



SOCIETE GENERALE PRESENTATION TO INVESTORS

CORPORATE GOVERNANCE

JULY 2013

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AFEP - MEDEF TRANSPARENCY

- Société Générale applies the AFEP-MEDEF Corporate Governance Code which includes the "comply or explain" rule

- Société Générale applies the Transparency rules which aim at giving all the information relative to:
 - **Board of Directors**
 - Governance method and Internal rules of the Board
 - Composition of the Board
 - Information on Directors (independence, functions, others mandates held, etc)
 - Activity report
 - Appraisal of the Board

 - **Board's Committees**
 - Composition
 - Activity report

 - **Remuneration of the Chief Executive Officers**
 - Remuneration policy
 - Rules to set the variable part of the remuneration
 - Comprehensive details on compensation (basic salary, variable, stock-options, free shares, supplementary pension and post employment benefits)

- A new code has been released on June 17 introducing "Say on pay" requirements on Corporate officers' compensation policy and elements. First vote will occur in May 2014

CHAIRMAN VS. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

- Reunification of the roles of Chairman and Chief Executive Officer in May 2009, in order to obtain a more efficient and reactive governance and to be able to respond to the challenges of the crisis
- The AFEP - MEDEF Code does not favor one option or the other
- Among the 36 French companies of the CAC 40:
 - 23 have a Chairman-Chief Executive Officer
 - 7 have separated the Chairman role from the Chief Executive Officer; among these, a majority have as Chairman the former Chairman-Chief Executive Officer
 - 6 have a Supervisory Board and a Management Board
- Appointment of a Vice-Chairman
- The General Management comprises the Chairman and Chief Executive Officer and 3 Deputy Chief Executive Officers
- Different from the typical Anglo-Saxon Board structures, the Chairman is the sole Executive Director on the Board, reducing directly potential for conflicts of interest

DUTIES AND POWERS OF THE BOARD (1/2)

- The Board of Directors can involve itself in all issues concerning the good functioning of the Group

- Strategy
 - Approves the Group's strategy and reviews it at least once a year
 - Approves all strategic investments and transactions, notably acquisitions or disposals, liable to have a material impact on the Group's earnings, its balance sheet structure or its risk profile

- Risk management
 - Ensures that the Group's risk management infrastructure is adequate, monitors the global risk exposure of all activities and approves the yearly risk limits for the Group's market and credit activities. At least once year, reviews the main aspects and changes to the Group's risk management strategy
 - The Board is responsible for approving the risk appetite document covering all majors risks for the Group, which is issued by the Board in the determination of the Board strategy

- Governance
 - Deliberates on modifications to the Group's management structures prior to their implementation and is informed of the key changes to its organisation
 - Deliberates at least once a year on its organisation and operating procedures and those of its different committees, as well as on the conclusions of their regular evaluation
 - Determines who is responsible for the General Management of the Company: Chairman and CEO or CEO
 - Convenes the shareholders' general meeting, decides its agenda and the text of the resolutions submitted to its vote, apart from resolutions submitted by shareholders with more than 0.5% of the vote
 - Authorizes regulated conventions

DUTIES AND POWERS OF THE BOARD (2/2)

■ Compensation

- Sets all compensation of the Company's Chief Executive Officers, notably their fixed and variable remuneration and benefits in kind, as well as any share options and retirement packages
- Defines the principles governing the Group's compensation policy, in particular the remuneration of financial markets professionals, and ensures that the internal control processes in place are sufficient to verify that these principles comply with all applicable regulations and professional standards and are consistent with the Group's risk management objectives

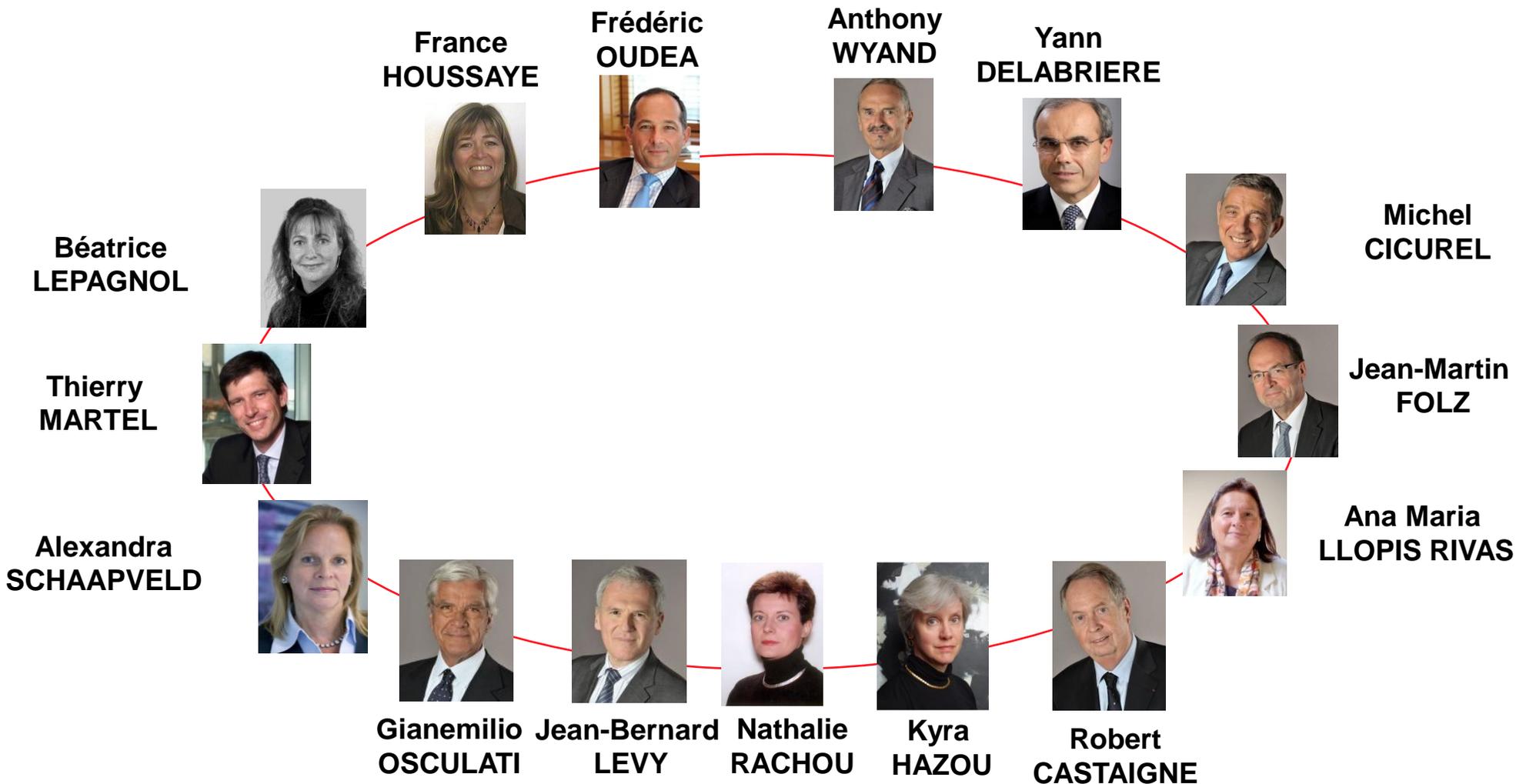
■ Reporting

- Approves the chapter on corporate governance in the annual Registration Document which notably contains: the Chairman's report on corporate governance, internal control procedures and risk management, the management report compiled by the Board and the Group's various committees, a presentation of the Board of Directors and executive management, and the policy governing the compensation of the Group's Chief Executive Officers and employees, its free grant of shares
- Monitors the accuracy and sincerity of the Group's parent company and consolidated financial statements, and the quality of the information presented to its shareholders and the markets
- Chooses the Statutory Auditors whose appointment is proposed to the vote of the shareholders general meeting

DUTIES OF THE VICE-CHAIRMAN OF THE BOARD

- Assists the Chairman in his assignments, especially with regard to the organization and the good functioning of the Board and its various committees and the supervision of all corporate governance, internal control and risk management processes
- Represents the company during meetings with third parties regarding corporate governance, internal control and risk management issues, with the approval of the Chairman and CEO
- At least once a year, calls a meeting, which is not attended by the Chairman and CEO, with the Groups' non-employed Directors, in order to review the Group's Chief Executive Officers
- The Vice-Chairman is also the Chairman of the Audit, Internal Control and Risk Committee and a member of the Compensation Committee, and of the Nomination and Corporate Governance Committee

OVERVIEW (1/2)



OVERVIEW (2/2)

- Composition of the Board is planned and the following criteria, amongst others, are taken into account:
 - Financial experience
 - International experience
 - Diversity
 - Objective of creating a Board which functions effectively as a unit while promoting an active debate
- 15 voting Directors (of which 13 Directors appointed by the General Meeting and 2 Directors elected by employees) and 1 non-voting Director
- Voting Directors are composed by:
 - 6 women (40%)
 - 5 non-French Directors (33%)
 - 10 independent Directors (67%, in line with the Board's aim of at least 50%)
 - 13 Directors being or having been executive managers, of which 10 in the financial sector
- Mandate term:
 - 4 years for the Directors appointed by the General Meeting
 - 3 years for the Directors elected by employees
- Average age of the Directors: 57
- Governed by Internal rules
 - At least 5 meetings each year, notably to approve the parent company and consolidated financial statements (10 meetings in 2012)
 - At least once a year, deliberates on the risks to which the Company is exposed
 - At least once a year, evaluates the Board's performance

DIRECTOR PROFILES

Directors	Sex	Age	Country	Status	First appointment
Frédéric OUDEA	M	50	France	Not Independent	2009
Anthony WYAND	M	69	Great Britain	Not Independent	2002*
Robert CASTAIGNE	M	67	France	Independent	2009
Michel CICUREL	M	65	France	Independent	2004
Yann DELABRIERE	M	62	France	Independent	2012
Jean-Martin FOLZ	M	66	France	Independent	2007
Kyra HAZOU	F	56	Great Britain / US	Independent	2011
Jean-Bernard LEVY	M	58	France	Independent	2009
Ana Maria LLOPIS RIVAS	F	62	Spain	Independent	2011
Thierry MARTEL	M	49	France	Not Independent	2012
Gianemilio OSCULATI	M	66	Italy	Independent	2006
Nathalie RACHOU	F	56	France	Independent	2008
Alexandra SCHAAPVELD	F	54	Netherlands	Independent	2013
France HOUSSAYE	F	45	France	Not Independent	2009
Béatrice LEPAGNOL	F	42	France	Not Independent	2012

* Mr. WYAND has sat on the Board as an individual since 2002. From 1989 to 2002, he represented Aviva Group.

DIRECTOR EXPERIENCES

Directors	Executive functions	Bank, Finance	Financial markets	Industry	International	Summary
Frédéric OUDEA	✓	✓	✓		✓	SG Group since 1995, Chief Financial Officer from 2003 to 2008
Anthony WYAND	✓	✓	✓		✓	Executive Director at Aviva from 2000 to 2003. He joined the company in 1971 (Commercial Union)
Robert CASTAIGNE	✓		✓	✓	✓	Chief Financial Officer and member of the Executive Committee from 1994 to 2008 of Total
Michel CICUREL	✓	✓	✓		✓	Chairman of the Management Board of Cie Financière Edmond de Rothschild and Cie Financière Saint-Honoré from 1999 to 2012
Yann DELABRIERE	✓	✓		✓	✓	Chairman and Chief Executive Officer of Faurecia
Jean-Martin FOLZ	✓			✓	✓	Chairman of the PSA Peugeot Citroën Group from 1997 to 2007. Chairman of AFEP from 2007 to 2010
Kyra HAZOU	✓	✓	✓		✓	Managing Director and Group Legal Counsel for Salomon Smith Barney/Citibank for Europe, Middle East and Africa from 1985 to 2000. Non executive Director and member of the Audit committee and the Risk committee at the FSA from 2001 to 2007
Jean-Bernard LEVY	✓			✓	✓	Chairman and Chief Executive Officer of Thalès
Ana Maria LLOPIS RIVAS	✓	✓		✓	✓	CEO of OpenBank, Banco Santander online bank, from 1993 to 2000. Member of ABN Amro Supervisory Board from 2007 to 2010. She held various position in retail (P&G, Playtex International, Schweppes)
Thierry MARTEL	✓	✓			✓	Chief Executive Officer of Groupama
Gianemilio OSCULATI	✓	✓			✓	Chief Executive Officer of Banca d'America e d'Italia from 1987 to 1993 and CEO, Managing Director and Chairman at McKinsey Italy
Nathalie RACHOU	✓	✓	✓		✓	Banking experience from 1978 to 1999 at Crédit Agricole Indosuez. Founder of an asset management company in 1999
Alexandra SCHAAPVELD	✓	✓	✓		✓	Various posts at ABN Amro investment banking division from 1984 to 2007. Appointed head of Western Europe at RBS in 2008
France HOUSSAYE		✓				SG employee since 1989
Béatrice LEPAGNOL		✓				SG employee since 1990

SPECIALIZED COMMITTEES

- **Audit, Internal Control and Risk Committee – 8 meetings in 2012**
 - Monitors questions concerning the establishment and control of accounting and financial information
 - Monitors the efficiency of the Group's internal control, measurement, surveillance and risk management systems
 - Composed at least of 2/3 independent directors and no chief executive officer (AFEP - MEDEF)
- **Compensation Committee – 6 meetings in 2012**
 - Proposes the compensation policy of the Company's chief executive officers and the free shares policy
 - Examines the Group compensation policy, notably for the financial market professionals and submits its opinion to the Board for approval
 - Composed of at least 50% of independent directors and no chief executive officer (AFEP - MEDEF)
- **Nomination and Corporate Governance Committee - 4 meetings in 2012**
 - Submits proposals to the Board for the nomination of Directors and draws up a succession plan of chief executive officers, potentially of the main senior executives
 - Examines the succession plan of the main senior executives proposed by the Chairman
 - Proposes to the Board the possible modifications in the Group's governance
 - Composed of at least of 2/3 independent directors (AFEP - MEDEF) and no chief executive officer

Audit Committee

Chairman	Anthony WYAND
Members	Robert CASTAIGNE
	Kyra HAZOU
	Gianemilio OSCULATI
	Nathalie RACHOU

Compensation Committee

Chairman	Jean-Martin FOLZ
Members	Michel CICUREL
	Jean-Bernard LEVY
	Anthony WYAND

Nomination Committee

Chairman	Jean-Martin FOLZ
Members	Michel CICUREL
	Jean-Bernard LEVY
	Anthony WYAND

REGULATORY FRAMEWORK AND GOVERNANCE

- **Société Générale executive compensation is defined within a strict and demanding framework of rules**
 - Defined both by French and European regulators
 - In compliance with the European Capital Requirement Directive (CRDIII) and the related French Ministerial order, and the AFEP - MEDEF Corporate governance code

- **Responsibility for proposing and following up on executive compensation falls onto the Compensation Committee**
 - Composed of 4 administrators, 3 of whom are independent
 - Main principles that drive compensation decisions are: balance, consistency, transparency, compliance and benchmarking
 - While aiming for simplicity, we find ourselves constrained by the complexity of regulation, peers group practices and issues related to deferral and clawback

- **All compensation elements are disclosed and detailed in the registration document and the mandatory Remuneration policies and practices report. Decisions made are immediately available on our website**
 - Group's concern is to recognize the right performance within a specific environment
 - The compensation package is a well balanced combination between quantitative and qualitative criteria, absolute and relative performance, indicators that are used internally for performance management (GOP) and indicators of value creation from the shareholder's perspective (EPS, TSR). A significant part of compensation is deferred and indexed to SG share value, above CRD III minimum requirements
 - In addition, long term incentives can be granted in order to ensure that chief executives officers are aligned with the interests of shareholders and to incentive long-term performance

- **Executive compensation policy is presented at the General Meeting of Shareholders which also approves all corporate officers post-employment benefits. As per the updated AFEP - MEDEF code, compensation policy and elements will be submitted to shareholder's vote at the next General Meeting, in May 2014**

COMPENSATION FOR 2012

■ On the proposal of the Compensation Committee, at its 12 February and 14 March 2013 meetings, the Board of Directors approved the 2012 remuneration of Chief Executive Officers as well as the remuneration principles decided for 2013

■ Annual variable remuneration for 2012:

- No cash payment in 2013 for Frédéric Oudéa, 100% of his annual variable pay are deferred in SG shares, over a 3-year progressive vesting period (2014, 2015, 2016). This decision was suggested by Mr Oudéa to express his strong confidence in the Group's perspectives
- 80% of the Deputy Chief Executive Officers variable compensation are deferred in SG shares over a 3-year period
- 60% of the officers' annual variable remuneration are subject to the achievement of objectives in terms of Core Tier One

EUR	Gross variable remuneration for previous financial year						Gross variable remuneration for financial year 2012			
	2010			2011			Fixed salary (a)	Variable pay (b)	o/w 2013 cash award	Total (a)+(b)
	Fixed salary (a)	Variable pay (b)	Total (a)+(b)	Fixed salary (a)	Variable pay (b)	Total (a)+(b)				
Mr Oudéa	850,000	1,196,820	2,046,820	1,000,000	682,770	1,682,770	1,000,000	1,194,600	<i>0</i>	2,194,600
Mr Cabannes	550,000	665,281	1,215,281	650,000	310,144	960,144	650,000	670,176	134,035	1,320,176
Mr Sammarcelli	550,000	675,826	1,225,826	650,000	487,937	1,137,937	650,000	587,496	117,499	1,237,496
Mr Sanchez Incera	650,000	667,662	1,317,662	700,000	391,440	1,091,440	700,000	560,112	112,022	1,260,112

Note : The 2011 annual variable remuneration was fully differed in shares or equivalent shares, the officers did not receive any payment in 2012

COMPENSATION FOR 2013

- Annual fixed salary in 2013: no salary increase for Chief Executive Officers

EUR	2011 gross annual fixed salary	2012 gross annual fixed salary	2013 gross annual fixed salary	% 2013 / 2011
Mr Oudéa	1,000,000	1,000,000	1,000,000	0%
Mr Cabannes	650,000	650,000	650,000	0%
Mr Sammarcelli	650,000	650,000	650,000	0%
Mr Sanchez Incera	700,000	700,000	700,000	0%

- Annual variable remuneration for 2013:

The following criteria will be taken into account to determine annual variable remuneration:

- For 60% of variable remuneration: financial objectives

For all Officers: Group EPS, gross operating income and cost/income ratio for all Chief Executive Officers plus,

For each Deputy Chief Executive Officer: net income before tax, gross operating income and cost/income ratio for activities within their scope of supervision,

- For 40% of variable remuneration: individual objectives related primarily to the strategy of the Group and its business lines, balance sheet management, cost control and optimisation of organisation, internal and risk controls, human resources management and social and environmental responsibility.

Every component of annual variable compensation is capped at a percentage of fixed remuneration: 150% of Mr. Oudéa fixed salary and 120% of Mr. Cabannes, Mr. Sammarcelli and Mr. Sanchez Incera fixed salary

LONG TERM INCENTIVES 2013

- Decision made by the Board of Directors on its meeting held on 6 May 2013
- Grant of a conditional long term incentive award based on the performance of Societe Generale share over a period of four and five years
- Vesting depending on two conditions:
 1. **The Group net income, excluding impacts linked to revaluation of the Group's own financial liabilities, is positive for the financial year preceding vesting date.**
 2. **Only if the 1st condition is met: the relative performance of Societe Generale, measured by the Total Shareholder Return**
 - No award if Societe Generale share performance at the beginning of 2014 and 2015 is significantly lower than its peers
 - For a performance equivalent to its peers, awards will be paid in two instalments, in March 2015 and March 2016 respectively, representing
 - For Frédéric Oudéa: 18,750 shares or share equivalents per instalment
 - For the Deputy Chief Executive Officers: 12,500 shares or share equivalents per instalment
 - For a performance at the top 3 of the peer group, the grant will reach a maximum of
 - For Frédéric Oudéa: 37,500 shares or share equivalents per instalment
 - For the Deputy Chief Executive Officers: 25,000 shares or share equivalents per instalment
 - **Accounting value is EUR 481,875 in average for each instalment for Frédéric Oudéa and EUR 321,250 for the Deputy Chief Executive Officers**
- Peer group composed of 11 comparable European banks: Barclays, BBVA, BNPP, Crédit Agricole, Crédit Suisse, Deutsche Bank, Intesa Sanpaolo, Nordea, Santander, UBS, Unicredit
- Societe Generale's Chief Executive Officers did not receive any stock options since 2010

SHAREHOLDERS' ENGAGEMENT

- Shareholders' engagement is considered in the EU Green Paper on Corporate Governance as a key driver of companies' performance
- According to French law, General meetings of shareholders have broad powers: approval of the financial statements, appointments of the Directors, financial authorizations, post employment benefits, stock options, free shares, employee share ownership program, etc.
- Every shareholder may participate in the General meetings, ask written questions and shall receive all necessary documents, etc.
- In Société Générale, any shareholder or group of shareholders who holds about 0.5% of the share capital may propose a draft resolution (light procedure: registered letter and justification of the detention)
- Société Générale pays particular attention to the drafting of the resolutions (explained, motivated, clear, precise)
- In order to make them clear and readable to the shareholders, Société Générale renews all the financial resolutions during one General Meeting, once every two years

SHAREHOLDERS' RIGHTS

- Société Générale, *as do almost half of the CAC 40 French companies*, offers double voting rights to the shareholders whose shares have been registered in their name for at least two years. In December 2007, after having been informed of the results of the impact study published by the European Commission, Commissioner McCreevy considered that double voting rights do not affect shareholders' rights
- Société Générale prevents any potential creeping takeover by limiting voting rights: the ceiling is set at 15% of all the voting rights. If the quorum is 45%, this level of shareholding is almost equivalent to the blocking minority in Extraordinary meetings (33.33%) and gives a shareholder the capacity to block strategic moves by the company. This ceiling does not apply to a shareholder (or a group of shareholders) who jointly acquires 50% of the voting rights following a public offer. It can therefore not be seen as a protection against a takeover bid

APPENDIX

IMPLEMENTATION OF EUROPEAN CRD III RULES

- The European Capital Requirement Directive (CRDIII) reinforces the G20 principles. It has been formalized in France by a Ministerial order from December 2010
- The variable remuneration pools are fixed by business line, on a global basis, in order to ensure financial solidarity between the different activities and to avoid conflicts of interest
 - Direct and indirect overheads, liquidity costs, cost of capital and cost of risk are taken into account to determine the normalized profit of the activity
 - Individual grants are defined based on business line results, individual performance and behaviours shown in particular in terms of risk management and compliance
- Perimeter of employees subject to specific regulation (2,974)
 - Includes in addition to the financial market professionals covered in 2009, all employees whose professional activities have potentially a significant impact on the risk profile of the bank
- Strengthening of compensation rules
 - The level of deferral is proportional to the level of variable remuneration: at least 40% for those employees identified as having individually a material impact on the Group's risk profile and up to 70% for the highest variable remuneration levels
 - All deferred compensation is subject to performance conditions
 - At least 50% of deferred compensation is granted in shares or equivalent.
 - Prohibition of guaranteed bonuses for a period longer than 1 year and of individual hedging or insurance strategies during the whole deferral and retention periods
 - For 2011, deferred variable remuneration represents nearly 60% of the total variable remuneration for the regulated population
- Governance and transparency of the compensation policies
 - Compensation Committee examines the financial market professionals compensation policy and submits its opinion to the Board for approval. It also reviews individual compensation decisions for the highest paid employees and risk takers
 - Compensation policies are reviewed and disclosed at least once a year

WHAT TO EXPECT ON EUROPEAN CRD IV – UPDATE AS OF JUNE 2013 OF KEY PROVISIONS

■ **Scope of staff covered**

- Staff whose professional activities have a material impact on the institution's risk profile
 - Draft criteria issued by the EBA define any staff member with total compensation above EUR 500,000 to be a material risk taker
- For a EU headquartered institution such as Société Générale, the rules apply to all subsidiaries and branches, including those established outside of the European Economic Area

■ **Remuneration provisions**

- A hard cap of 1:1 on the ratio of variable to fixed pay, which could be increased to 2:1 subject to a shareholder vote
- The application of a discount on up to 25% of variable remuneration, provided that this remuneration is in a "long-term" form (5-year minimum)
- At least 50% of variable remuneration should consist of a balance of (i) equity instruments and (ii) where possible, hybrid convertible instrument or bail-in-able instruments.

■ **Implementation date**

- The new remuneration provisions will concern remuneration awarded for performance from 2014 onwards (i.e. will impact variable remuneration awarded in 2015 for the 2014 performance year)

RESUME OF ANTHONY WYAND, VICE-CHAIRMAN OF THE BOARD

- British nationality – 69 years old
- Non independent Director SG

Not considered as an independent director by the Board of directors, following a strict interpretation of the AFEP-MEDEF recommendations : for more than twelve years, Mr. WYAND as a permanent representative of AVIVA (1989-2002) then as individual (since 2002). Nonetheless, the Board believes that he has the independence of judgment required to perform the tasks entrusted to the Vice-Chairman, particularly in terms of corporate governance, internal control and risks

- Chairman of the Audit, internal control and Risk Committee
- Retired from the Canadian Army at the rank of captain in 1971

■ Career

- Joined Commercial Union Assurance plc in 1971 (renamed CGNU in 1989 then Aviva in 2002), he served in various positions :

In the Investment department in London until 1983

1983 -1984, 1st Senior Vice-President Cuaco Boston, Massachusetts -USA

1985 -1987, Director of the UK Insurance Companies

1987-1998, Executive Director CU plc, successively CFO, then responsible for Continental European Operations, and for Investment Management

1998-2000, Deputy Chief Executive CGU

2000-2003, Executive Director, Aviva plc

■ Non executive Board positions

- 1994-2003 : President of CU France (AVIVA France), Paris
- 2000-2009 : Non-Executive Director Grosvenor Ltd, London
- 1998 to present : Non-Executive Director of UniCredit Group, Milan (Vice-President 2005 - 2009)
- 2003 to present : Non-Executive Director, Aviva France
- Honorary Chairman and Director of Société Foncière Lyonnaise

■ Education

- Lakefield College School, Lakefield, Ontario Canada
- Royal Military College Canada, Bachelor of Arts (B.A.), 1st class honours
- Kings College, London, MA