements concluded in the normal course of business) to which the Issuer is a party and that may confer on the Issuer a right or obligation with significant incidence on the Issuer's capacity to fulfil the obligations incumbent on it under this Base Prospectus:

Previous bond issues

Within the framework of the present Programme, the Issuer has carried out the issue the following bonds issues:

- on 29 February 2012 for a total nominal value of €2,100,000,000 bearing interest at an annual rate of 3.000%, and maturing on 25 April 2019 (including the Tap issues of (i) €300,000,000 achieved on 25 April 2012, (ii) €300,000,000 on 17 September 2013, and (iii) €500,000,000 achieved on 23 September 2014 consolidated with the initial €1,000,000,000 issue);
- on 1 June 2012 for a total nominal value of €1,550,000,000 bearing interest at an annual rate of 2.125%, and maturing on 1 June 2018 (including the Tap issues of (i) €100,000,000 achieved on 16 October 2012, (ii) €100,000,000 achieved on 26 October 2012, (iii) €100,000,000 achieved on 21 August 2013, (iv) €100,000,000 achieved on 25 February 2014, and (v) €150,000,000 achieved on 3 March 2014 consolidated with the initial €1,000,000,000 issue)
- on 5 April 2013 for a total nominal value of €2,000,000,000 bearing interest at an annual rate of 2.250%, and maturing on 5 April 2023 (including the Tap issue of €500,000,000 achieved on 22 May 2014 consolidated with the initial €1,500,000,000 issue);
- on 29 May 2013 for a total nominal value of €1,500,000,000 bearing interest at an annual rate of 1.25%, and maturing on 29 May 2020;
- on 20 February 2014 for a total nominal value of €2,500,000,000 bearing interest at an annual rate of 2.375% and maturing on 25 May 2024;
- on 16 April 2014 for a total nominal value of €2,150,000,000 bearing interest at an annual rate of 1.50% and maturing on 16 April 2021 (including the Tap issues of (i) €150,000,000 achieved on 30 October 2014 and (ii) €500,000 achieved on 14 December 2015 consolidated with the initial €1,500,000,000 issue);

- on 5 September 2014 for a total nominal value of €2,250,000,000 bearing interest at an annual rate of 0.875% and maturing on 25 October 2022 (including the initial Tap issues of €1,500,000,000 on (i) 1 October 2015 in the amount of €250,000,000 and (ii) on 4 May 2016 in the amount of €500,000,000);
- on 17 February 2015 for a total nominal value of €3,000,000,000 bearing interest at an annual rate of 0.625% and maturing on 17 February 2025;
- on 21st October 2015 for a total nominal value of €2,000,000,000 bearing interest at an annual rate of 1.25% and maturing on 31st October 2027 (including the initial Tap issues of €1,250,000,000 on 4 May 2016 in the amount of €750,000,000);
- on 4 November 2015 for a total nominal value of €1,000,000,000 bearing interest at an annual rate of 0.300% and maturing on 4 November 2021;
- on 3 March 2016, for a total nominal value of €2,000,000,000 bearing interest at the annual rate of 0.625% and maturing on 3 March 2026 (including the initial tap of the initial series including the initial Tap issues of €2,250,000,000 euros on 20 June 2017 in the amount of €250,000,000),
- on 31 March 2016, for a total nominal value of €1,750,000,000 bearing interest at the annual rate of 0.250% and maturing on 24 November 2023,
- on 28 March 2017, for a total nominal value of €2,000,000,000 bearing interest at the annual rate of 1.250% and maturing on 28 March 2027 (including the initial Tap issues of €2,250,000,000 on 31 August 2017 in the amount of €250,000,000),
- on 20 April 2017, for a total nominal amount of €1,750,000,000 bearing interest at the annual rate of 1.500% and maturing on 20 April 2032 (including the initial Tap issues of €2,500,000,000 on 30 August 2017 in the amount of €750,000,000).

The bond issues carried out since 1 January 2018 were partly used for the purpose of the management of the Issuer's financing needs (see Chapter "Use of proceeds" above and paragraph "Issue of *Titres Négociables à Court Terme* (Short-Term Negotiable Notes)" below).

Credit facility agreements

No credit line is currently opened.

Issue of *Titres Négociables à Court Terme* (Short-Term Negotiable Notes)

The Issuer has a *Titres Négociables à Court Terme* programme whose limit for outstanding amount is of € 10 billion (in accordance with the decisions of the Issuer's Board of Directors of 31 January 2018). The *Titres Négociables à Court Terme* programme was used, as at 31 December 2016, up to an amount of € 4,960 million and, as at 31 December 2017, up to an amount of €3,010 million. As required by the regulations, annual updates regarding this programme have been supplied to the Banque de France. It is currently rated P-1 (Moody's Investors Service Limited) and F1+ (Fitch France S.A.S.).

Titres Négociables à Moyen Terme (formerly called *Bons à Moyen Terme Négociables* (Medium-Term Negotiable Notes))

The Issuer has a *Titres Négociables à Moyen Terme* (formerly called *Bons à Moyen Terme Négociables* (Medium-Term Negotiable Notes)) programme whose limit for the outstanding amount is €8 billion (under the terms of decision taken by the Board of Directors of the Issuer dated 31 January 2018). The issuance of such notes, whose maturity must be legally greater than one year, is intended to cover the part of the interest rate curve not covered by the euro medium term note programme and the *Titres Négociables à Court Terme* programme.

The medium-term negotiable note programme was used, as at 31 December 2016, up to an amount of €3.550 billion, and up to €5.950 billion as at 31 December 2017. It is currently rated Aa2 (Moody's Investors Service Limited) and AA (Fitch France SAS).

DESCRIPTION OF THE GUARANTEE

Pursuant to Article 82 of the Finance Law No. 2017-1775 of 28 December 2018 amending the 2017 Finance Law, as the borrowings subscribed by Unedic in 2016 (up to €5 billion) and 2017 (up to €5 billion) which benefited from the guarantee of French State, the borrowings subscribed by the Issuer in 2018 shall benefit from the guarantee of the French State, in principal and interest, up to a maximum overall amount of €4.5 billion in principal.

The Final Terms prepared in respect of any issue of Notes will specify whether or not the Notes will benefit from the guarantee of the French State (the “**Guarantee**”), under the terms described in "Description of the Guarantee" and in the relevant Final Terms.

Pursuant to Article 82 of the above mentioned law, the Guarantee was granted by Order (“*Arrêté*”) of the Minister for the Economy and Finance dated 10 April 2018 to the notes that will be issued by Unédic in 2018 within the context of the Programme in 2018, subject to a maximum overall amount of €2 billion in principal, plus all interest and related expenses, it being specified that a new portion of guarantee (up to 2.5 billion euros) must be granted by the Minister for the Economy and Finance for bond issues entered into by the Issuer during 2018 in excess of the limit established in the Order of 10 April 2018.

In respect of this Guarantee if the Issuer does not fulfil its obligations to repay the principal or pay any amount of interest due in respect of the Notes, the French State will fulfil these repayment and payment obligations on first demand as they become due.

The obligations of the French State under the Guarantee will rank *pari passu* with present, future, direct, unconditional, unsubordinated and unsecured obligations of the French State.

Pursuant to Article 1 of law no. 68-1250 dated 31 December 1968 on prescription periods including those relating to claims on the French State, any demand for payment by the French State, and therefore including demands for payments pursuant to the guarantee, is extinguished following a period of four years as from the 1st of January in the year following the date on which the guaranteed amounts become due. Under French law at the date of this Base Prospectus, the French State's assets cannot be subject to execution or other enforcement proceedings of private law in France.

FORM OF FINAL TERMS**Final Terms dated [●]**

[LOGO, if document is printed]

Unédic

Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Notes**]
[**benefiting from the guarantee of the French State**]¹⁴
under the € 37,000,000,000 Euro Medium Term Note Programme
of Unédic

Series No.: [●]**Tranche No.: [●]**

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

¹⁴ Only applicable to Guaranteed Notes.

PRIIPs Regulation / Prohibition on sale to retail investors established within the European Economic Area
 – The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area.

For the purposes of this paragraph, a retail investor shall mean a person meeting any of the following criteria: (i) a retail client as defined in item (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a client within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where the client is not classified as a professional client as defined in item (10) of Article 4(1) of MiFID II, or (iii) an investor who is not a qualified investor within the meaning of the Prospectus Directive. Accordingly, no key information document stipulated under Regulation (EU) No. 1286/2014 (as amended, the "PRIIPs Regulation") in order to offer or sell the Notes or to make them available to retail investors within the European Economic Area has been prepared and, consequently, offering or selling the Notes or making them available to any retail investor may be prohibited in accordance with the PRIIPs Regulation."

[Governance of MiFID II products / Target Market: eligible counterparties and professional clients only – Solely for the purposes of the approval process of each product manufacturer, by taking into consideration the 5 categories referred to in item 18 of the Orientations published by the European Securities and Markets Authority on 5 February 2018, the assessment of the target market for the Notes led to the conclusion that: (i) the target market for the Notes concerns eligible counterparties and professional clients only, as defined in MiFID II, and (ii) all distribution channels for the Notes to eligible counterparties or professional clients are appropriate. Any person offering, selling or ultimately recommending the Notes (a distributor) must take into consideration the target market of the manufacturer(s). However, distributors subject to MiFID II are required to make their own assessment of the target market of the Notes (by adopting or extending the assessment of the target market conducted by the manufacturer[s]) and to determine appropriate distribution channels.]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 16 May 2018 (which received on that date the visa of the *Autorité des marchés financiers* number 18-179) [and the supplement to the Base Prospectus dated [●]] (which received on that date the visa of the *Autorité des marchés financiers* number [●]) which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (which includes the amendments made by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, to the extent that such amendments have been implemented in a Member State of the European Economic Area) (the "**Prospectus Directive**").

This document constitutes the Final Terms relating to the issue of the Notes described hereafter for the purposes of Article 5.4 of the Prospectus Directive 2003/71/EC and contains the definitive terms of the Notes. These Final Terms supplement the Base Prospectus dated 17 March 2017 [and the supplement to the Base Prospectus dated [●]] relating to the Programme of issuance and must be read in conjunction therewith.

The Final Terms, the Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing on the websites of (a) the *Autorité des marchés financiers* (www.amf-france.org) and (b) the Issuer (www.unedic.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition¹⁵, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [on/at] [●].]

[The following is applicable if the first tranche of an issue, which amount has been increased has been issued under a Base Prospectus with an earlier date].

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [original date] (which received on that date the visa of the *Autorité des marchés financiers* (the "AMF") number [●]) [and the supplement to the Base Prospectus dated [●]] (which received on that date the visa of the AMF number [●]) ([together] the "**Original Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (which includes the amendments made by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, to the extent

¹⁵ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

that such amendments have been implemented in a Member State of the European Economic Area) (the "**Prospectus Directive**").

This document constitutes the Final Terms relating to the issue of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 16 May 2018 (visa no. 18-179 granted by the AMF on this date) [and the supplement to the Base Prospectus dated [●]] ([together] the "**Current Base Prospectus**"), except in respect of the Conditions which are extracted from the Original Base Prospectus and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Original Base Prospectus and the Current Base Prospectus. The Final Terms, the Original Base Prospectus and the Current Base Prospectus are available for viewing on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.unedic.org) and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition¹⁶, the Final Terms, the Original Base Prospectus and the Current Base Prospectus are available for viewing [on/at] [●].]

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

¹⁶

If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

1. **Issuer:** Unédic
2. **Guarantee:** [Applicable/Not Applicable]
(If applicable, include the paragraph below)
 [Guarantee of the French State granted under Article 82 of the law no. 2017-1775 dated 28 December 2017 (French *loi de finances rectificative pour 2017*) and the Order (“*Arrêté*”) of the Minister for the Economy and Finance dated 10 April 2018 published in the *Journal Officiel* of the Republic of France on 19 April 2018. *(Specify the provisions of the order of the Minister for the Economy and Finance).*]
3. **[(i) Series Number:** [●]
[(ii) Tranche Number: [●]
(If fungible with an existing Tranche, details of that Series, including the date on which the Notes become fungible)]
4. **Specified Currency(ies):** [●]
5. **Aggregate Nominal Amount:**
 [(i) Series: [●]
 [(ii) Tranche: [●]]
6. **Issue proceeds:**
 (i) Gross issue proceeds: [●]
 (ii) Estimated net issue proceeds: [●]]
7. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(for fungible issues if applicable)*]
8. **Denomination:** [●]
9. **Number of Notes issued:** [●]
10. **(i) Issue Date:** [●]
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
11. **Maturity Date:** [●][Specify date or *(for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
12. **Interest Rate:** [[●] per cent. Fixed Rate]
 [[specify reference rate] +/- [●] per cent. Floating Rate]
(further particulars specified below)
13. **Redemption/Payment Basis:** [Redemption at par]
 [Other (specify)]
(further particulars specified below)
14. **Change of Interest Basis or Redemption/Payment Basis:** [Specify details of any provision for convertibility of Notes into another interest basis or redemption/payment basis]
15. **Option:** [Issuer Call / Not Applicable]

- 16 Date of authorisations for issuance of Notes:** Decision of the Board of directors dated 31 January 2018
(Pursuant to Article D.213-19 of the French Code monétaire et financier; describe the decision of the Board of directors and how long it is valid for)
- 17. Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST PAYABLE

- 18 Fixed Rate Notes Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Interest: [●] per cent. *per annum* [payable [annually / semi-annually / quarterly / monthly / other (*specify*)] in arrear]
 - (ii) Interest Payment Date(s): [●] in each year
[adjusted pursuant to the [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/ unadjusted]
 - (iii) Fixed Coupon Amount(s): [●] per [●] in Denomination
 - (iv) Broken Amount(s): [Not Applicable / *Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)*]
 - (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
 - (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date or Final Maturity Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
 - (vii) Other terms relating to the method of calculating interest: [Not Applicable/*give details*]
- 19. Floating Rate Notes Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): [●]
 - (ii) Specified Interest Payment Dates: [●]
 - (iii) First Interest Payment Date: [●]
 - (iv) Interest Period Date: [Interest Payment Date/Other (*specify*)]
 - (v) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
[Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]

- (vi) Business Centre(s) []/Not Applicable]
(Condition 4(a)):
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [FBF Determination/ ISDA Determination/ Screen Rate Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): []
- (ix) FBF Determination: [Applicable/Not Applicable]
- Floating Rate (*Taux Variable*): [] (*specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months [e.g. EURIBOR 3 months] (additional information if necessary)*)
 - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): []
 - FBF Definitions (if different from those set out in the Conditions): []
- (x) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
 - ISDA Definitions (if different from those set out in the Conditions): []
- (xi) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [] (*specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] (additional information if necessary)*)
 - Relevant Time: []
 - Interest Determination Date(s): []
 - Primary Source: [*Specify relevant screen page or "Reference Banks"*]
 - Reference Banks (if Primary Source is "Reference Banks"): [*Specify four*]
 - Relevant Financial Centre: [*The financial centre most closely connected to the Benchmark - specify if not Paris*]
 - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]

- Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
- Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*
- (xii) Margin(s): *[+/-] [●] per cent. per annum*
- (xiii) Minimum Rate of Interest: *[0%/[●] % per annum]*
- (xiv) Maximum Rate of Interest: *[Not Applicable/[●] per cent. per annum]*
- (xv) Day Count Fraction: *[●]*
- (xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: *[●]*

PROVISIONS RELATING TO REDEMPTION

- 20. Call Option:** *[Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): *[●]*
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): *[●] per Note of [●] Denomination*
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: *[●]*
 - (b) Maximum Redemption Amount: *[●]*
 - (iv) Exercise date(s): *[●]*
 - (v) Notice period¹⁷: *[●]*

¹⁷ If setting notice periods which are different to those provided in the terms and conditions, consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and the Fiscal Agent.

21. **Final Redemption Amount of each Note¹⁸:** per Note of Denomination/Other (specify)

22. **Early Redemption Amount:**

(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same and/or any other terms (if required or if different from that set out in the Conditions):

(ii) Redemption for tax reasons at dates not equating to Coupon Payment Dates [Yes/No]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. **Form of Notes:**

- (i) Form of Notes: Dematerialised Notes in [bearer form (*au porteur*)/ administered form (*au nominatif*)
- (ii) Registration Agent: [Not Applicable/if applicable give name and address] (*Note that a Registration Agent can be appointed in relation to dematerialised Notes in fully registered form only*)

24. **Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(d):**

[Not Applicable/Give details. (*Note that this paragraph relates to the date and place of payment, and not interest period and dates, referred to in sub-paragraphs 18(ii) and 19(ii)*)]

25. **Redenomination, renominatisation provisions:**

[Not Applicable/The provisions [in Condition 1(d)] [annexed to these Final Terms] apply]

26. **Consolidation provisions:**

[Not Applicable/The provisions [in Condition 1(e)] [annexed to these Final Terms] apply]

27. **Masse (Condition 12):**

The name and address of the initial Representative of the *Masse* are:

The name and address of the alternate Representative of the *Masse* are:

The Representative of the *Masse* [will perceive a remuneration of € *per annum* with respect to its appointment as Representative / will not be

¹⁸

If the Final Redemption Amount is different than one hundred per cent. (100%) of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation No. 809/2004 will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with. Note that some regulatory authorities may require the inclusion of information or placeholders addressing Paragraph 5 of Annex XII even though (noting that such information is not required by Annex XIII) the denomination of the Notes is €100,000 or more.

remunerated with respect to its appointment as Representative].

DISTRIBUTION

28. (i) If syndicated, names of Managers: [Not Applicable/give names]
 (ii) Date of [subscription agreement]: [●]¹⁹
 (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
29. If non-syndicated, name of Dealer: [Not Applicable/give name]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the [*specify relevant regulated market*] of the Notes described herein pursuant to the €37,000,000,000 Euro Medium Term Note Programme of Unédic.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]²⁰

Signed on behalf of Unédic:

By: _____
 Duly authorised

¹⁹ Required only for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

²⁰ Include if third party information is provided, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components, an underlying security or the issuer of an underlying security.

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING

- (i) (a) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/[●] *specify the relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*]] with effect from [●].] [Not Applicable]
(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Notes to be admitted to trading are already admitted to trading: [[●]/Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [[●]/Not Applicable]
- (iii) Additional publication of Base Prospectus and Final Terms: [●] (See paragraph [●] of the section "General Information" of this Base Prospectus which provides that the relevant Base Prospectus and Final Terms will be published on the website of the Autorité des marchés financiers and that the Final Terms relating to the Notes admitted to trading on a Regulated Market will be published on the website of the Autorité des marchés financiers. Please provide for additional methods of publication in respect of an admission to trading on a Regulated Market other than Euronext Paris.)

2. RATINGS

- Ratings: [The Notes to be issued have been rated by Moody's Investors Service Limited and Fitch France S.A.S :
- [Moody's: [●]]
[Fitch: [●]]
[[Other]: [●]]
- [In accordance with Regulation (EC) No 1060/2009 dated 16 September 2009 of the European Parliament and of the Council, each of Moody's Investors Service Limited and Fitch France S.A.S. is included in the list of credit rating agencies published on the European Securities and Markets Authority's website.]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under

the Programme generally or, where the issue has been specifically rated, that rating.)]

3. [NOTIFICATION]

The *Autorité des marchés financiers*, which is the French competent authority for the purpose of the Prospectus Directive [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. THIRD PARTY INFORMATION

If advisors are mentioned in these Final Terms, specify the capacity in which the advisors have acted.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer shall identify the source(s) of the information.]

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

Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

6. REASONS FOR THE OFFER

- (i) Reasons for the offer: [●]
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from general corporate purposes will need to include those reasons here.)

7. [Fixed Rate Notes only – YIELD]

- Yield: [●]
 The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

8. [Floating Rate Notes only – HISTORIC INTEREST RATES AND BENCHMARK INDEXES]

Details of historic [EURIBOR/EONIA/LIBOR/CMS/TEC/other] rates can be obtained from [Thomson Reuters²¹].]

- Benchmark indexes: The amounts due in respect of the Notes shall be calculated with reference to [●] provided by [●]. As at [●], [●] [is included/is not included] on the register of administrators and benchmark indexes produced and maintained by ESMA in accordance with Article 36 du Regulation on Benchmark Indexes (Regulation (EU) 2016/1011) (the "**Regulation on Benchmark Indexes**"). [To the

²¹ Only required for Derivatives securities to which Annex XII of the European Regulation no. 809/2004 applies.

knowledge of the Issuer, the transitional provisions of Article 51 of the Regulation on Benchmark Indexes apply, such that [●] is not currently required to obtain approval or registration (or, if located outside the European Union, recognition, endorsement or equivalent)] / [N/A]]

9. OPERATIONAL INFORMATION

ISIN Code:	[●]
Common Code:	[●]
Depositories:	Euroclear France to act as Central Depository
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/give name(s) and number(s) and address(es)]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s):	BNP Paribas Securities Services Numéro Affilié Euroclear France: 29106 3-5-7 Rue Général Compans 93500 Pantin France
Names and addresses of additional Paying Agent(s) (if any):	[[●]/Not Applicable]

TAXATION

The following is a summary limited to certain tax considerations in France relating to the payments of interest or other revenues in respect of the Notes that may be issued under the Programme. It contains specific information on taxes on the income from the securities withheld at source. This summary is based on the laws in force in France as of the date of this Base Prospectus and as applied and construed by the tax authorities, such laws being subject to any changes or differences in their interpretation. It is a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each investor or beneficial owner of Notes should consult its own tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes in light with its personal situation.

EU law

In accordance with Directive 2011/16/EU of 15 February 2011 as regards Administrative Cooperation in the field of Taxation, as amended by Directive 2014/107/EU of 9 December 2014 and subsequently by Directive 2015/2376/EU of 8 December 2015 to bring European law in line with the standards set by the Organization for Economic Co-operation and Development ("OECD") (the "**Administrative Cooperation Directive**"), Member States have to comply with a certain number of obligations regarding mandatory automatic exchange of information in the field of taxation since 1 January 2016.

Pursuant to Article 1649 AC of the French *Code général des impôts*, implementing the Administrative Cooperation Directive, any account holder, any insurance or equivalent institution as well as any other French financial institution shall disclose the requested information, not only to comply with the agreements entered into by France permitting an automatic exchange for tax purposes, but also to comply with Article 8, 3bis, of the Administrative Cooperation Directive (for this purpose, information regarding in particular the account, the identity of any person subject to disclosure who holds the account, or who controls the account through an entity, as well as its taxpayer identification number (TIN) shall be reported).

If a payment in respect of the Notes were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax, present or future, were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such tax.

France

- (a) In compliance with the French *loi de finances for 2013* (no. 2012-1509 dated 29 December 2012), payments of interest and other revenues, made by the Issuer (with respect to Notes) to legal persons domiciled for tax purposes in France, within the meaning of Article 4B of the French *Code général des impôts*, are in principle subject to a 12.8% withholding tax by virtue of Article 125 A I and III *bis* of said code which is to be paid by way of a downpayment on the income tax and to social security contribution (CSG, CRDS and other social security contributions) at the overall rate of 17.2%.
- (b) In compliance with the French *loi de finances rectificative pour 2009 n° 3* (no. 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to Notes (other than Notes which are consolidated (assimilables for the purpose of French law) and form a single series with Notes issued before 1 March 2010 having the benefit of Article 131 quater of the French *Code général des impôts*) 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 in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income, as the case may be, if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be regarded as revenues deemed distributed pursuant

Articles 109 et seq. of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 12.8%, 30% or 75%, subject to the application of more favorable provisions of any applicable tax Treaty.

Notwithstanding the foregoing, the Law provides that neither the 75% withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the French Tax Authorities' *Bulletin Officiel des Finances Publiques – Impôts (BOFiP-Impôts)* BOI-INT-DG-20-50-20140211 no. 990 and no. 550, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
 - (ii) 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
 - (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and 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.
- (c) Pursuant to Article 131 *quater* of the French *Code général des impôts*, payments of interest and other revenues with respect to Notes which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010, will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the French Tax Authorities' *Bulletin Officiel des Finances Publiques – Impôts (BOFiP-Impôts)* BOI-RPPM-RCM -30-10-30-30-20140211 or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the French Tax Authorities' *Bulletin Officiel des Finances Publiques – Impôts (BOFiP-Impôts)* BOI-RPPM-RCM -30-10-30-30-20140211.

In addition, interest and other revenues paid by the Issuer on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established in a Non-Cooperative State.

SUBSCRIPTION AND SALE

The Issuer may at any time, for one or more Tranches, appoint Dealers, pursuant to a subscription and dealer agreement (the “**Dealer Agreement**”). Subject to the terms and on the conditions contained in the Dealer Agreement, the Notes will be offered by the Issuer to the Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement (*Contrat de Placement*) will also provide for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it, unless otherwise agreed. The Issuer shall agree to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement (*Contrat de Placement*) shall entitle the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling restrictions

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers in particular following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

Each Dealer shall agree to 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 the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any Dealer shall be liable for another Dealer's actions.

Prohibition on sale to retail investors established in the European Economic Area

Each Dealer must represent and warrant that it has not offered, sold or otherwise made available the Notes to retail investors in the European Economic Area.

For the purposes of these provisions:

- (a) The expression "retail investor" shall mean a person meeting any of the following criteria:
 - (i) a retail client as defined in item (11) of Article 4(1) of MiFID II; or
 - (ii) a client within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where the client is not classified as a professional client as defined in item (10) of Article 4(1) of MiFID II; or
 - (iii) an investor who is not a qualified investor within the meaning of the Prospectus Directive; and
- (b) the expression "offer" includes 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.

United States of America

The Notes and any related guarantee have not been and will not be registered under the United States securities act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act ("**Regulation S**"). Each Dealer appointed under the Programme shall be required to agree that, except as permitted by the Dealer Agreement, it will not offer nor sell Notes of any identifiable Tranche within the United States.

Each Dealer shall agree, except as permitted by the Dealer Agreement, it will not offer nor sell Notes of any identifiable Tranche within the United States or within its possessions, or to, or for the account or benefit of U.S. Persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after completion of the

distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager. Each Dealer shall send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or within its possessions or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph 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 reliance on Regulation S. In addition, until forty (40) days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers shall reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus outside the United States by a U.S. Person to any U.S. person or to any other person within the United States is unauthorised and any disclosure without prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

United Kingdom

Each Dealer shall represent and agree that:

- (a) in relation to any Notes which have a maturity of less than one (1) year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Dealers and the Issuer shall declare and agree that [during the initial distribution of the Notes]²² it has not offered or sold and will not offer or sell, directly or indirectly, 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, this Base Prospectus, the relevant Final Terms 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 (i) providers of 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 (ii) qualified investors (*investisseurs qualifiés*) and/or (iii) a restricted circle of investors (*cercle restreint d'investisseurs*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

These selling restrictions may be amended. In this case, those restrictions shall be specified in a supplement to this Base Prospectus.

²² Only applicable for Notes admitted to trading on Euronext Paris

GENERAL INFORMATION

- (1) The Issuer has obtained all corporate and other consents, approvals and authorisations required in France for the update of the Programme.

Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires a resolution of the Board of directors (*Conseil d'administration*) of the Issuer. As such, the Board of directors (*Conseil d'administration*) of the Issuer, by way of decisions dated 31 January 2018 (i) authorised the issue of notes denominated in euros under the Programme, in 2018, up to a total maximum amount of € 4.5 billion, (ii) maintained the maximum maturity of the Notes up to fifteen (15) years, (iii) maintained the Maximum Amount of the Programme at €37 billion and (iv) delegated to the *président, vice-président* or *directeur général* of the Issuer the power to set their terms and conditions, including the execution of the final terms, and in general, to perform any action necessary for the completion of the issues.

- (2) Under Article 82 of the amending finance law no. 2017-1775 for 2017 dated 28 December 2017, the borrowings subscribed by the Issuer in 2018 may benefit from the guarantee of the French State in principal and interest, up to a maximum overall amount of €4.5 billion in principal.

The State Guarantee was therefore granted for the 2018 bond issues of the Issuer in the amount of 2 billion euros (corresponding to an initial portion of guarantee) by way of Order ("*Arrêté*") issued by the Minister for the Economy and Finance dated 10 April 2018, it being specified that a new portion of guarantee (up to 2.5 billion euros) must be granted by the Minister for the Economy and Finance for the Issuer's bond issues in excess of the limit established in the Order of 10 April 2018.

The Final Terms prepared in respect of any issue of Notes will specify whether or not the Notes will benefit from the guarantee of the French State, pursuant to an Order ("*Arrêté*") of the Minister for the Economy and Finance, adopted pursuant to Article 82 of the above-mentioned law, under the terms described in "Description of the Guarantee" and in the relevant Final Terms.

- (3) Except as disclosed in this Base Prospectus, no significant deterioration has affected the prospects of the Issuer since 31 December 2016.

Except as disclosed in this Base Prospectus, there has been no adverse change in the financial position of the Issuer since 31 December 2016.

- (4) The Issuer is not nor has been involved in any governmental, legal or arbitration proceedings and is not aware of similar proceedings which are pending or threatened, during a period covering at least the previous twelve (12) months, which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or its business.
- (5) Application may be made for Notes to be accepted for clearance through Euroclear France (115 rue Réaumur, 75081 Paris cedex 02, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg). The common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (6) FCN, 83-85 boulevard de Charonne, 75011 Paris, France and Deloitte et Associés, 185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France have audited and rendered audit reports on the financial statements of the Issuer for the years ended 31 December 2013, 2014 and 2015. FCN and Deloitte et Associés are members of the French National Institute of Auditors (*Compagnie Nationale des Commissaires aux Comptes*).

Mr. Patrick VICENS, 6 impasse des Ifs, 91300 Massy, France, has been appointed as alternate statutory auditor for FCN and Mr. Alain Pons, 99 rue de Sèvres, 75006 Paris, France has been appointed as alternate statutory auditor of Deloitte et Associés. Mr. Patrick VICENS and Mr. Alain Pons are members of the French National Institute of Auditors (*Compagnie Nationale des Commissaires aux Comptes*).

The statutory auditors' appointment mentioned above has been renewed for the years 2012 to 2017 by a resolution of the Board of directors (*Conseil d'administration*) of the Issuer dated 2012.

- (7) This Base Prospectus as well as any supplement to this Base Prospectus will be published on the websites of (a) the *Autorité des marchés financiers* (www.amf-france.org), (ii) the Issuer (www.unedic.org) and (iii) any other applicable regulatory authority and will be available for viewing, without charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Fiscal Agent or Paying Agent, where copies may be obtained. The Final Terms related to Notes admitted to trading on any Regulated Market, in accordance with the Prospectus Directive, will be published on the websites of (i) *Autorité des marchés financiers* (www.amf-france.org), (ii) the Issuer (www.unedic.org) and (iii) any other applicable regulatory authority.
- (8) So long as Notes are outstanding under this Programme, copies of the following documents will, when published, be available, without charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Fiscal Agent and Paying Agent:
- (i) a copy of the *statuts* of the Issuer;
 - (ii) the audited financial statements of the Issuer in respect of the financial years ended 31 December 2014, 2015 and 2016;
 - (iii) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further base prospectus;
 - (iv) a copy of the Agency Agreement (*Contrat de Service Financier*) (which includes a form of *Lettre Comptable*);
 - (v) any Final Terms with respect to Notes admitted to trading on Euronext Paris or on any other Regulated Market; and
 - (vi) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.
- (9) The amounts of interest payable in respect of the Floating Rate Notes may be calculated with reference to EURIBOR, EONIA or LIBOR or another benchmark index in accordance with the Regulation on Benchmark Indexes, as specified in the relevant Final Terms. As of the date hereof, only the administrator of the LIBOR index, ICE Benchmark Administration Limited, is included on the register of administrators and benchmark indexes produced and maintained by the European Securities and Markets Authority. The administrators of the EURIBOR and EONIA indexes do not feature on the register of administrators and benchmark indexes produced and maintained by the European Securities and Markets Authority, in accordance with Article 36 of the Regulation on Benchmark Indexes. To the knowledge of the Issuer, the provisions of Article 51 of the Regulation on Benchmark Indexes apply, such that the administrators of the EURIBOR and EONIA indexes are not currently required to request approval or registration (or, if they are located outside the European Union, recognition, endorsement or equivalent). The applicable Final Terms shall state the relevant benchmark index, the competent administrator and whether or not the administrator features in the register of administrators and benchmark indexes as of the Issue Date.

RESPONSIBILITY WITH RESPECT TO THE BASE PROSPECTUS

Person responsible for the information given in the Base Prospectus

In the name of the Issuer

I represent that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Base Prospectus is, to my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 16 May 2018

Unédic
4 rue Traversière
75012 Paris
France

Represented by:
Mr. Vincent DESTIVAL, Chief Executive Officer

Issuer

Unédic
4 rue Traversière
75012 Paris
France

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

BNP Paribas Securities Services
3-5-7 Rue Général Compans
93500 Pantin
France

Statutory Auditors

FCN
83-85 boulevard de Charonne
75011 Paris
France

Deloitte et Associés
185 avenue Charles de Gaulle
92200 Neuilly-sur-Seine
France

Legal Adviser to the Issuer

de Gaulle Fleurance & Associés
9 rue Boissy d'Anglas
75008 Paris
France