REPORT OF THE BOARD OF DIRECTORS  
ON THE RESOLUTIONS SUBMITTED  
TO THE ORDINARY GENERAL MEETING DATED 23 MAY 2017

We have called this ordinary General Meeting on this day in order to submit for your approval nineteen resolutions whose purpose is stated and commented below.

I - Accounts for the 2016 financial year and dividend (resolutions 1 to 3)

The first resolution is about the approval of the consolidated accounts. Consolidated net accounting income (Group share) for the 2016 financial year amounts to EUR 3,873,976,597.27. Detailed comments on the consolidated accounts appear in the Registration Document.

The second and third resolutions relate to the approval of the annual accounts for the 2016 financial year, the allocation of the income and the setting of the dividend. The net accounting income for the 2016 financial year amounts to EUR 4,222,833,843.66. Detailed comments on the annual accounts appear in the Registration Document.

The total amount of non-deductible expenses and charges for tax purposes which amounts to EUR 415,056.74 is related to the particular tax regime of the car rentals.

The dividend per share is set at EUR 2.20. It shall be traded ex-dividend on 31 May 2017 and be paid as from 2 June 2017. It complies with the provisions of the recommendation issued by the European Central Bank (ECB) on 13 December 2016 relating to dividend distribution policies.

For the calculation of the income tax, the dividend is eligible to the 40% tax allowance.

II - Related party agreements and commitments (resolutions 4 to 8)

Through the fourth resolution, you are invited to approve the Statutory auditors’ special report setting out the related party agreement and commitments previously approved and which have remained applicable, without performance, during the 2016 financial year, namely:

- the non-compete clause for the benefit of Mr Frédéric Oudéa approved by your Meeting in 2012;
- the pension commitment for the benefit of Mr Bernardo Sanchez Incera approved by your Meeting in 2010;
- the pension commitment for the benefit of Mr Séverin Cabannes approved by your Meeting in 2009.

No new commitment or agreement was concluded in 2016.

New commitments and agreements concluded on 13 January and 8 February 2017 are submitted for your approval (resolutions 5 to 8).

Through the fifth resolution, you are invited to approve the “severance pay” commitment subject to performance conditions and the “non-compete clause” agreement of which Mr Frédéric Oudéa is the beneficiary, both terminating the “non-compete clause” related party agreement approved by your Meeting on 22 May 2012.
Through the sixth and seventh resolutions, you are invited to approve the two “severance pay” commitments subject to performance conditions and the two “non-compete clause” agreements of which Mr Séverin Cabannes and Mr Bernardo Sanchez Incera are the beneficiaries.

On 8th February 2017, the Board of Directors decided to harmonise the rules governing the Chief Executive Officer’s and Deputy Chief Executive Officers’ departure from the Group upon termination of their duties. The rules were defined taking into account the provisions of the AFEP-MEDEF Code revised in 2016 and market practices.

Non-compete clause

The chief executive officers (dirigeants mandataires sociaux exécutifs), Mr Frédéric Oudéa, Mr Séverin Cabannes and Mr Bernardo Sanchez Incera, have signed a non-compete clause for a period of six months as from the date on which their duties end, in accordance with standard practice for international financial institutions. The clause prohibits them from accepting a position at the same level with either a listed credit institution in Europe or an unlisted credit institution in France. In exchange, they could continue to receive their fixed compensation.

The Board of Directors alone could waive such clause, up until the date on which the term of office ends. In such a case, the chief executive officers (dirigeants mandataires sociaux exécutifs) would no longer be bound by any commitment, and no sums would be payable to them in such respect.

In the event of breach of the non-compete clause, the chief executive officer in question would be required to immediately pay a sum equal to six months’ fixed compensation. Societe Generale would in such a case be released from its obligation to pay any financial compensation and could, furthermore, demand the refund of any financial compensation as may have been paid since the breach.

As a reminder, only Mr Oudéa was subject to an 18-month non-compete clause which had been authorised by the Board of Directors on 24 May 2011 and approved by the General Meeting on 22 May 2012.

Severance pay

In accordance with the recommendations of the AFEP-MEDEF Code, Mr Frédéric Oudéa gave up his employment contract upon his appointment to the position of Chairman and Chief Executive Officer in 2009. He thus forfeited his entitlement to the benefits and guarantees from which he would have benefited as an employee with close to 15 years of service. Similarly, as a result of the suspension of the employment contracts of the Deputy Chief Executive Officers, the amount payable to them in statutory or contractual severance pay, if applicable, would be low to nil.

As a result, the Board of Directors decided to implement a provision for severance pay with the following terms:

- payment would only be due in the event of a non-voluntary departure from the Group, justified as such by the Board of Directors. No payment would be due in the event of serious misconduct, resignation or non-renewal of the chief executive officer’s term of office for reasons attributable to the latter;
- payment would be contingent upon an overall achievement rate for the annual variable compensation targets of at least 60% on average over the three years preceding the end of the term of office;
- no severance pay would be due to a chief executive officer leaving within six months before claiming his French Social Security pension, entitling him to claim the supplementary senior managers’ pension;
- the payment would amount to two years’ fixed compensation, thus complying with the recommendation of the AFEP-MEDEF Code, i.e. two years’ fixed and variable annual compensation.

In no circumstances may the severance pay (including, if applicable, any other severance pay provided for under the employment contract, especially any contractual severance pay) and the non-compete clause combined exceed the cap recommended by the AFEP-MEDEF Code (i.e. two years’ fixed and variable annual compensation).

As a reminder, shares or share-equivalents granted under the long-term incentive plan applicable to chief executive officers (dirigeants mandataires sociaux exécutifs) and still non-vested would be forfeited in the event of departure from the Group, the presence condition not being met. However, in case of a departure linked to retirement or changes in the Group’s structure or organisation, the shares would be kept or payments would be made after taking into account the performance observed and assessed by the Board of Directors.

Through the eighth resolution, you are invited to approve the two “pension” and “severance pay” commitments subject to performance conditions and the “non-compete clause” agreement of which Mr Didier Valet is the beneficiary.

On a proposal from Mr Frédéric Oudéa, the Board of Directors decided, during its meeting held on 13 January 2017, to change the structure of the General Management with the appointment of a new Deputy Chief Executive Officer, Mr Didier Valet. This development, effective since 16 January 2017, meets the twin objective of reinforcing the client-focused approach and the governance of the Group.

The Board of Directors proposed that Mr Didier Valet retains the benefit of the supplementary pension plan for senior managers that applied to him as an employee, as it is the case for the other Deputy Chief Executive Officers. The annual increase in supplementary pension benefits conditional upon the beneficiary completing his career within the Company is subject, as from his appointment, to the following performance condition: potential annuity rights for any given year will only be awarded in full if at least 80% of the variable compensation performance conditions for that year are met. For performance levels of 50% or below, there will be no increase in the annuities. For an achievement rate of between 80% and 50%, the benefits awarded for the year will be calculated on a straight-line basis.

Mr Didier Valet is also entitled to the post-employment benefits granted to Deputy Chief Executive Officers by the Board of Directors on 8 February 2017, i.e. a severance pay in the event of a non-voluntary departure from the Group and a non-compete clause as described for resolutions 5 to 7 above.

The special report of the Statutory auditors on related party agreements and commitments appears in the Registration Document and in the convening brochure.

**III - Compensations (resolutions 9 to 13)**
Through the **ninth resolution**, you are invited to approve the compensation policy for the chief executive officers *(dirigeants mandataires sociaux)* described in the Board of Directors’ report prepared pursuant to Article L. 225-37-2 of the French Commercial Code resulting from the law No 2016-1691 dated 9 December 2016 relating to transparency, the fight against corruption and the modernisation of the economic life (known as “Sapin 2 Law”).

The compensation policy specifies the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components composing the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officers, due to their mandate.

The aforementioned Board of Directors’ report appear in the Registration Document on pages 96 to 102 and is appended to this report (Appendix 1).

Through the **tenth to twelfth resolutions**, your advisory opinions are sought, pursuant to the AFEP-MEDEF Code applied by Societe Generale, on the components of the compensations due or awarded for the 2016 financial year to the chief executive officers *(dirigeants mandataires sociaux)*, namely, Mr Lorenzo Bini Smaghi, Chairman of the Board of Directors, Mr Frédéric Oudéa, Chief Executive Officer, and Mr Séverin Cabannes and Mr Bernardo Sanchez Incera, Deputy Chief Executive Officers.

The detailed tables setting out the individual compensation components appear in the Registration Document on pages 120 to 126 and are appended to this report (Appendix 2).

Through the **thirteenth resolution**, your advisory opinion is sought, pursuant to Article L. 511-73 of the French Monetary and Financial Code, on the compensation paid in 2016 to the persons referred to in Article L. 511-71 of the French Monetary and Financial Code, hereinafter referred to as “Group regulated staff”.

The Group regulated staff is defined according to the Commission Delegated Regulation (EU) No 604/2014. The persons are identified either by qualitative criteria linked to their function and their level of responsibility, as well as their capacity to significantly engage the bank in terms of risk exposure, or by quantitative criteria linked to their level of total compensation in the last financial year.

For the financial year 2016, the regulated population at Group level included 758 persons, of whom 489 based outside France.

424 persons are identified by the qualitative criteria (staff identified by several criteria are included in the first of the relevant categories):

- the three chief executive officers *(dirigeants mandataires sociaux exécutifs)*, Messrs. Oudéa, Cabannes, and Sanchez Incera;
- the Chairman and the members of the Board of Directors, i.e. 13 persons;
- the members of the Group Executive Committee and the Group Management Committee, i.e. 56 persons;
- key staff members in charge of control functions (risks, compliance, audit) and support functions at Group level, i.e. 17 persons;
- within “material business units”, key managers (Executive Committees members) and staff in charge of control functions, i.e. 216 persons;
- persons having credit authorisations exceeding the materiality thresholds set by the European Banking Authority (EBA) at Group level, i.e. 49 persons;
- staff in charge of trading activities who have responsibility for market risk limits exceeding the materiality thresholds set by the EBA at Group level, i.e. 70 persons;

334 persons are identified by the quantitative criteria:

- employees whose total compensation for 2015 is equal to EUR 500,000 or above and who are not already identified according to qualitative criteria. This includes profiles having essential skills for the development of certain Group activities and some key employees who demonstrated exceptional performance during the last financial year. The profiles concerned belong essentially to the investment banking functions.

The increase of the Group regulated staff between 2015 and 2016 (+79 employees) is due notably to the fact that the Group did not resort to the exemption notification process submitted in 2015, due to a degree of formalisation and a validation schedule which are not compatible with the operational constraints of Societe Generale.

The compensation of this population is subject to all the constraints defined by the Directive 2013/36/EU known as “CRD IV”, and notably a cap on the ratio between the variable and the fixed compensation components. In that context, the Board of Directors specifies that the authorisation given by the General Meeting of Shareholders dated 20 May, 2014 to increase the ratio between the variable and the fixed compensation components to 2 : 1 is still valid for 2017 financial year, as the scope of the regulated population and the estimated financial impacts remain below those estimated and communicated in the Board’s report of 2014. For information, the population impacted by this ratio consists of 381 employees in 2016 (316 employees in 2015), and the actual financial impact of EUR 44 million (EUR 53 million in 2015) remains significantly below the estimation of the maximum impact of EUR 130 million communicated in 2014.

As a result of the deferral of the variable compensation component of this population, the total compensation actually paid during 2016 includes a significant portion of payments related to financial years preceding 2016; besides, the amounts paid following the vesting of the variable compensation installments indexed on the Societe Generale share value, are impacted by the share price fluctuations during the vesting and the retention periods.

The total amount of compensation actually paid during 2016 amounts to EUR 571.7 million and includes:

- the fixed compensation for 2016: EUR 253.7 million;
- the non-deferred variable compensation for 2015: EUR 141.1 million;
- the deferred variable compensation for 2014: EUR 75.7 million;
- the deferred variable compensation for 2013: EUR 36.4 million;
- the deferred variable compensation for 2012: EUR 63.4 million;
- the shares or equivalent instruments vested and negotiable starting from 2016, resulting from long-term incentive plans: EUR 1.4 million.

The Board of Directors highlights the fact that the link to 2016 performance cannot be assessed based on the amounts actually paid in 2016 given the significant portion of deferred variable compensation. The information concerning compensation awarded for the 2016 financial year, which is linked to the performance and context of that particular year, will be made available to shareholders in the 2016 compensation policies and practices report, which will be published in
April 2017 on the Group’s website and will be included in the first update of the Registration Document.

**IV - Board of Directors - Renewal and appointment of Directors (resolutions 14 to 17)**

Two Directors’ terms of office will expire at the end of the Meeting dated 23 May 2017. These are the terms of office of Mrs Alexandra Schaapveld and Mr Jean-Bernard Levy, which you are invited to renew.

Two appointments are submitted for you approval following the resignations of Mr. Roman and Mrs Dalibard both motivated due to their new duties.

Mr Roman, currently Chief Executive Officer of PIMCO, has resigned with effect from 1 December 2016; Mrs Dalibard, currently Chief Executive Officer of SITA, has resigned with effect from 23 May 2017.

The research process for candidates has been launched from July 2016, with the assistance of a consulting firm, on the basis of criteria defined by the Nomination and Corporate Governance Committee and the Board, namely:

- banking and financial markets expertise;
- information systems and digital expertise.

The Board ensured that the selected candidates met these conditions and would have sufficient time to perform their duties. It also ensured keeping the balance of the composition of the Board in terms of parity and international experience.

Through the **fourteenth resolution**, the Board proposes, based on the opinion of the Nomination and Corporate Governance Committee, to renew, for a four-year term, the Director’s term of office of Mrs Alexandra Schaapveld.

Mrs Schaapveld is an independent Director of Societe Generale since 2013, Chairman of the Audit and Internal Control Committee and member of the Risk Committee.

Mrs Schaapveld, born on 5 September 1958, has an extensive banking and financial experience. She is a Director of several large listed companies in France (Vallourec) or abroad (Bumi Armada Berhad in Malaysia).

More detailed comments appear in the Registration Document.

Through the **fifteenth resolution**, the Board proposes, based on the opinion of the Nomination and Corporate Governance Committee, to renew, for a four-year term, the Director’s term of office of Mr Jean-Bernard Levy.

Mr Levy is an independent Director of Societe Generale since 2009, Chairman of the Compensation Committee and member of the Nomination and Corporate Governance Committee.

Mr Levy, born on 18 March 1955, has an extensive experience as a business executive (Vivendi, EDF). He was a Director of Vinci and Thalès. He is currently Chairman and Chief Executive Officer of EDF and does not have any mandate outside the EDF group.
More detailed comments appear in the Registration Document.

Through the **sixteenth resolution**, you are invited, based on the opinion of the Nomination and Corporate Governance Committee, to appoint Mr William Connelly as Director, for a four-year term.

Aged 59 and of French nationality, William Connelly has an extensive experience in investment banking and asset management. He worked at The Chase Manhattan Bank, Baring Brothers & Co and then ING. Retired since November 2016, his last positions were as member of the Management Board of ING Bank in the Netherlands, Head of Wholesale Banking of the latter and Chief Executive Officer of ING Real Estate B.V. (an ING Bank’s subsidiary). Mr Connelly would be appointed as an independent Director.

On 8 February 2017, he does not hold any directorship. Furthermore, his appointment as a Director of the company Aegon N.V. is submitted in 2017 to the general meeting of the latter. Aegon N.V. is a company listed on Euronext Amsterdam and NYSE.

More detailed comments appear in the convening brochure.

Through the **seventeenth resolution**, you are invited, based on the opinion of the Nomination and Corporate Governance Committee, to appoint Mrs Lubomira Rochet as Director, for a four-year term.

Aged 39 and of French nationality, Lubomira Rochet is Chief Digital Officer and member of the executive committee of L’Oréal. She worked at Capgemini and Microsoft and is a digital specialist. Mrs Rochet would be appointed as an independent Director.

Currently, she is a Director of Founders Factory Ltd in England.

More detailed comments appear in the convening brochure.

If these resolutions are passed, the Board of Directors will be composed of 14 members including two Directors representing the employees elected by the employees in March 2015 for 3 years. It will comprise 5 women elected by the Meeting, i.e. 41.6% of its members elected by the shareholders and 5 foreigners. Its composition will be balanced in terms of expertise. The independent Directors’ rate will be of more than 91.6% (11/12) according to the calculation method of the AFEP-MEDEF Code which excludes the employees. The composition of the Committees will remain unchanged.

**V - Authorisation to buy back Societe Generale’s shares (resolution 18)**

The **eighteenth resolution** is intended to renew the authorisation to buy back shares which was granted to the Board of Directors by your Meeting dated 18 May 2016 (13th resolution).

Your Board used this authorisation to continue the performance of the liquidity agreement.

The shares bought back using previous authorisations are assigned to the allocation to the employees and chief executive officers (dirigeants mandataires sociaux) of the Group. They include in particular issued shares of the free allocation plans and share allocations to chief executive officers (dirigeants mandataires sociaux) as part of their variable compensation.
On 8 February 2017, your Company directly held 8,421,751 shares, i.e. 1.04% of the total number of shares comprising the share capital.

The resolution submitted for the vote maintains the number of shares that your Company could purchase at 5% of the total number of shares comprising the share capital at the date of your Meeting, and at 10% the total number of shares that your Company could hold after these purchases.

This resolution has the same purposes for which you resolved favourably in the past years.

These purchases could allow:

- as part of the 21st resolution of the General Meeting dated 18 May 2016, to buy back shares for cancellation solely to offset the dilution resulting from share issuances relating to stock options or free shares plans or share capital increases reserved for employees;
- to grant, cover and honour any stock options plan, free shares allocation plan, employee savings plan or any other form of allocation for the benefit of employees and executive officers of the Group;
- to meet obligations relating to debt securities convertible into equity securities;
- to hold and subsequently deliver shares as payment or exchange as part of Group’s external growth transactions;
- to continue the performance of the liquidity agreement.

The purchase of these shares, as well as their sale or transfer, could be carried out, on one or more occasions, by any means and at any time, except during a public tender offer on the Company’s securities, in accordance with the limits and forms set by the regulations.

The maximum purchase price will be set at EUR 75 per share, i.e. 1.18 times the net asset per existing share as at 31 December 2016.

This authorisation will be valid for 18 months.

The Board of Directors will ensure that the implementation of the buybacks is conducted in compliance with the prudential requirements as set by the regulations.

A detailed report on the share buyback transactions carried out in 2016 appears in the Registration Document. The electronic version of the description of the share buyback programme will be available on the Company’s website prior to the Meeting.

**VI - Powers (resolution 19)**

This *nineteenth resolution* is a standard resolution which grants general powers for formalities.