Board of Directors decisions of March 7, 2011 on Chief Executive Officers’ remuneration

Executive officers' compensation for 2010

On the proposal of its Compensation Committee, the Board of Directors, on March 7, 2011, set the 2010 variable pay for Frédéric Oudéa, Chairman and Chief Executive Officer, Séverin Cabannes, Jean-François Sammarcelli and Bernardo Sanchez-Incera, Deputy Chief Executive Officers. This compensation was determined in accordance with the provisions previously set out and published in 2010 by the Board, and which are detailed in the 2011 registration document. The Board of Directors noted the results of applying the rules on the quantitative share of executive officers' variable pay. The Board judged that the general management had very largely met the qualitative goals set for it by the Board in 2010. The Board of Directors set out each factor of variable pay in line with the new standards applicable to bank executives, which take effect as of the 2010 financial year (European Directive CRDIII).

The amount of variable compensation to be paid immediately in cash was set at €598,400 for Frédéric Oudéa, €332,640 for Séverin Cabannes, €337,920 for Jean-François Sammarcelli and €333,840 for Bernardo Sanchez-Incera.
No stock options are granted for 2010.
The remaining compensation is deferred over 1 to 4 years and is linked to Societe Generale's future performance:

- approximately 25% indexed to Societe Generale's share price and paid in cash in March 2012, representing 12,163 share equivalents for Frédéric Oudéa, 6,761 share equivalents for Séverin Cabannes, 6,868 share equivalents for Jean-François Sammarcelli and 6,785 share equivalents for Bernardo Sanchez-Incera;

- approximately 75% not vested, and subject to Societe Generale’s performance conditions through 2013:

  - 30% of this total, amounting to €523,600 for Frédéric Oudéa, €291,060 for Séverin Cabannes, €295,680 for Jean-François Sammarcelli and €292,110 for Bernardo Sanchez Incera, will be paid in cash in March 2014, provided net EPS for 2013 is at least 75% of net EPS for 2010, or the SG share price's annual TSR over 3 years (2011, 2012 and 2013) is higher than the median annual TSR for 11 of the Group's peers[1].

  - 70% of this total includes performance shares that will only vest, either partially or fully, if the performance conditions approved in the May 25, 2010 General Shareholders' Meeting are met. As a reminder, these conditions stipulate that the number of vested shares will vary according to the Group's net ROE. Only 50% of shares are vested if the Group's net ROE for 2012 is 10%, and the Group's ROE must be at least 15% to vest 100% of shares. If the Group's ROE for 2012 is less than 10%, the percentage of vested shares will vary between 0% and 50%, depending on SG's ranking in the sample of 11 banks comparable[1] to Societe Generale, based on the SG share's annualized TSR over 3 years (2010 to 2012). 34,461 performance shares were granted to Frédéric Oudéa, 19,156 to Séverin Cabannes, 19,460 to Jean-François Sammarcelli and 19,225 to Bernardo Sanchez-Incera. These shares will not be available before 4 years.

[1] The peer group is comprised of the 11 banking groups in the European Economic Area and Switzerland with the highest market capitalization at December 31, 2009, excluding banking groups receiving significant State assistance or those whose net income, Group share, includes at least 35% profits from insurance. It is made up of universal banks, investment banks and retail banks, including the following: Barclays, BBVA, BNPP, CASA, Credit Suisse, Deutsche Bank, HSBC, Intesa, Santander, Standard Chartered, UCI.

Compensation for 2011

Given the new CRDIII requirements on how bank senior executives' compensation is structured and paid, the Board decided to revise each component of compensation without modifying the maximum total amount of executive officers' pay.

In terms of fixed compensation, the Board of Directors increased its share as a percentage of executive officers' total compensation. Fixed compensation was set at: €1,000,000 for Frédéric Oudéa, €700,000 for Bernardo Sanchez-Incera and €650,000 for Séverin Cabannes and Jean François Sammarcelli, given their proven capacity to perform their duties since their appointment and competitors' practices (European banks and non-banking French corporations of similar size).

In terms of variable compensation, the Board decided to cut immediate cash compensation to a maximum of 20% of all variable pay (short term and long term), and consequently to increase the deferred portion to at least 80% of variable pay, with 75% of the deferred pay subject to future performance conditions. The aim of this pay structure is to compensate the executive officers' real contribution to Societe Generale's performance measured not only for the past financial year but also over the medium term.

In terms of variable cash compensation (immediate, and deferred over time and subject to performance conditions), the Board decided to set it for a target performance at 105% of fixed compensation for Frédéric Oudéa and 85% for the Deputy Chief Executive Officers. In the event of exceptional performance, this compensation could reach a maximum of 141% of fixed compensation for Frédéric Oudéa and 113% for the Deputy Chief Executive Officers; this maximum was capped at 150% in 2010.

In terms of variable compensation in shares and share equivalents, the Board decided that the executive officers could, in addition to variable cash compensation, be granted shares subject to performance conditions and share-indexed instruments representing no less than 60% of total variable compensation, including two-thirds as performance shares not available before 4 years and the rest indexed to Societe Generale's future share performance, not available before 1 year.
In application of the resolutions voted on in the 2010 shareholder's meeting, all shares are subject to the approved performance conditions and cannot be sold before a minimum of four years. Moreover, the executive officers remain bound by obligations to own and retain Societe Generale shares.

Obligations to own and retain Societe Generale shares

The obligations of Chief Executive Officers to own shares in effect since 2002 have been tightened. Frédéric Oudéa will have to own 80,000 shares, which represents 4 years of fixed compensation; Séverin Cabannes, Jean-François Sammarcelli and Bernardo Sanchez-Incera will have to own 40,000 shares, which represents 3 years of fixed compensation.
Moreover, starting in 2011, until the shareholding obligation is met, the executive officers must keep 50% of their vested shares as part of Societe Generale's share grant plans. Once the minimum shareholding level is met, each executive officer must keep 20% of these shares in a registered account in his name until the end of his term of office.

Chief Executive Officer's severance benefits

On the proposal of its compensation committee the Board of Directors decided to eliminate the Chief Executive Officer's severance allowance. This decision will take effect when his term expires on May 24.

The Board decided to maintain the non-compete clause, set for a term of 18 months, starting from the renewal of the Chief Executive Officer's term, set for May 24, 2011. This period is in line with the Afep/Medef code of corporate governance, which sets the limit at 24 months.