

SOCIETE GENERALE

DRAFT REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED TO THE 2009 AGM¹

We have called this General Meeting today to submit 19 resolutions for your approval. The purpose of each resolution is set forth hereafter.

REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PRESENTED TO THE ORDINARY MEETING

I – Approval of the 2008 financial statements, dividend payment and related party agreements (resolutions 1 to 6)

The **first and second resolutions** relate to the approval of the parent company financial statements for 2008, the allocation of attributable income and the amount of the dividend. The parent company recorded a net book loss of (EUR 2,963,598,323.26) in 2008. A detailed presentation of the parent company financial statements is set forth in the Registration Document.

The dividend per share is set at EUR 1.20. It will be deducted from the retained earnings. Shares will be traded ex-dividend as of May 27, 2009 and dividends will be payable as from June 19, 2009. Individuals residing in France will be entitled to a 40% tax rebate for French source dividends and will be subject to a flat-rate withholding tax.

The **third resolution** seeks your approval of the payment of dividends in new shares, with a discount of 10% regarding the average quoted opening price during the twenty trading sessions preceding the decision of payment. In case the option is not exercised, the dividend will be paid cash. This option Société Générale proposed to its shareholders from 1988 to 1997 will allow the consolidation of the bank's equity.

The **fourth resolution** seeks your approval of the consolidated financial statements. Consolidated Group net income for 2008 amounted to EUR 2.01 billion. Comments on the consolidated financial statements are also included in the Registration Document.

The **fifth resolution** seeks your approval of the Statutory auditors special report's statements on the implementation of related party agreements governed by the provisions of article L.225-38 of the French Commercial Code: one agreement with Groupama and two agreements with Rosbank, respectively approved by the General Meeting in 2006 and 2008.

The **sixth resolution** seeks your approval of the Statutory auditors' special report on the related party agreements governed by the provisions of articles L.225-42-1 of the French Commercial Code vote , i.e. on the agreements relating to retirement benefit commitments approved in favour of Messrs. Daniel BOUTON and Philippe CITERNE in 2006 and in favour of Mr. Didier ALIX in 2007, that continued in 2008. Mr. Daniel BOUTON does not acquire any new right from the supplementary retirement scheme since May 12, 2008, when he was nominated as Chairman of the Board of Directors. His rights were fixed on that date and will be liquidated when he will liquidate his retirement rights by the French Social Security.

These agreements are detailed in the Registration Document and in the Statutory auditors' special report.

¹ This report, approved by the Board, might be subject to changes to be updated with detailed information that might be added in the notice to attend the meeting if necessary.

The **seventh resolution** seeks your vote on the approval of agreements related to retirement benefit commitments covered by article L 225-42-1 of the French Commercial Code.

In 2008, the Board of Directors authorized two agreements concerning retirement benefit commitments in favour of Messrs. Frédéric OUDEA and Séverin CABANNES.

According to these agreements, the supplementary retirement scheme for senior group managers from which Messrs. Frédéric OUDEA and Séverin CABANNES benefited as employees before their first appointment as chief executive officers is maintained.

It is noted that the scheme that benefits Mr. Frédéric OUDEA will cease on the date of the termination of his employment contract, and that he will then waive any right that he could benefit from this retirement scheme, as employee as well as chief executive officer.

These agreements are detailed in the Registration Document and in the Statutory auditors' special report.

The **eighth resolution**, in accordance with Article L 225-42-1 of the French Commercial Code, seeks your approval of the agreement regarding the "severance allowance" and the non-competition clause authorised by the Board of Directors on its meeting of November 5th, 2008, in favour of Mr. Frédéric OUDEA.

In case of resignation or serious misdemeanour, he will not be entitled to a severance allowance. In addition, the severance allowance is subject to the performance conditions following:

- for a departure before January 2010, an average ROE (Return on Equity) after taxes of at least 6% measured over the latest published accounts for the four quarters prior his departure;
- for a departure from January 2010, an average ROE after taxes over the last two years preceding the departure exceeding that achieved by the lowest quartile of Société Générale's peers.

The compensation will be equal to the difference between any other compensation due, if applicable, notably under the non-competition clause and an amount equal, for a departure before 2010, to three years' fixed rate remuneration within the limit of two years' fixed-rate and performance-related remuneration, or, for a departure from January 2010, to two years' fixed-rate and performance related remuneration.

Regarding the non-competition clause, Mr. Frédéric OUDEA will not, during one year from the termination of his position, resume an activity in a listed bank or insurance company in France or abroad, or in an unlisted bank in France. As a compensation, he will be entitled to receive an allowance monthly paid equal to his fixed-rate compensation as Chief executive officer for the same period. Both parties will however be entitled to waive this clause.

In accordance with the AFEP-MEDEF recommendations dated October 2008, these commitments in favour of Mr. Frédéric OUDEA are in overall limited to a maximum amount equal to two years' fixed-rate and performance related compensation.

These agreements are detailed in the Registration Document and in the Statutory auditors' special report.

II - Board of Directors – Appointment and renewal of Directors (resolutions 9 to 12)

In **resolutions nine to twelve**, the Board, upon proposal of the Nomination Committee, proposes:

- To renew, for a four-year term, the Directors' mandates of:
 - Mr. Jean AZEMA, Chief Executive Officer of Groupama Group, as independent Director;
 - And Mrs Elisabeth LULIN, founder and Chief Executive Officer of Paradigmes et Caetera, as independent Director, member of the Audit Committee;
- To ratify the cooptation of Mr. Robert CASTAIGNE, former Chief financial officer and member of the Executive Committee of Total, appointed as independent Director and member of the Audit Committee by the Board of Directors on its meeting of January 20, 2009, in replacement of Mr. Elie COHEN, who resigned, for the remaining time of Mr. COHEN's mandate, i.e. until the end of the 2010 General Meeting.
- To appoint, for a four-year term, Mr. Jean-Bernard LEVY, Chief Executive Officer of Vivendi, as independent Director.

These proposals are in line with the aims of the Board of Directors regarding its composition:

- a well-balanced and diversified mix of competencies and experiences, especially a high level of experience in finance and market activities areas;
- continuity and gradual renewal (7 Directors among 12 would be nominated since 2004 if the resolutions are adopted in 2009).

Pursuant to these appointments, the Board of Directors will comprise fourteen members, including two employee representatives elected by the employees in 2009 for three years and nine independent Directors. It will comprise 2 women among the Directors elected by the General Meeting.

III - Authorization to buy back Société Générale shares (resolution 13)

The **thirteenth resolution** seeks to renew the authorization of the Company to buy back its own shares as granted to the Board of Directors by the General Meeting of May 27th, 2008.

The effect of this resolution is to authorize the Company to purchase its own shares up to a legal limit of 10% of its capital stock at the date of purchase and specifies that the number of shares held following purchases may not exceed 10% of the capital stock. The authorization would be valid for eighteen months.

This authorization will serve exactly the same purposes as previous authorizations you have granted in past years, except for the cancellation of shares in order to improve the return on equity and earnings per share. Only the cancellations in view to compensate the dilution resulting from the capital increases due to stock-option plans, free shares plans and employee share purchase plan would be authorized. Such restrictions result from the Group's commitments, as long as Société Générale will benefit from State's measures within the framework of the plan of action to restore confidence in the banking and financial system. Only purchases in order to honour or cover allocation of shares of employees and those within the ordinary course of business may be implemented.

The repurchased shares may be used to implement, honour or cover stock option plans, free share plans, otherwise awarding shares or any other form of allocation to employees and executive officers of the Group, or to honour obligations in connection with convertible debt securities. They may also be held and used subsequently in exchange or as payment for acquisitions or in connection with the liquidity contracts implemented in 2004. Société Générale decided not to proceed to purchases aiming at compensating the dilution resulting from the capital increases in favour of employees during the year 2009, in order to reinforce the Group's equity.

The shares may be bought, sold or transferred by any means and at any time, on one or more occasions, in accordance with the limits and methods set forth by laws and regulations.

The transactions referred to above may be carried out through over-the-counter or block purchases and sales or in the form of options or derivatives.

In the case of a public offer, share buybacks would only be authorized on condition that the public offer is paid entirely in cash and that buybacks are part of an ongoing share buyback plan and are not liable to jeopardise the offer. Thus, whichever is the company that initiates the public offer, Société Générale will not be able to apply the reciprocity principle to continue the implementation of the outstanding share buyback program if the purchase would be liable to cause the offer to fail. Moreover, shares may only be bought back for the purpose of enabling the Company, firstly, to implement or honour stock option plans or free share plans for employees and Chief executive officers of the Group, secondly, to issue shares upon exercise of rights attached to securities granting access to the share capital and, finally, to fulfil obligations in respect of external growth operations. In addition, these transactions are subject to regulatory control by the *Autorité des Marchés Financiers* (AMF). In consequence, they may in no case be used as anti-takeover measure.

The maximum purchase price of the shares is set at EUR 105 per share, i.e. around 2 times the net asset value per share as at December 31st, 2008.

A detailed report on the 2008 share buyback program is set forth in the Registration Document. An electronic version of the description of the share buyback program submitted to your vote will be available on the Company's website prior to the General Meeting.

REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PRESENTED TO THE EXTRAORDINARY MEETING

IV – Amendments to the By-laws (resolution 14)

It is proposed to add a new Article 20 "Forum Selection clause" to the By-laws, in order to give exclusive jurisdiction to the registered office's courts (Paris) in case of litigation among the shareholders or between the shareholders and Société Générale.

This resolution tends to introduce in the By-laws a very standard clause in the European law, already present in numerous French issuers' By-laws.

V – Preference shares (resolutions 15 and 16)

By voting on the **fifteenth resolution** and subject to the adoption of the 16th resolution, you are being requested to authorize the Board of Directors to increase the share capital of our Company by issuing preference shares without voting rights and without pre-emptive subscription rights to the sole benefit of the *Société de Prise de Participation de l'Etat* (SPPE).

As part of the second phase of the French plan to reinforce banks' core capital and in order to grant your Board of Directors the required flexibility to reinforce, as necessary, our Company's core capital, the Board submits to your vote resolutions 15 and 16, to authorize the Board, for a 14 months period, to increase the share capital of the Company by up to a maximum nominal amount of EUR 241,9 million, i.e. 33,3 % of the share capital of the Company on a non-diluted basis as at 28 February 2009, by issuing a maximum of 193.520.000 preference shares with a par value of EUR 1.25 each, as governed by articles L. 228-11 *et seq.* of the French Commercial Code².

As the issue of the preference shares will be carried out to the sole benefit of the *Société de Prise de Participation de l'Etat* (SPPE), a company whose sole shareholder is the French State, it is therefore requested that you waive your pre-emptive subscription rights.

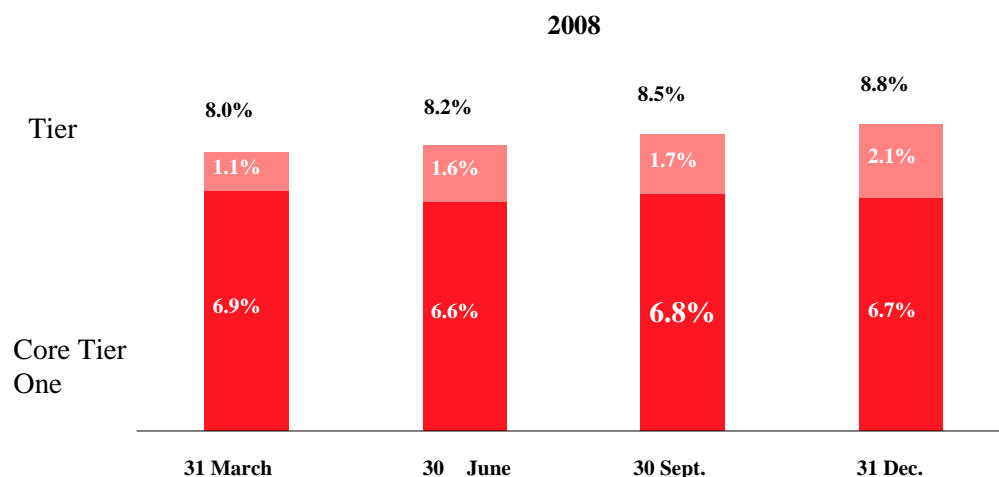
From a regulatory perspective, the preference shares would be eligible without limit to the core capital for the purpose of the calculation of the Group's solvency ratios. As a result, we submit to your vote the proposal that the Board of Directors decide to issue the preference shares in accordance with this authorization only if the consolidated financial position of our Company at the end of the last quarter immediately preceding the decision to issue the preference shares presents a Core Tier One solvency ratio below 7 %. This ratio is the ratio between (i) the core capital, excluding hybrid securities that are eligible with a cap as set by the regulator in charge of the rules applicable to the calculation of the solvency ratio, and (ii) the total risk-weighted assets of the Group.

The French State offers banks who wish to reinforce their core capital the choice between the SPPE subscribing to either preference shares or to deeply subordinated notes, i.e. perpetual debt securities (TSS) whose terms and conditions would be similar to those subscribed by the SPPE in December 2008. Being only accepted with a 35% cap in the core capital for the purpose of the calculation of the Group's Tier One solvency ratio, these notes are excluded from the calculation of the Core Tier One solvency ratio. The authorization submitted to your vote aims at allowing the Board of Directors to decide to reinforce the core capital by issuing preference shares if the Core Tier 1 solvency ratio falls below 7 %. The Board of Directors will decide, between the issue of preference shares and of TSS what the best solution for the Company is, depending on the position of the group and the burden such issues would impose on the Company, which would not be identical in each case.

As at December 31st, 2008, the Tier One solvency ratio amounted to 8.8% and the Core Tier One solvency ratio amounted to 6.7%.

² In any event, article L. 228-11 of the French Commercial Code limits the maximum amount of preference shares deprived of voting rights of a listed company to 25 % of its share capital, on a diluted basis.

Tier One and Core Tier One ratios under Basel II regulation*



*Without taking into account the additional requirements in terms of floors (in 2008, the Basel II requirement cannot be below 90 % the “AFP” core capital requirement)

In the 16th resolution, and subject to the implementation of the 15th resolution, you are being requested to adopt the changes to be made to the By-laws, as set out in the schedule attached to this report. Indeed, it is required by law that the rights and characteristics of this new category of shares, consisting of preference shares, be defined in the By-laws.

The preference shares will be deprived of voting rights in General meetings and of pre-emptive subscription rights. They will be granted a preferential dividend and may be repurchased by the Company in accordance with the terms and conditions set out in the By-laws. The preference shares will not be convertible into ordinary shares of the Company and will not be listed upon issuance.

The conditions for the calculation of the financial rights attached to the preference shares (preferential dividend, repurchase price) will be automatically modified in the event the preference shares are no longer held by the French State, the SPPE and/or any other entity which is not exclusively held by the French State (the “French State”) and are transferred to a third party.

The issue price of a preference share (the “Unit Issue Price”) will be the arithmetic average of the daily volume-weighted market price of the Company’s ordinary shares listed on the Euronext Paris market during the thirty day period preceding the date of the decision to issue the preference shares.

Preferential Dividend

No preferential dividend will be payable to the holders of preference shares for the 2008 financial year. For the 2009 financial year, the preferential dividend will be paid to holders of preference shares subject to (i) the existence of a sufficient distributable amount, (ii) the decision of the General meeting to distribute an ordinary dividend and the preferential dividend and (iii) the absence of a regulatory event (defined as non-compliance, or the risk of non-compliance, with the minimum solvency ratio required by banking regulations). The amount payable to holders of preference shares, on a *pro-rata temporis* basis, will amount to the product of the Current Amount³ by the higher of the two following rates, which in any event may not exceed twice the TSS Rate⁴:

- (i) the TSS Rate increased by a number of basis points to be set by the Board of Directors when taking the decision to issue the preference shares (which cannot in any event exceed 250),
- (ii) 105 % of the Payment Rate, equal to the dividend paid on each ordinary share for the 2009 financial year, divided by the Unit Issue Price of the preference shares.

For the following financial years, the mechanism will be identical to the one described above, except that the TSS Rate will be increased by a number of basis points which could be different each financial year and would be set by the Board of Directors when taking the decision to issue the preference shares (which cannot in any case exceed 250). The percentage of the Payment Rate is also gradual in accordance with the terms described in the By-laws (110 % for the dividend paid for the financial year 2010 up to 125 % for the dividend paid for the financial years 2018 and thereafter). The delegation hereby granted to the Board of Directors to set the amounts to be paid to the preference shares is necessary in order to take into account the indications the French State provided with respect to the terms under which it was prepared to subscribe to the securities.

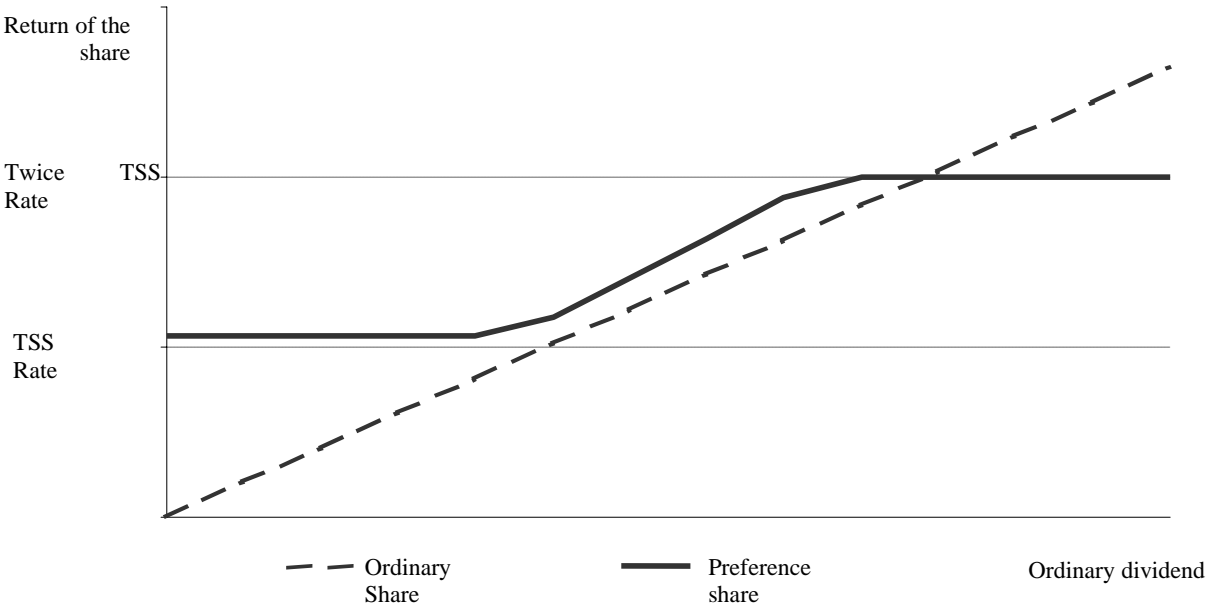
In the event the General meeting does not approve the distribution of an ordinary dividend nor of the preferential dividend, no amount will be due by the Company to holders of ordinary shares nor to holders of preference shares.

The law provides that dividends on preference shares are not deductible from the Company's taxable income.

³ This term is defined in the By-laws; it is the issue price less the impact of cumulative net consolidated losses, as applicable, over a given deductible or the impact of transactions undertaken to repay the amount of contributions.

⁴ The TSS Rate is defined in the By-laws; it will be set on the date that the capital increase is decided by the Board of Directors or, if applicable, its subdelegate (as a point of reference, for the deeply subordinated bonds issued in December 2008, this rate was 8.18 %).

The graph below shows the return on a preference share and on an ordinary share, based on an ordinary dividend and under the assumption that the Current Amount is equal to the total amount of the issue. The preferential dividend evolves on the basis of the ordinary dividend (according to a variable percentage between 105 % for financial year 2009 and 125 % for financial year 2018 and thereafter), between the amount resulting from the application of the TSS Rate (increased, as the case may be, by additional basis points depending on the financial year, in accordance with the By-laws) and the amount resulting from the application of twice the TSS Rate, it being specified that if there is no ordinary dividend, no preferential dividend is payable.



Repurchase of the preference shares

The preference shares may be repurchased by the Company in accordance with the terms defined in the By-laws, including in particular the prior authorization of the Secretary General of the French Banking Commission (the “*Secrétariat Général de la Commission Bancaire*”). In particular, if all preference shares are held by the French State, the Company may repurchase the preference shares at any time, in whole or in part, in accordance with the following terms:

- A. during an initial period (whose duration shall be set by the Board of Directors), at an amount which results from the application of a percentage between 100 % and 110 % of the Current Amount per preference share increased by the dividend that shall be due as decided by the General meeting following the repurchase, calculated on a *pro-rata temporis* basis,
- B. during a second period (whose duration shall be set by the Board of Directors) at the higher of the two following amounts, within the limit of a gradual percentage of the Unit Issue Price (which varies, starting from the issue date, between 120 % and 160 %, subject to the terms set out in the By-laws):

- (i) a percentage between 100 % and 110 % of the Current Amount per preference share, increased by the dividend which would be payable as decided by the General meeting following the repurchase, calculated on a *pro-rata temporis* basis;
- (ii) the arithmetic average of the daily volume-weighted market price of the Company's ordinary shares listed on the Euronext Paris market during the thirty day period preceding the repurchase date.

Transfer of the preference shares

In the event the French State decides to transfer the preference shares, the transfer would be carried out as follows:

- the transfer would have to include the entirety of the preference shares;
- our Company will be entitled to repurchase all or part of the preference shares (at the above-mentioned repurchase price).

Once the preference shares are transferred by the State, the calculation formulas applicable to their financial rights, including in particular the preferential dividend and the repurchase price, will be set as from the date of the transfer.

Reports available

As required by law, the following documents will be made available to you: a report from the independent auditors appointed by the President of the Commercial Court of Paris, in charge of assessing the special advantages attached to the preference shares, pursuant to articles L. 228-15 and L. 225-147 of the French Commercial Code, as well as the special reports of the Company's statutory auditors.

An additional report will be prepared when the Board of Directors will implement the delegation conferred by the above resolution. As required by law, this report will also be made available to you. In addition, the Company's statutory auditors will also prepare an additional report under the same conditions.

The **sixteenth** resolution seeks, subject to the implementation of the 15th resolution by the Board, your approval on the necessary amendments to the By-laws in order to create and describe the characteristics of the preference shares.

VI – Global employee share ownership plans - Authorization to issue shares reserved for employees (resolution 17)

In 2008, you authorized the Board of Directors to proceed with share capital increases reserved for employees of the Group in an amount up to 3 % of the capital for a duration of 26 months.

The Board of Directors decided on February 17th, 2009 to proceed with a share capital increase reserved for employees in a maximum amount of 8 710 905 shares, representing 1.5 % of the capital.

The following table shows the percentage of employee shareholders in the capital over the last five years, it being specified the Board carried out share capital increases reserved for employees each year.

	31.12.04	31.12.05	31.12.06	31.12.07	31.12.08
Percentage of capital held by employees and former employees through the global share plan of the Group.	7.42 %	7.56 %	7.03 %	7.17 %	7.10 %

The members of the company Employee Savings plan invested in Société Générale shares hold voting rights in General meetings.

In the **seventeenth resolution**, it is proposed that you vote on a new authorization for share capital increases reserved for employees, while the authorization granted by the 14th resolution of the General meeting on May 27th, 2008 is still valid (it was granted for a duration of 26 months). It is indeed required by law that, any time the General meeting votes upon a delegation relating to a capital increase in cash, the General meeting must also vote upon a resolution relating to a share capital increase reserved for employees.

This authorization will be granted for a duration of 14 months (until the next annual General meeting) and will be capped at 1.75 % of the capital. If the General meeting refuses to grant this authorization, the 14th resolution of the General meeting of May 27th, 2008, will remain valid for its portion unutilised as at the date of the General meeting.

This new authorization would allow for the issue of shares or securities giving rights to shares, as the case may be, in distinct tranches, reserved to members of a company or group Employee Savings plan of Société Générale and of companies affiliated under the conditions of article L. 225-180 of the French Commercial Code and articles L. 3344-1 and L. 3344-2 of the French Labour Code, in accordance with applicable rules and regulations.

The new authorization will waive the pre-emptive subscription rights of shareholders and will be reserved for members of the said plans.

The subscription price will be equal to the average quoted price of the ordinary shares on Euronext Paris during the twenty trading day period preceding the opening of the subscription period, minus a 20 % discount. However, the Board may decide, at any time, to grant free shares or other free securities giving rights to shares instead of the discount, to reduce or not grant a discount, within the limitations provided by laws and regulations.

In addition, within the limitations provided by articles L. 3332-21 of the French Labour Code, the Board of Directors may grant free shares or other securities giving rights to shares instead of the employer contribution (*abondement*), within the limitations provided by laws and regulations.

The Board of Directors may also decide that one or more offerings reserved for employees, may be implemented by shares transfer rather than by share capital increases, as provided by article L. 3332-24 of the French Labour Code.

Finally, as provided by law, the decision setting the subscription date may be taken by the Board of Directors or by its authorized delegate.

In the event the Board uses this authorization, you will be notified of the final conditions of the implemented offerings by the additional reports of the Board of Directors and of the statutory auditors as provided by law.

VII –Capital increase with pre-emptive subscription rights: increase of the ceiling of the authorization granted in 2008 (resolution 18)

The **eighteenth** resolution proposes the raise of the ceiling of the authorization to increase the Company's capital by issuing ordinary shares with pre-emptive subscription rights granted to the Board by the General meeting of May 27th, 2008 in its 10th resolution, from EUR 220 million up to EUR 360 million. The purpose is to take into account the evolution of the banking and financial environment since Spring 2008 as well as the evolution of the share price. The ceiling would be set at 49.6% of the capital stock against 30.2% previously.

Up to this day, the Board did not make use of the authorization granted by the General meeting of May 27th, 2008, in its 10th resolution.

The raise of the ceiling would be without consequence on the maximum nominal amount of EUR 100 million, i.e. 13.7% of the capital stock, for capital increases without pre-emptive subscription rights, set by the General Meeting in 2008. It is reminded that these ceilings are included in the overall ceiling that it is proposed to increase.

More generally, all other provisions and conditions set by the 10th resolution remain unchanged.

If the General meeting of shareholders refuses to increase the ceiling, the 10th resolution adopted by the General meeting on May 27th, 2008, would remain valid and unchanged.

VI- Powers to carry out formalities (resolution 19)

The **nineteenth resolution** is a standard resolution that grants general powers to the Board to carry out all necessary formalities.