

**REPORT OF THE BOARD OF DIRECTORS  
ON THE RESOLUTIONS SUBMITTED  
TO THE COMBINED GENERAL MEETING DATED 19 MAY 2020**

We have called this combined General Meeting on this day in order to submit for your approval 32 resolutions whose purpose is stated and commented below.

**REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS TO BE RESOLVED UPON BY THE ORDINARY GENERAL MEETING**

**I - Accounts for the 2019 financial year and allocation of the income (resolutions 1 to 3)**

The **first resolution** is about the approval of the consolidated accounts. Consolidated net accounting income (Group share) for the 2019 financial year amounts to EUR 3,247,603,606.66. Detailed comments on the consolidated accounts appear in the Universal Registration Document.

The **second** and **third resolutions** relate to the approval of the annual accounts and the allocation of the income. The net accounting income for the 2019 financial year amounts to EUR 3,695,181,183.83. Detailed comments on the annual accounts appear in the Universal Registration Document.

The total amount of non-deductible expenses and charges for tax purposes which amounts to EUR 689,791 is related to the particular tax regime of the car rentals.

As announced on 31 March 2020, it is proposed to allocate this income to the retained earnings after deduction for allocation to the legal reserve and the unavailable special reserve in accordance with the artistic works acquisition model in order to comply with the recommendation of the European Central Bank (ECB) not to pay dividends on the 2019 and 2020 financial years as long as the coronavirus crisis continues until “at least early October 2020”.

Indeed, the ECB does not want a decision on the payment of the dividend to be taken before the beginning of October. However, this deadline is incompatible with French law, which stipulates payment of the annual dividend by 30th September at the latest. During the second half of 2020, the Board will propose guidelines on shareholder return that could consist in the payment of an interim dividend on 2020 results or an exceptional dividend in the form of a distribution of reserves, the latter requiring the holding of a Shareholders' Meeting.

**II – Approval the Statutory auditors’ special report setting out the related party agreements referred to in Article L. 225-38 of the French Commercial Code (resolution 4)**

Through the **fourth resolution**, you are invited to approve the Statutory auditors’ special report setting out the related party agreements referred to in Article L. 225-38 of the French Commercial Code which states that no new related party agreement has been signed during the 2019 financial year.

### **III - Compensations (resolutions 5 to 14)**

Through the **fifth, sixth and seventh resolutions**, you are invited, pursuant to Article L. 225-37-2 of the French Commercial Code, to approve the compensation policy for the executive officers (*mandataires sociaux*) as in the report on corporate governance prepared by the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code.

The compensation policy describes all components of the fixed and variable compensation of the executive officers (*mandataires sociaux*) and explains the decision-making process for its determination, revision and implementation. It concerns the Chairman of the Board of Directors (5<sup>th</sup> resolution), the Chief Executive Officer and Deputy Chief Executive Officers (6<sup>th</sup> resolution) and now the directors (7<sup>th</sup> resolution) pursuant to the provisions of the Order n°2019-1234 dated 27 November 2019 relating to the compensation of corporate officers of listed companies.

In the event that the General Meeting does not approve one of those resolutions, the compensation policy approved by the General Meeting dated 21 May 2019 for the relevant person(s) will continue to apply.

The compensation of the Chairman of the Board of Directors remains unchanged. Regarding the Chief Executive Officers (*dirigeants mandataires sociaux*), the overall structure of their remuneration remains unchanged, subject to the following three points.

Regarding the **payment of severance pays**, the current rules provide for the possibility of payment in the event of resignation when such resignation is found to be forced by the Board of Directors. The same rule applies to the forced non-renewal of officers.

There was some concern at the last General Meeting over the ability of paying severance pay in the event of “forced resignation”. It is therefore proposed to amend the conditions for the payment of severance pays by removing the notion of “forced resignation”. Thus, no severance pay would be payable in the event of resignation or non-renewal, whatever its motivation. This provision shall apply to terms of office as from the General Meeting of 19 May 2020.

Regarding **long-term incentive (LTI)**, the current rule allows to keep a full compensation in the event of retirement or in the event of departure from the group for reasons linked to a change in the structure or organisation of the group.

Due to the evolution of the market practices and in line with the recommendations of the AMF, it is therefore proposed to adjust the treatment of the LTI by applying a *pro rata* principle in the event of departure from the group for reasons linked to a change in its structure or organisation.

In this case, the payments would be made in proportion to the term of office in relation to the acquisition period and after considering the performance observed and assessed by the Board.

The current rule would keep on applying for retirement, death, disability, inability. It is also proposed to apply it in the case of departure due to a change of control. This adjustment would apply as from the plans awarded in 2020 for the 2019 fiscal year.

Finally, due to legal developments in France, the defined benefit scheme applicable to outside classification executive employees, which benefits the four Deputy Chief Executive Officers, was closed to the acquisition of new rights as of 31 December 2019. The defined contribution group pension scheme known as "ER Valmy" applicable to all employees and benefiting the four Deputy Chief Executive Officers has been adjusted. As from the 1<sup>st</sup> January 2020, the compensation cap taken into account is increased to four "annual social security cap" and the company contribution rate will increase to 1.75% on 1 July 2020 (1.5% previously).

The **seventh resolution** relates to the compensation package for directors which is described in detail in the corporate governance report as well as in Article 15 of the internal rules of the Board of Directors. The total compensation amounts to 1,7 Million euros and was adopted by General Meeting on 23 May 2018. It is proposed to remain it unchanged. As regards the allocation, it shall take into account the responsibilities of each director, particularly when they participate in committees and distinguish a fixed share which is conditional on attendance at least equal to 80% and a variable share linked to attendance at Board and Committee meetings. The Chairman of the Board of Directors and the Chief Executive Officer shall not receive any compensation in respect of their term as directors.

By the **eighth resolution**, pursuant to the provisions of the article L. 225-100 II of the French Commercial Code as amended by Order n°2019-1234 dated 27 November 2019 relating to the compensation of executive officers of listed companies, you are invited to approve the report on the compensation of executive officers (*mandataires sociaux*) including the information referred to in article L. 225-37-3 I. of the French Commercial Code. This information is presented in the report on corporate governance drawn up pursuant to article L. 225-37 of the French Commercial Code.

The information referred to in article L. 225-37-3 I. of the French Commercial Code is related to the following topics:

- The global compensation and benefits of any kind, distinguishing fixed, variable and exceptional items, including share capital securities, debt securities or equity linked securities paid as executive officer (*mandataire social*) in the preceding financial year or awarded as executive officer (*mandataire social*) in respect of the same financial year;
- The relative proportion of fixed and variable compensation;
- The implementation of the ability to request the repayment of a variable compensation;
- Commitments related to the arrival or departure of the Chief Executive Officers (*dirigeants mandataires sociaux*);
- Compensations paid or awarded by a company within the scope of consolidation perimeter within the meaning of the article L.233-16 of the French Commercial Code;
- The ratios regarding multiples of compensation (or equity ratio);

- The annual evolution of the compensation, the performance of the company, the average compensation on a full-time equivalent basis of the employees of the company over 5 years presented in a way that allows comparison;
- An explanation of how the total compensation complies with the compensation policy adopted;
- How the vote of the last General Meeting was taken into account;
- Any deviation from the compensation policy;
- The suspension of directors' compensation in the event of failure to apply the law regarding gender balance.

The aforementioned report on corporate governance is contained in the pages 70 to 142 of the Universal Registration Document and the portion with regard the compensation policy for the Chief Executive Officers (*dirigeants mandataires sociaux*) and the report on the remuneration of the Executive Officers (*mandataires sociaux*) is appended to this report (Appendix 1).

Through the **ninth to fourteenth resolutions**, you are invited, pursuant to Article L. 225-100 III of the French Commercial Code, as amended by the by Order n°2019-1234 dated 27 November 2019 relating to the compensation of executive officers of listed companies, to approve the fixed, variable and exceptional components composing the total compensation and the benefits of any kind paid or awarded during the 2019 financial year to the Chief Executive Officers (*dirigeants mandataires sociaux*), namely:

- Mr Lorenzo Bini Smaghi, Chairman of the Board of Directors (9<sup>th</sup> resolution);
- Mr Frédéric Oudéa, Chief Executive Officer (10<sup>th</sup> resolution);
- Messrs. Philippe Aymerich, Séverin Cabannes, Philippe Heim and Mrs. Dinoy Lebot, Deputy Chief Executive Officers (11<sup>th</sup> to 14<sup>th</sup> resolutions).

These compensation components are described in the report on corporate governance prepared by the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code. They are consistent with the compensation policy approved by your Meeting in 2019.

The aforementioned report on corporate governance is contained in the pages 70 to 142 of the Universal Registration Document and the detailed tables for the presentation of individual compensation items are appended to this report (Appendix 2).

The payment to the concerned parties of the variable compensation components awarded for the 2019 financial year is subject to the approval by the ordinary General Meeting of their compensation for the 2019 financial year.

Through the **fifteenth resolution**, your advisory opinion is sought, pursuant to Article L. 511-73 of the French Monetary and Financial Code, on the compensation paid in 2019 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 2019, the regulated population at Group level included 795 persons. The regulated population has been updated based on regulatory technical standards and includes:

- the Chief Executive Officers (*dirigeants mandataires sociaux*);
- the Chairman and the members of the Board of Directors;
- the members of the Group Management Committee;
- key staff members in charge of control functions (risks, compliance, audit) and support functions at Group level;
- key managers within “material business units”;
- persons having credit authorisations exceeding the materiality thresholds set by the European Banking Authority (EBA) at Group level;
- staff in charge of trading activities who have responsibility for market risk limits exceeding the materiality thresholds set by the EBA at Group level;
- employees whose total compensation for 2018 is equal to EUR 500,000 or above and who are not already identified according to qualitative criteria mentioned above.

The slightly decrease of the regulated population (-32 employees compared to 2018) is explained in particular by the decrease in the number of regulated people due to the compensation threshold criteria.

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 dated 20 May 2014 to increase the ratio between the variable and the fixed compensation components to 2 : 1 is still valid for the 2019 financial year’s compensation as the scope of the regulated population and the estimated financial impacts remain below those estimated and communicated in the Board’s report in 2014. The regulated population impacted by this authorisation consists of 281 people in 2019 (302 people in 2018). The financial impact of EUR 37.5 million (EUR 36 million in 2018) remains significantly below the estimation of the maximum impact of EUR 130 million communicated to the 2014 General Meeting.

As a result of the deferral of the payment of the variable compensation for this population, the total compensation actually paid during 2019 includes a significant portion of payments related to financial years preceding 2019; besides, the amounts paid following the vesting of the variable compensation instalments 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 amounts to EUR 417.5 million and includes:

- the fixed compensation for 2019: EUR 239.6 million;
- the non-deferred variable compensation for 2018: EUR 109.2 million;
- the deferred variable compensation for 2017: EUR 27.3 million;
- the deferred variable compensation for 2016: EUR 17.8 million;

- the deferred variable compensation for 2015: EUR 21.7 million;
- the deferred variable compensation for 2014: EUR 0.1 million;
- the deferred variable compensation for 2013: EUR 0.9 million;
- the shares or equivalent instruments vested and negotiable in 2019, resulting from long-term incentive plans: EUR 0.9 million.

The Board of Directors highlights the fact that the link to 2019 performance cannot be assessed based on the amounts actually paid in 2019 given the significant portion of deferred variable compensation. The information concerning compensation awarded for the 2019 financial year will be made available to shareholders in the 2019 compensation policies and practices report, which will be published in April 2020 on the Group's website and will be included in the first update of the Universal Registration Document. It will be made available to the shareholders of the General Meeting.

#### **IV - Board of Directors - Renewal and appointment of Directors (resolutions 16 to 17)**

Two Directors' terms of office will expire at the close of the Meeting dated 19 May 2020. It is the term of office of Mr Juan Maria Nin Génova, independent Director, whose renewal is proposed and the one of Mrs. Nathalie Rachou, independent Director. Mrs. Nathalie Rachou did not express her wishes to renew her term of office for the fourth time in accordance with the best corporate governance principles.

The Nomination and Corporate Governance Committee conducted a skills review of the Board. He noted that the latest appointments have enabled to diversify its skills in the technological and digital field and to strengthen his financial and accounting skills. He also assessed the participation of directors to be renewed beyond their attendance rate.

Through the **sixteenth 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 Juan Maria Nin Génova.

Mr Nin Génova is an independent Director of Societe Generale since 2016 and member of the Nomination and Corporate Governance Committee.

Mr Nin Génova, born on 10 March 1953, of Spanish nationality, brings to the Board a very well-known banking experience, particularly in retail banking. He was notably Vice-Chairman of the Board and Deputy Advisor of CaixaBank SA (Spain) from 2011 to 2014.

His attendance rate at the Board of Directors meetings has reached 94.51% since the beginning of his mandate.

Mr Nin Génova holds the following other terms of office in non-listed company abroad:

- Chairman of the Board of Directors of Promociones Habitat (Spain) (since 2018) and Itinere Infraestructuras (Spain) (since May 2019).
- Member of the Board of Directors of Azora Capital S.L. (Spain) (since 2014).

More detailed comments appear in the Universal Registration Document.

Through the **seventeenth resolution**, the Board proposes, based on the opinion of the Nomination and Corporate Governance Committee, to appoint, for a four-year term, Mrs. Annette Messemer as independent Director to replace Mrs. Nathalie Rachou.

Aged 55 and of German nationality, Mrs. Annette Messemer has a long career in finance and investment banking, particularly at JP Morgan Chase and Commerzbank. She is an independent Director of the Board of Directors of Essilor Luxottica.

The Board of Directors, on the basis of the work carried out by the Nomination and Corporate Governance Committee, proposes that she be appointed as an independent Director.

More detailed comments appear in the Universal Registration Document.

As to the appointment procedure, the research process for candidates has been launched in spring 2019, with the assistance of a consulting firm, on the basis of criteria defined by the Nomination and Corporate Governance Committee and the Board, namely:

- a great expertise on banking and financial markets;
- a woman.

The Board of Directors defined this expertise profile in light of its composition and ensured that these orientations would enable it to have all the skills necessary for the performance of its duty. This point is detailed in the Universal Registration Document.

The Board of Directors verified that the candidates to be renewed or appointed 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.

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 2018 for three years. It will comprise five women appointed by the Meeting, i.e. 41.6% of its members appointed by the shareholders and six 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 from such calculation the Directors representing the employees.

## **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 21 May 2019 (25<sup>th</sup> resolution).

Your Board used this authorisation only 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 existing shares of the free allocation plans and share allocations to Chief Executive Officers (*dirigeants mandataires sociaux*) as part of their variable compensation.

As at 5 February 2020, your Company directly held 3,706,880 shares, i.e. 0,43% 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 completion date of these purchases, 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 26<sup>th</sup> resolution of this Meeting, to buy back shares for cancellation;
- to grant, cover and honour any 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 the exercise of the rights attached to 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 2019.

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 banking regulations.

A detailed report on the share buyback transactions carried out in 2019 appears in the Universal 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.

## REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS TO BE RESOLVED UPON BY AN EXTRAORDINARY MEETING

The Board of Directors was granted financial authorisations by your Meeting on 21 May 2018 and such financial authorisations expire this year. The use made by the Board of Directors of such authorisations is listed and detailed in the attached table. Your Board has not used any of these authorisations except those relating to free shares allocations and the issuances reserved for employees. It is now proposed to end these authorisations and to authorise new delegations in favour of the Board of Directors for a uniform period of 26 months (resolutions 19 to 28).

In addition, due to the evolution of the legal and regulatory framework, it is proposed this year to amend the by-laws (resolutions 29 to 31).

### VI – Ceilings for issuances giving access to the share capital (resolutions 19 to 25)

The different ceilings are summarised in the table hereafter. The overall ceiling and the ceiling for issuances with pre-emptive subscription rights are limited to 33% (32.99% in 2018).

|                                                                                                                                                     |                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                 |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Overall ceiling:<br/>33% of the share capital</b><br>at the date of the Meeting, i.e. a maximum nominal amount of EUR 352,000,000 <sup>(1)</sup> | Issuances with pre-emptive subscription rights (PSR) (19 <sup>th</sup> resolution)                                                                                                                                                                                    | 33%                                                                                                                                                                                                                             |     |
|                                                                                                                                                     | <b>10% of the share capital</b><br>at the date of the Meeting, i.e. a maximum nominal amount of EUR 100,980,000                                                                                                                                                       | Issuances without PSR by offer(s) other than those referred to in article L. 411-2 1°) of the French Monetary and Financial Code (20 <sup>th</sup> resolution)                                                                  | 10% |
|                                                                                                                                                     |                                                                                                                                                                                                                                                                       | Issuances without PSR to remunerate contributions in kind (21 <sup>st</sup> resolution)                                                                                                                                         | 10% |
|                                                                                                                                                     |                                                                                                                                                                                                                                                                       | Issuances without PSR of contingent convertible super-subordinated bonds through offer referred to in article L. 411-2 1°) of the French Monetary and Financial Code (formerly private placement) (22 <sup>nd</sup> resolution) | 10% |
|                                                                                                                                                     | Issuances reserved for employees (23 <sup>rd</sup> resolution)                                                                                                                                                                                                        | 1.5%                                                                                                                                                                                                                            |     |
|                                                                                                                                                     | Issuances related to free allocations of shares to the regulated persons or assimilated (24 <sup>th</sup> resolution)<br><i>* including a maximum ceiling of 0.1% for allocations to Societe Generale's Chief Executive Officers (dirigeants mandataires sociaux)</i> | 1.2%*                                                                                                                                                                                                                           |     |
|                                                                                                                                                     | Issuances related to free allocations of shares to employees other than the regulated persons or assimilated (25 <sup>th</sup> resolution)                                                                                                                            | 0.6%                                                                                                                                                                                                                            |     |
| EUR 550 million <sup>(2)</sup>                                                                                                                      | Incorporation into the share capital of reserves, profits, premiums or any other item which may be incorporated into the share capital (19 <sup>th</sup> resolution)                                                                                                  |                                                                                                                                                                                                                                 |     |

(1) The ceiling for issuances of securities representing debt giving access to the share capital would remain unchanged at EUR 6 billion (19<sup>th</sup> to 25<sup>th</sup> resolutions).

- (2) The existence of a separate and independent ceiling is justified by the nature of the incorporations of reserves and others, which is entirely different, as they occur either through the allocation of free shares to the shareholders or through the increase of the nominal value of existing shares, i.e. without dilution for the shareholders and without any change in the volume of the Company's equity.

These amounts are set subject to, as the case may be, the additional share capital increases resulting from the rights adjustment of certain security holders.

In order to ensure that you will have the opportunity to resolve upon the financial authorisations set forth by this Meeting during a public tender offer, such financial authorisations would be suspended during a public tender offer on the share capital of the Company, except for the resolutions relating to the issuances reserved for the employees in the context of a Global employee share ownership plan decided prior to the opening of a public tender offer and the free allocations of performance shares to the employees and Chief Executives Officers (*dirigeants mandataires sociaux*) if provided for in the Company compensation policy.

### **VII – Authorisations for issuances of ordinary shares and securities giving access to the share capital, excluding issuances reserved for employees or related to the free allocation of shares (resolutions 19 to 22)**

Although Societe Generale does not contemplate to proceed with an increase of its share capital, the renewal of these authorisations tends to enable the Board of Directors to have the possibility to proceed with share capital increases within short time frames. This ability to quickly react falls within the criteria used by the ECB to assess the credibility of the preventive recovery plan that your Company must establish to meet the requirements of the banking crisis prevention and management directive implemented into French law by the order dated 20 August 2015.

The securities likely to be issued pursuant to the financial authorisations which have been proposed might be the following:

- ordinary shares of the Company,
- equity securities giving access to other equity securities of the Company or a company in which the Company directly or indirectly owns more than half of the share capital (a “Subsidiary”) and/or giving right to the allocation of debt securities of the Company or a Subsidiary. Such securities may notably comprise shares with shares warrants attached (ABSA) or shares with bond warrants attached (ABSO),
- debt securities giving access to equity securities to be issued of the Company or a Subsidiary such as in particular bonds convertible into or exchangeable for new or existing shares (OCEANE).

### **A – Issuances with and without pre-emptive subscription rights through public offering except during a public tender offer on the share capital of the Company (resolutions 19 and 20)**

The **nineteenth** and **twentieth resolutions** are intended to renew the authorisations to increase the share capital with or without pre-emptive subscription rights granted for 26 months by your Meeting dated 23 May 2018.

The Board of Directors did not make use of these authorisations and undertakes to use these new authorisations only if needed in order to strengthen the means for development and financing of your Company. It would give priority to an operation with pre-emptive subscription rights, as it did in 2006, 2008 and 2009.

However, the Board deems it necessary to have the possibility to proceed with share capital increases without pre-emptive subscription rights of the shareholders in order to be able, if necessary, to raise equity within a shorter timeframe than those of capital increases with pre-emptive subscription rights being observed that, in accordance with the applicable regulations, individuals would be able to subscribe for three trading days. It is recalled that the Board of Directors would have the power to provide a priority subscription period for shareholders.

The Board of Directors would of course set the issue price of the securities in the best interests of the Company and its shareholders, while taking into account all of the requirements set by law and by financial market rules.

These authorisations may not be used by the Board of Directors during a public tender offer on the securities of the Company.

#### ***Issuance with pre-emptive subscription rights (resolution 19)***

In case of an issuance with pre-emptive subscription rights of ordinary shares or securities giving access to the share capital, the shareholders will have pre-emptive subscription rights to the securities issued in proportion to their share in the share capital in accordance with applicable law and regulatory requirements. Upon an explicit decision of the Board of Directors, the unsubscribed irreducible (*à titre irréductible*) equity securities would be allocated to the shareholders who will have subscribed an amount of securities greater than the amount to which they could subscribe on a preferential basis, in proportion to the number of the subscription rights available to them and, in any case, within the limit of their requests.

#### ***Issuance without pre-emptive subscription rights (resolution 20)***

In case of an issuance without pre-emptive subscription rights of ordinary shares or securities giving access to the share capital, the Board of Directors would have the ability to establish in favour of the shareholders a priority subscription period for the issuance(s) carried out pursuant to this resolution, provided that the amount(s) of the issuance(s) would not exceed 5% of the share capital. As soon as the aforementioned amounts would exceed 5% of the share capital, the shareholders would be compulsory provided with a priority subscription period for the entirety of the issuance carried out. This priority subscription right would not result in the creation of negotiable rights but could, upon decision of the Board of Directors, be exercised both on an irreducible (*à titre irréductible*) and reducible (*à titre réductible*) basis.

Furthermore, the issue price of ordinary shares issued without pre-emptive subscription rights would be at least equal to the weighted average price over the last three trading sessions preceding the launch of the public offer decreased by a maximum discount of 5%. With respect to the

securities to be issued, their price would be such that the amount immediately received by the Company increased, where applicable, by the one which may be received in the future by the Company is, for each ordinary share issued consequently to the issuance of those securities, at least equal to this same amount.

**B – Issuance in case of contribution in kind except during a public tender offer on the share capital of the Company (resolution 21)**

Through the **twenty-first resolution**, it is proposed to renew the authorisation granted to the Board of Directors since 2005 aiming at, where relevant, increasing the share capital up to a limit of 10%, in order to remunerate contributions in kind of equity securities or securities giving access to the share capital, except in case of a public exchange offer.

The Board has never made use of this authorisation but wishes to benefit from this possibility if the case would occur.

Any issuance in this context would be preceded by the involvement of a Contribution auditor.

This authorisation shall not impact the overall ceiling for share capital increases that may be implemented by the Board of Directors, as the amount set by the Meeting would count towards the ceilings set forth in the nineteenth and twentieth resolutions.

This authorisation cannot be used by the Board of Directors during a public tender offer on the securities of the Company.

**C – Issuance of super-subordinated bonds convertible into shares also known as contingent convertible bonds “CoCos” except during a public tender offer on the Company’s share capital (resolution 22)**

Through the **twenty-second resolution**, it is proposed to authorise your Board to issue, by an offer of securities or shares exclusively to a limited circle of investors acting on their own account or to qualified investors, in accordance with Article L. 411-2 1°) of the French Monetary and Financial Code, convertible contingent super-subordinated bonds (“CoCos”) which would be converted into ordinary shares of the Company in the event that the Group’s Common Equity Tier 1 (hereinafter “CET1”) would fall below a threshold set by the issuance agreement, threshold which shall not exceed 7%. This 7% level is to be compared to a Societe Generale’s CET1 level of 12.7% as at 31 December 2019.

This kind of CoCos is an additional tier 1 instrument (AT1) which is intended to absorb losses under certain conditions of solvability or liquidation of the institution, or even according to the assessment of the resolution Authority.

These CoCos are part of the capital tier 1 ratio (Tier1 ratio) which includes the CET1 and the AT1 instruments. The Tier1 ratio was 15.06% as at 31 December 2019. AT1 instruments are also included in the calculation of the leverage ratio.

The AT1 instruments are governed by Article 54 of the CRR European regulation. This regulation provides for two broad categories of instruments which may be issued:

- either with a mechanism of full or partial loss-absorption on the principal;
- or with a mechanism of conversion into Common Equity Tier 1 (i.e. conversion into ordinary shares) in the form of CoCos.

Since August 2013, Societe Generale has carried out ten issuances of AT1 instruments of the aforementioned first category, placed with institutional investors and including a low trigger loss-absorption mechanism, i.e. involving the depreciation of the instrument in case the CET1 ratio of Societe Generale would fall below 5.125%.

In order to have the possibility to issue high trigger AT1 instruments, i.e. which are likely to absorb the losses of the issuer if the CET1 ratio would fall below 7%, as provided in the regulations and used in other jurisdictions (e.g. Swiss and British), your Board seeks the renewal of the resolution passed by your Meeting in 2018. Thus, Societe Generale could issue super-subordinated contingent convertible bonds comprising a mechanism of conversion into shares in the event the CET1 ratio would fall below 7% (high trigger). Such authorisation would enable Societe Generale, which did not use the resolution passed in 2018, to widen the investor base, if necessary.

The requested authorisation is about 10% of the share capital, this amount counting towards the aforementioned overall ceiling and the ceiling for authorisations without pre-emptive subscription rights proposed under the twentieth resolution. This kind of bonds is not intended to be offered to any investor. Consequently, the Board of Directors considers appropriate to, regarding these very specific instruments, exclude the pre-emptive subscription rights of shareholders and to authorise it to use offers referred to in article L. 411-2 1°) of the French Monetary and Financial Code (formerly private placement). Thus, these CoCos would be issued to investors who are mainly qualified as defined in Article L. 411-2 1°) of the French Monetary and Financial Code.

The issue price of the shares to be issued through conversion of CoCos shall not be lower than, at the Board of Directors' discretion, (i) the average price of the share on the Euronext Paris regulated market, volume-weighted during the last trading session preceding the setting of the CoCos' issue price or (ii) the average price of the share on the Euronext Paris regulated market, volume-weighted set during a trading session when the CoCos' issue price is set, in both cases, possibly decreased by a maximum discount of 50%. This level of discount is in line with market practices since, for this type of instruments convertible into shares, investors expect a significant discount compared to the share price at the date of issuance. Indeed, if a conversion were to take place, it would take place in a context of heavy losses, at a time when the share price would be very discounted compared to the one at the date of the issuance of the CoCos. It is emphasised that this type of instruments is used to enable business continuity in a very weakened context in order to allow the re-establishment of the financial institution and avoid a situation which would be more detrimental, in particular for the shareholder.

This authorisation may not be used by the Board of Directors during a public tender offer on the Company's securities.

**VIII – Authorisations for issuances giving access to the share capital in favour of the employees and Chief Executive Officers (*dirigeants mandataires sociaux*) (resolutions 23 to 25)**

**A - Global employee share ownership plan (GESOP) – Authorisation for issuances reserved for employees (resolution 23)**

Through the **twenty-third resolution**, it is proposed to renew the authorisation enabling the Board of Directors to propose share capital increases reserved for employees, up to a limit of 1.5% of the share capital (as in 2019) for 26 months, this ceiling counting towards the one provided in the 19<sup>th</sup> resolution.

This new authorisation would enable to issue, in accordance with legal provisions in force, shares or securities giving access to the share capital, where necessary, in separate parts, to members of a company or group employee savings plan of Societe Generale as well as companies affiliated to it 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

It would include the cancellation of shareholders' pre-emptive subscription rights in favour of the members to the said plans.

The subscription price would be equal to the average last closing prices during the twenty trading sessions preceding the date of the decision setting the opening date for subscription, decreased by a 20% discount. However, the Board of Directors could proceed with the free allocation of shares or other securities giving access to the share capital instead of the discount.

Moreover, within the limits set by Article L. 3332-21 of the French Labour Code, the Board of Directors could proceed with the free allocation of shares or other securities giving access to the share capital instead of the employer contribution ("*abondement*"), within the legal or regulatory limits.

The Board of Directors could also decide that this transaction, instead of taking place via share capital increases, would be carried out through the transfer of shares under the conditions of Article L. 3332-24 of the French Labour Code.

Finally, in accordance with legal provisions, the decision setting the subscription period could be taken either by the Board of Directors or by its delegate. The final terms of the transaction carried out as well as its impact would be brought to your attention through the Board of Directors' and the Statutory auditors' additional reports as required by the provisions in force.

As at 31 December 2019, the percentage of employee ownership in the share capital was 6.52%.

It is reminded that the employees, whether they are shareholders or unit holders of the company mutual fund (FCPE) "Société Générale actionnariat (FONDS E)" invested in Societe Generale shares, have the right to vote in General Meetings.

**B – Authorisation to proceed with the free allocation of performance shares to regulated persons or assimilated staff, including the Chief Executive Officers (*dirigeants mandataires sociaux*) and other employees (resolutions 24 and 25)**

Through the **twenty-fourth and twenty-fifth resolutions**, it is proposed to authorise the Board of Directors to proceed with the free allocation of Societe Generale performance shares in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code.

Both resolutions, granted for a period of 26 months, will enable to include these allocations of Societe Generale shares within a favourable framework for Societe Generale and its shareholders as much as for the beneficiaries of performance shares.

It shall be stated that the executive officers (*mandataires sociaux*) which are not Chief Executive Officers (*dirigeants mandataires sociaux*) do not receive any performance share.

**1. Free allocations of Societe Generale performance shares to regulated employees or assimilated staff with deferred variable compensation (resolution 24)**

The Directive CRD IV, in force as of 1 January 2014, requires that a minimum of 40% of variable compensation of Group regulated employees is deferred over at least a three-year period and subject to vesting conditions. The regulations also required that at least 50% of this variable compensation is awarded in the form of shares or subordinated debt issued by Societe Generale, thus contributing to the alignment of this variable component with the Group's long-term performance and risks.

The Board of Directors seeks authorisation to allocate Societe Generale shares to regulated persons within the meaning of the Directive CRD IV, i.e. the employees and executive officers identified by the Directive as stated in this report (twelfth resolution) and, beyond, a larger population, also called assimilated staff, including:

- employees who, while working within activities considered as having significant impact on the Group's risk profile within Global Banking and Investor Solutions, are not considered as having individually, by their management level and decision-making power, a significant impact on risk. They are therefore not included in the scope of the CRD IV regulated population but are assimilated by the Group's internal policy depending on their level of variable compensation;
- employees holding specific control or support functions within Group's Services Units<sup>1</sup> or specific management functions but not covered at individual level by the Directive CRD IV in the retail banking BDDF and the headquarters functions IBFS; they are assimilated by the Group's internal policy depending on their level of variable compensation;
- the regulated persons at the Group level under the Directive Solvency II due to their variable compensations level.

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<sup>1</sup> Compliance, Finance, Human Resources/Communication, GBIS Resources, General Inspection and Audit, Networks IT France, Group Resources, Risks and General Secretariat.

Variable compensations awarded by Societe Generale to regulated persons whose variable compensation is deferred are paid according to the payout rules compliant with the regulations. Pursuant to the Directive CRD IV, the variable compensation is deferred for at least 40% of its amount over a three-year minimum period. The minimum period will be adjusted if needed within the context of the implementation of the Directive CRD V. The higher the level of the variable compensation is, the higher is the proportion of the deferred non-vested component. In addition, more than 50% of this variable compensation is indexed to Societe Generale share. Although it is not directly targeted by the Directive CRDIV, assimilated staff is also subject to deferral schemes for their variable compensation.

Societe Generale's Chief Executive Officers (*dirigeants mandataires sociaux*) are subject to the following scheme: the annual variable portion is deferred over 3 years and the long-term incentive is deferred over at least 4 years and subject to stringent vesting conditions.

Allocations carried out pursuant to this resolution comprise a minimum vesting period of:

- two years for the part remunerating the annual variable part which is deferred over two years;
- three years for the people other than the executive officers (*mandataires sociaux*);
- four years for the executive officers (*mandataires sociaux*).

A retention period of at least six months will be required following the vesting.

The shares allocated as part of this resolution will be entirely subject to performance conditions tailored according to the divisions and activity. For Societe Generale's Chief Executive Officers (*dirigeants mandataires sociaux*), performance conditions will be different for the annual variable compensation and for the long-term incentive (see above).

**For the deferred annual variable compensation of the regulated population and assimilated staff** awarded in 2021 and 2022 for the preceding financial year, if a minimum performance level is not reached each year, the corresponding part of the award will be partially or entirely forfeited (pursuant to the *malus* principle mentioned in Article L. 511-83 of the Financial and Monetary Code):

- For Chief Executive Officers (*dirigeants mandataires sociaux*) of Societe Generale, these performance thresholds correspond to cumulative conditions of profitability (excluding exceptional items when appropriate) and capital requirements; if the Board finds that a decision taken by the Chief Executive Officers (*dirigeants mandataires sociaux*) has very significant consequences on the company's results or its image, it may decide not only to reduce or cancel the shares during the vesting period but also the refund, for each allocation, all or part of the shares already acquired during a period of five years after the allocation.
- For other regulated persons and assimilated staff, an equity level criterion as well as a profitability criterion (excluding exceptional items when appropriate) apply. The appropriate management of the risks, the compliance and the clawback (subject to applicable local regulations) will be taken into account for the payment of the deferred variable compensation at a Group level.

The shares allocated will also be accompanied by a presence condition for regulated employees and assimilated staff. For Societe Generale’s Chief Executive Officers (*dirigeants mandataires sociaux*), the presence condition applies during the duration of their term of office.

The performance conditions are detailed in the Compensation policies and practices report published each year on Societe Generale Group’s website.

**For the long-term incentive scheme awarded to the Chief Executive Officers (*dirigeants mandataires sociaux*) in 2021 and 2022 for the preceding financial year, vesting will be subject to a performance condition compared to peers (measured by the Total Shareholder Return (TSR)) and to CSR conditions, as well as a Group profitability condition.**

For Societe Generale’s Chief Executive Officers (*dirigeants mandataires sociaux*), the plan awarded in 2021 for the 2022 financial year will be based on the following conditions:

- The number of shares will be definitely vested:
  - For 80% on the basis of the relative performance of Societe Generale share measured by the increase in the total Shareholder Return (TSR) compared to the TSR of 11 comparable European banking groups over the entire vesting periods;

This performance will be assessed depending on the ranking of Societe Generale in the peers sample in terms of annual TSR, measured over the shares vesting period, i.e. 4 years minimum, according to the vesting grid imposing the following vesting ratios for the Chief Executive Officers (*dirigeants mandataires sociaux*):

| <b>Societe Generale Rank</b>         | <b>Rank 1*, 2 and 3</b> | <b>Rank 4</b> | <b>Rank 5</b> | <b>Rank 6</b> | <b>Ranks 7 to 12</b> |
|--------------------------------------|-------------------------|---------------|---------------|---------------|----------------------|
| As % of the maximum number allocated | 100 %                   | 83.3 %        | 66.7 %        | 50 %          | 0 %                  |

\*the highest rank

- The sample will be determined on the day when the Board of Directors resolves to grant the plan. For illustrative purposes, the peers sample for the 2019 long-term incentive award includes: Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Crédit Suisse, Deutsche Bank, Intesa, Nordea, Santander, UBS, Unicredit;
- The final value of the allocation will capped at an amount equal to a multiple of the net asset value per share of the Group as at 31 December 2020;
- For 20% on the basis of CRS conditions: half of this is linked to the Group’s commitments regarding the energy transition financing and half to the Group’s positioning within the main non-financial ratings (Robeco Sam, Overstressed and MSCI).

Regarding the criterion on the energy transition financing, the target will be defined each year in relation to the Group’s CSR policy and commitments and validated by the Board of Directors.

Regarding the criterion based on non-financial ratings, after verification of the criteria, the vesting would be as follows:

- 100% vesting if all three criteria are verified over the 3-year observation period following the allocation year (i.e., for the allocation in 2021 with respect 2020, the positions/ratings 2022, 2023 and 2024);
- 2/3 vesting if on an average basis at least two criteria are verified over the observation period of 3 years following the year of allocation;
- 1/3 vesting if on an average basis at least one criterion is verified over the observation period of 3 years following the year of allocation.

For the three non-financial ratings selected, the criterion is verified if the following expected level is achieved:

- Robecosam: be in the 1<sup>st</sup> quartile;
- Sustainalytics: be in the 1<sup>st</sup> quartile;
- MSCI: Notation  $\geq$  BBB.

For ratings subject to reassessment during the year, the rating used shall be the one used during the annual reviews. As the non-financial rating agency sector is constantly evolving, the panel of the three ratings selected may be subject to change upon appropriate justification.

- No long-term incentive will be paid if the Group profitability condition is not met for the financial year preceding the vesting;
- The shares allocated as part of this plan are entirely subject to a presence condition;
- If the Board finds that a decision taken by the Chief Executive Officers (*dirigeants mandataires sociaux*) has very significant consequences on the company's results or its image, it may decide to cancel the vesting in all or in part.

It is proposed to set the ceiling of the allocations of performance shares in favour of the regulated population and assimilated staff at 1.2% of the share capital for a period of 26 months, including 0.1% dedicated to allocations to Societe Generale's Chief Executive Officers (*dirigeants mandataires sociaux*). These ceilings aim to cover the allocations as annual variable compensation and the long-term incentive plans, where relevant, made in 2021 and 2022 (regarding 2020 and 2021 financial years).

It is stated that, as part of the European regulations, beneficiaries of shares or share-equivalent instruments are prohibited from using hedging strategies during the entire vesting and holding periods.

## **2. Free allocations of Societe Generale performance shares to employees (excluding regulated persons or assimilated staff whose variable compensation is deferred) as part of the annual long-term incentive plan (resolution 25)**

The long-term incentive plan is a key component of the policy aimed at recognising potential and performance of the Group's employees. Thanks to its duration and vesting conditions, it enables to win the loyalty of the beneficiaries and to align their interests more closely to the ones of shareholders.

In 2019, approximately 5200 employees benefited from this plan, giving priority to strategic talents, emerging and confirmed, and key Group's employees.

For the plan awarded in 2020 (as in 2019), the granting decided by the Board of Directors will open a vesting period of three years at the end of which, if the conditions set by the Board of Directors are met, the beneficiary will become shareholder. No additional retention period will follow this vesting period. The shares allocated will be entirely subject to a presence condition and also to the achievement of a condition of profitability, measured over the whole vesting period. The measurement criterion is the average positive net income (Group share), excluding non-economic items, measured over the three years of the vesting period for all beneficiaries.

It is proposed to set the ceiling on the performance shares allocations at 0.6% of the capital for a 26-month period. Besides, in accordance with the European regulations, the beneficiaries of shares or share equivalents are prohibited from using hedging strategies during the entire vesting and retention periods. The Universal Registration Document includes a follow-up on free shares allocation plans.

#### **XI – Authorisation to reduce the share capital through cancellation of shares (resolution 26)**

The **twenty-sixth resolution** is intended to renew for a 26-month period the authorisation granted to your Board of Directors on 23 May 2018 to cancel shares acquired by the Company pursuant to authorisations granted by your Meetings as part of buyback programs and within the limit of 5% of the share capital by 24-month periods.

Societe Generale did not use the previous authorisations and the last cancellation of shares occurred on 2 November 2008.

This cancellation would be, where necessary, carried out in compliance with the prudential requirements as set by the regulations and the supervisor.

#### **X – Amendment of the by-laws (resolutions 27 to 31)**

By the **twenty-seventh resolution**, it is proposed to amend Article 6.2 of the by-laws relating to the crossing of statutory thresholds in order to bring it into line with market standards and consistent with the legal thresholds regime. Consequently, this framework would be simplified and lightened as follows:

- reduction of the information period to four (4) trading days versus fifteen (15) previously in accordance with the rules applicable to the legal thresholds;
- application of the legal assimilation rules referred to in Article L. 233-9, I of the French Commercial Code in order to include derivatives for the calculation of these thresholds;

- deletion of the current 0.5% steps to be replaced by 1% steps except for the first two steps which would be 1.5%. Consequently, the first statutory threshold would remain at 1.5%, the second at 3% and thereafter 1% steps would apply.

**Amendment of the by-laws pursuant to the Law 2019-486 dated 22 May 2019 so called “Pacte Law”**

Following the enactment of the Law 2019-486 dated 22 May 2019 (so-called “Pacte Law”), it is proposed to:

- (i) insert, by the **twenty-eighth resolution**, a new Article 6.5 of the by-laws (according to the new numbering to be implemented following the deletion of Article 6.3 entitled Identification of shareholders), to provide that registered shares held directly by employees and governed by Article L. 225-197-1 of the French Commercial Code are taken into account in determining the proportion of capital held by employees in accordance with the legislative and regulatory provisions in force,
- (ii) amend, by the **twenty-ninth resolution**, paragraphs I and II of Article 7 of the by-laws relating to the composition of the Board of Directors and the Directors representing employees, to take into account the obligation to have a Director representing employee shareholders on the Board of Directors. This amendment is legally mandatory. As of the 2021 General Meeting, the Board of Directors will be composed of fifteen members, namely two members elected by the employees, one member representing the employee shareholders and appointed by the General Meeting and twelve members appointed by the General Meeting.

**Amendment of Article 10 of the by-laws pursuant to the Law 2019-744 dated 19 July 2019 on the simplification, clarification and updating of company law (resolution 30)**

The Law n°2019-744 dated 19 July 2019 allows the adoption of decisions falling within the powers of the Board of Directors by written consultation with the Directors. If it is provided in the by-laws, decisions relating to the cooptation of a member of the Board (Article L. 225-24 Commercial Code), to the compliance of the by-laws with the laws and regulations (Article L. 225-36, par. 2 Commercial Code), to the convening of a General Meeting (Article L. 225-103-I Commercial Code) and to the transfer of the registered office in the same department may be adopted by written consultation.

In order to use the potential offered by these new legal provisions, it is proposed to amend accordingly Article 10 of the by-laws by the **thirtieth resolution**.

**Bringing the by-laws into line with legislative and regulatory provisions and various editorial amendments:**

In order to bring the by-laws into line with legislative and terminological developments, it is proposed by the **thirty-first resolution** to delete Article 6.3 of the by-laws relating to the identification of shareholders, taking into account that it is no longer necessary for issuers whose

securities are listed in a regulated market in accordance with the provisions of Article L. 228-2 of the French Commercial Code to have a specific statutory clause to apply for the identification of holders of bearer shares.

Besides, it is also proposed by the **thirty-first resolution** to take into account the deletion of Article 6.3 in terms of numbering and thus to amend Articles 1 to 3, 5, 6.1, 6.4 (former numbering), 8, 9, 11 to 15, 17, 18 and 20 of the by-laws.

Furthermore, it is proposed by the **thirty-first resolution** to amend Article 8 of the by-laws, in order to take into account the new legal provisions requiring that, in accordance with the provisions of the law n°2019-486 dated 22 May 2019 (so-called “Pacte Law”), the company’s strategy determined by the Board of Directors and its implementation comply with company’s social interest, taking into consideration the social and environmental stakes of its activity. It is reminded that the Board of Directors discussed the matter of the Société Générale’s purpose and adopted the following wording:

“Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions”.

#### **XI – Powers (resolution 32)**

This **thirty-second resolution** is a standard resolution which grants general powers for formalities.

## **Appendix 1**

**Policy governing remuneration of Chief Executive Officers (*dirigeants mandataires sociaux*)  
and report and report on the remuneration of the Executive Officers (*mandataires sociaux*)  
subject to shareholders' approval**

## Appendix 2

**Total remuneration and benefits of any kind paid or granted for financial year 2019 to Chief Executive Officers (*dirigeants mandataires sociaux*) and subject to shareholders' approval**