

# INTERNAL RULES OF THE BOARD OF DIRECTORS<sup>1</sup>

(Updated on 23 May 2018)

## **Preamble:**

The Board of Directors collectively represents all shareholders and acts in the Company's interest. Each Director, regardless of the manner in which he/she was appointed, must act in all circumstances in the Company's corporate interest.

Societe Generale applies the AFEP-MEDEF Corporate Governance Code for listed companies. As a credit institution, Societe Generale is subject to the provisions of the French Commercial Code, the French Monetary and Financial Code and more generally the regulatory texts applicable to the banking sector.

The purpose of these Internal Rules is to define the Board of Directors' organisation and operating procedures and to specify the rights and obligations of its members.

The Board of Directors ensures that Societe Generale has a solid governance system including, in particular, a clear organisation ensuring a well-defined, transparent and coherent sharing of responsibilities, effective procedures for the detection, management, monitoring and reporting of risks to which the Company is or could be exposed, an adequate internal control system, sound administrative and accounting procedures and compensation policies and practices enabling and promoting sound and effective risk management.

## **Article 1: Powers of the Board of Directors**

1.1 - The Board of Directors shall deliberate on any issue falling within its legal or regulatory powers and devote sufficient time to perform its missions.

1.2 - The Board of Directors is competent, the enumeration is not to be regarded as exhaustive, in the following areas:

### *a) Strategic directions and operations*

The Board of Directors:

- approves the Group's strategic directions, ensures their implementation and reviews them at least once a year; these directions include the values and the code of conduct of the Group as well as the main thrusts of the policy followed with respect to social and environmental responsibility, human resources, information systems and organisation;
- approves the plans for strategic operations, in particular acquisitions or disposals, which may have a significant impact on the Group's earnings, its balance sheet structure or its risk profile.

This prior approval process concerns:

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<sup>1</sup> This document does not form part of Societe Generale's By-laws.

- organic growth transactions of a unit amount higher than EUR 250 million and not already approved as part of the annual budget or the strategic plan;
- external growth transactions of a unit amount higher than 3% of the Group's consolidated shareholders' equity or higher than 1.50% of the Group's consolidated shareholders' equity if these transactions do not fall within the development priorities approved in the strategic plan;
- disposal transactions of a unit amount higher than 1.50% of the Group's consolidated shareholders' equity;
- partnership transactions with a compensation (*soulte*) of an amount higher than 1.50% of the Group's consolidated shareholders' equity;
- transactions substantially degrading the Group's risk profile.

The Chairman shall assess, on a case-by-case basis, the appropriateness of a referral to the Board of Directors to deliberate on a transaction that does not fall under the aforementioned circumstances.

During each Board of Directors' meeting, an update is made on the transactions concluded since the previous meeting as well as on the main projects in progress and likely to be concluded before the next Board of Directors' meeting.

#### b) *Financial statements and communication*

The Board of Directors:

- ensures the accuracy and truthfulness of the annual and consolidated annual accounts and the quality of the information provided to the shareholders and the market;
- approves the management report;
- controls the publication and communication process, the quality and reliability of the information to be published and communicated.

#### c) *Risk management*

The Board of Directors:

- approves the global strategy and the appetite in terms of risks of any kind and controls the related implementation. To this end, it approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of the risks to which the Company is or could be exposed, including the risks created by the economic environment; ensures, in particular, the adequacy and effectiveness of the risk management systems, controls the risk exposure from its activities and approves the overall risk limits; ensures the effectiveness of the corrective measures taken in the event of a default.

#### d) *Governance*

The Board of Directors:

- appoints the Chairman, the Chief Executive Officer and, upon the latter's proposal, the Deputy Chief Executive Officer(s); it determines any possible limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officer(s);
- reviews the governance system, periodically assesses its effectiveness and ensures that corrective measures to remedy potential shortcomings have been taken;

- ensures, in particular, compliance with the banking regulations with respect to internal control;
- determines the orientations and controls the implementation by the Effective Senior Managers<sup>2</sup> of the oversight systems in order to ensure effective and prudent management of the institution, in particular the avoidance of conflicts of interest;
- deliberates on changes to the Group's management structures prior to their implementation and is informed of the main changes to its organisation;
- deliberates at least once a year, on its operation and that of its Committees, on the skills, aptitudes and availability of its members (see Articles 2 and 3) as well as on the conclusions of the periodic assessment thereof;
- reviews once a year the succession plan for the chief executive officers (*dirigeants mandataires sociaux*);
- gives, where appropriate, its prior consent to the dismissal of the Chief Risk Officer, after the Risk Committee and the Nomination and Corporate Governance Committee have been consulted;
- prepares the Report on corporate governance submitted to the General Meeting of Shareholders.

e) *Compensation and wage policy*

The Board of Directors:

- distributes the attendance fees in accordance with Article 15 of these Internal Rules;
- establishes the compensation policy principles applicable in the Group, in particular regarding the categories of staff whose activities have a significant impact on the Group's risk profile, and ensures that the internal control systems enable to verify that these principles comply with the regulations and professional standards and are consistent with the objectives for risk control;
- sets the compensation of the chief executive officers (*dirigeants mandataires sociaux*), in particular their fixed and variable compensation, including benefits in kind, allocations of performance shares or any compensation instruments, as well as post-employment benefits;
- deliberates once a year on the Company's policy regarding professional and wage equality between men and women.

f) *Preventive recovery plan*

The Board of Directors:

- establishes the preventive recovery plan that is communicated to the European Central Bank and deliberates on any similar plan requested by foreign supervisory authorities.

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<sup>2</sup> Persons designated as such with the European Central Bank (ECB) and the French Prudential Supervisory and Resolution Authority (ACPR) pursuant to banking regulations. For Societe Generale, these are the Chief Executive Officer and the Deputy Chief Executive Officers.

## **Article 2: Skills/Aptitudes of the members of the Board of Directors**

2.1 - The members of the Board of Directors shall have at all times the good repute, knowledge, skills and experience necessary for the performance of their duties and, collectively, the knowledge, skills and experience necessary to understand the Company's activities, including the main risks to which it is exposed.

2.2 - Each Director continually ensures to improve his/her knowledge of the Company and its sector of activity.

## **Article 3: Availability of the members of the Board of Directors**

3.1 - The members of the Board of Directors shall devote sufficient time to the performance of their functions.

Under the conditions defined by the legislation in force, they may hold, within any legal entity, only one executive directorship and two non-executive directorships or only four non-executive directorships. For the purpose of this rule, directorships held within the same group are considered to be a single directorship. The European Central Bank may authorise a member of the Board of Directors to hold an additional non-executive directorship.

3.2 - Any Director holding an executive directorship in the Group must obtain the opinion of the Board of Directors before accepting a mandate in a listed company; the Director must comply with the procedure set out in Article 14 "Conflicts of interest."

3.3 - The Director shall promptly inform the Chairman of any change in the number of directorships held, including his/her participation in a committee of a Board, as well as any change in professional responsibility.

He/she undertakes to let the Board of Directors decide whether he/she should continue to serve as a Director in the event of a significant change in his/her professional responsibilities or mandates.

He/she undertakes to resign from his/her directorship when he/she no longer considers himself/herself able to perform his/her duties within the Board of Directors and the Committees of which he/she is a member.

3.4 - The Directors, under the conditions defined by the By-laws, may participate in meetings of the Board or of the Committees by videoconference or telecommunication means enabling their identification and guaranteeing their effective participation.

3.5 - The Registration Document reports on the attendance of Directors at meetings of the Board of Directors and the Committees.

3.6 - The Directors shall attend the General Meetings of Shareholders.

## **Article 4: Ethics of the members of the Board of Directors**

4.1 - The Director keeps, in all circumstances, his/her independence of analysis, judgement, decision and action.

He/she undertakes not to seek or accept any benefit likely to compromise his/her independence.

4.2 - Each Director must comply with the provisions of the rules on market abuse (regulation (EU) n° 596/2014 dated 16 April 2014 and its delegated and implementing regulations supplementing it and defining technical standards; French Monetary and Financial Code; General Regulations, position-recommendation and instruction of the French Financial Markets Authority) in particular the ones relating to the communication and the use of inside information with regard to Societe Generale shares, debt securities and derivatives instruments or other financial instruments related to the Societe Generale share (hereinafter, Financial instruments). He/she must also comply with these same rules for Financial instruments of his/her subsidiaries or listed investments or companies on which he/she may hold inside information received as a result of his/her participation in the Board of Directors of Societe Generale.

4.3 - Directors shall abstain from intervening on the market of Societe Generale Financial instruments during the 30 calendar days preceding the publication of Societe Generale's quarterly, half-yearly and annual results as well as on the day of the said publication.

They shall refrain from carrying out speculative or leveraged transactions on Societe Generale Financial instruments or those of a listed company controlled directly or indirectly by Societe Generale within the meaning of Article L. 233-3 of the French Commercial Code.

They shall inform the Secretary of the Board of Directors of any difficulty they may encounter in enforcing the above.

4.4 - In accordance with the regulations in force, Directors and persons closely associated with them must report to the French Financial Markets Authority (AMF) the transactions carried out on Societe Generale Financial instruments.

A copy of this statement is also sent to the Secretary of the Board of Directors.

4.5 - Directors must hold in registered form all Societe Generale shares they have under the obligation provided for in Article 16 of these Internal Rules.

#### **Article 5: The Chairman of the Board of Directors**

5.1 - The Chairman convenes and chairs the Board of Directors meetings. He/she sets the timetable and agenda of the meetings. He/she organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He/she chairs the General Meetings of Shareholders.

5.2 - The Chairman ensures the proper functioning of the Company's bodies and the implementation of the best corporate governance practices, in particular as regards the Committees set up within the Board of Directors, which he/she may attend without the right to vote. He/she may submit questions for the consideration of these Committees.

5.3 – He/she receives all information relevant to his/her missions. He/she is regularly informed by the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, of significant events relating to the life of the Group. He/she may request the disclosure of any information or document that may inform the Board of Directors. For the same purpose, he/she may hear the Statutory Auditors and, after having informed the Chief Executive Officer, any Group senior manager.

5.4 – He/she ensures that the Directors are in a position to fulfil their missions and ensures that they are properly informed.

5.5 – He/she is the only person authorised to speak on behalf of the Board of Directors, except in exceptional circumstances or with a specific mandate entrusted to another Director.

5.6 – He/she devotes his/her best efforts to promote in all circumstances the values and the image of the Company. In consultation with the General Management, he/she may represent the Group in its high-level relations, in particular with major clients, regulators, major shareholders and public authorities, both domestically and internationally.

5.7 - He/she has the material resources necessary for the performance of his/her missions.

5.8 - The Chairman has no executive responsibilities, these responsibilities being exercised by the General Management which proposes and applies the Company's strategy, within the limits defined by law and in compliance with the corporate governance rules and directions set by the Board of Directors.

## **Article 6: Meetings of the Board of Directors**

6.1 - The Board of Directors shall hold at least eight meetings per year.

6.2 - The Directors who participate in the meeting of the Board of Directors by means of videoconference or telecommunication enabling their identification and guaranteeing their effective participation shall be deemed present for the calculation of the quorum and the majority. To this end, the means chosen shall transmit at least the voice of the participants and comply with technical characteristics enabling the continuous and simultaneous transmission of the deliberations.

This provision does not apply when the Board of Directors is convened to carry out the work for establishing and adopting the annual and consolidated annual accounts and the Management Report.

6.3 – Convening notices, which may be transmitted by the Secretary of the Board of Directors, are sent by letter, fax, e-mail or by any other means, including verbally.

6.4 - Upon decision of the Chairman, the Deputy Chief Executive Officers or other Group senior managers or, where relevant, external persons whose attendance is useful to the deliberations may attend all or part of the meetings of the Board of Directors.

## **Article 7: Information provided to the Board of Directors**

7.1 - The Chairman or the Chief Executive Officer shall provide each Director with all information and documents necessary for the performance of his/her missions; he/she is provided with computer equipment enabling easy access to them.

7.2 - Effective Senior Managers shall inform the Board of Directors of all significant risks, risk management policies and changes made to them.

7.3 - If necessary, in the event of changes in the risks affecting or likely to affect the Company, the Chief Risk Officer may report directly to the Board of Directors.

7.4 - Meetings of the Board of Directors and the Committees are preceded by the on-line publication or availability in due course of a file on the agenda items that require special analysis and prior reflection whenever the respect of confidentiality so permits.

Moreover, between meetings, Directors shall receive all useful information, including critical information, about events or transactions significant for the Company. In particular, they shall receive press releases issued by the Company.

## **Article 8: Training of Directors**

8.1 - The Company devotes the necessary human and financial resources to the training of the Directors and, especially, the Directors representing the employees.

8.2 – Training sessions on the specificities of the banking activity are organised each year.

Each Director may, on his/her appointment or throughout his/her term of office, benefit from any training that he/she deems necessary for the performance of the mandate.

8.3 - These training sessions shall be organised by the Company which shall bear their costs.

## **Article 9: Committees of the Board of Directors**

9.1 - In certain areas, the Board of Directors' deliberations are prepared by specialised Committees composed of Directors appointed by the Board of Directors, which examine matters within their remit and submit their opinions and proposals to the Board of Directors.

9.2 - These Committees are composed of members of the Board of Directors who do not hold any executive function within the Company and who have suitable knowledge for the performance of the missions of the Committee in which they participate.

These Committees may decide, as necessary, to involve other Directors, without the right to vote, in their meetings.

9.3 - They shall have the necessary means to perform their missions and act under the responsibility of the Board of Directors.

9.4 - In the performance of their respective duties, they may request the communication of any relevant information, hear the Chief Executive Officer, the Deputy Chief Executive Officers as well as the Group's senior managers and, after having informed the Chairman, request the carrying out of external technical studies, at the Company's expense. They shall report on the information obtained and the opinions collected.

9.5 - There are four standing Committees:

- the Audit and Internal Control Committee;
- the Risk Committee;
- the Compensation Committee; and
- the Nomination and Corporate Governance Committee.

9.6 - Upon decision of the Chairmen of the relevant Committees, joint meetings between Committees may be arranged on topics of common interest. These meetings are co-chaired by the Chairmen of the Committees.

9.7 - The Board of Directors may create one or more "ad hoc" Committees.

9.8 - The Risk Committee, the Compensation Committee and the Nomination and Corporate Governance Committee may perform their missions for Group companies on a consolidated or sub-consolidated basis.

9.9 - Each Committee shall be chaired by a Chairman appointed by the Board of Directors based on a proposal from the Nomination and Corporate Governance Committee.

The Secretariat of each Committee is provided by a person designated by the Secretary of the Board of Directors.

9.10 - The Chairman of each Committee shall report to the Board of Directors on the Committee's work. A written report of the Committees' work shall be regularly circulated to the Board of Directors.

Each Committee shall submit its annual work programme to the Board of Directors.

9.11 - Each Committee shall give an opinion to the Board of Directors on the part of the Registration Document dealing with the issues falling within its scope of activity and prepare an annual activity report, submitted to the Board of Directors' approval, to be inserted in the Registration Document.

### **Article 10: The Audit and Internal Control Committee**

10.1 - The Audit and Internal Control Committee's mission is to monitor issues concerning the preparation and control of accounting and financial information as well as the monitoring of the effectiveness of internal control, measurement, monitoring and risk control systems.

10.2 - In particular, it is responsible for:

- a) ensuring the monitoring of the process for the production of the financial information, particularly reviewing the quality and reliability of existing systems, making proposals for their improvement and ensuring that corrective actions have been implemented in the event of a malfunction in the process; where appropriate, it makes recommendations to ensure their integrity;
- b) analysing the draft accounts to be submitted to the Board of Directors in order to, in particular, verify the clarity of the information provided and assess the relevance and consistency of the accounting methods adopted for drawing up annual accounts and consolidated annual accounts;
- c) conducting the procedure for selecting the Statutory Auditors and issuing a recommendation to the Board of Directors, developed in accordance with the provisions of Article 16 of the regulation (EU) n° 537/2014 dated 16 April 2014, concerning their appointment or renewal as well as their remuneration;
- d) ensuring the independence of the Statutory Auditors in accordance with the regulations in force;
- e) approving, in accordance with Article L. 823-19 of the French Commercial Code and the policy adopted by the Board of Directors, the provision of services other than the certification of accounts referred to in Article L. 822-11-2 of the said Code after analysing the risks to the Statutory Auditor's independence and the safeguard measures applied by the latter;
- f) reviewing the work programme of the Statutory Auditors and, more generally, monitoring the control of the accounts by the Statutory Auditors in accordance with the regulations in force;
- g) ensuring the monitoring of the effectiveness of internal control, risk management and internal audit systems, with regard to the procedures for the preparation and processing of the accounting and financial information. To this end, the Committee is responsible in particular for:



- reviewing the internal control and risk control of the business segments, divisions and main subsidiaries;
  - reviewing the Group's periodic monitoring programme and giving its opinion on the organisation and functioning of the internal control departments;
  - reviewing the follow-up letters from the banking and markets supervisors and issuing an opinion on draft replies to these letters;
- h) reviewing the reports prepared in order to comply with the regulations in terms of internal control.

10.3 - It regularly reports to the Board of Directors on the performance of its missions, including the outcomes of the mission of certification of the accounts, how this mission contributed to the integrity of the financial information and the role it played in this process. It informs the Board of Directors without delay of any difficulty encountered.

10.4 - The Statutory Auditors shall be invited to the meetings of the Audit and Internal Control Committee, unless the Committee decides otherwise. They may also be consulted outside these meetings.

10.5 - The Audit and Internal Control Committee or its Chairman also hear the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, the managers in charge of drawing up the accounts, internal control, risk control, compliance control and periodic control.

10.6 - The Audit and Internal Control Committee is composed of at least three Directors appointed by the Board of Directors, who have the appropriate financial, accounting, or statutory audit skills. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

### **Article 11: The Risk Committee**

11.1 - The Risk Committee advises the Board of Directors on the overall strategy and the appetite regarding all kinds of risks, both current and future, and assists it when it controls the implementation of this strategy.

11.2 - In particular, it is responsible for:

- a) preparing the debates of the Board of Directors on documents relating to risk appetite;
- b) reviewing the risk control procedures and is consulted for the setting of overall risk limits;
- c) undertaking a regular review of the strategies, policies, procedures and systems used to detect, manage and monitor the liquidity risk and communicating its conclusions to the Board of Directors;
- d) issuing an opinion on the Group's global provisioning policy, as well as on specific provisions for significant amounts;
- e) reviewing the reports prepared to comply with the banking regulations on risks;
- f) reviewing the policy concerning risk control and the monitoring of off-balance sheet commitments, especially in the light of the memoranda prepared to this end by the Finance Division, the Risk Division and the Statutory Auditors;

- g) reviewing, as part of its mission, whether the prices for the products and services mentioned in books II and III of the French Monetary and Financial Code and offered to clients are consistent with the Company's risk strategy. When these prices do not correctly reflect the risks, it informs the Board of Directors accordingly and gives its opinion on the action plan to remedy the situation;
- h) without prejudice to the Compensation Committee's missions, reviewing whether the incentives provided for by the compensation policy and practices are consistent with the Company's situation with regard to the risks to which it is exposed, its capital and its liquidity, as well as the probability and timing of expected benefits;
- i) reviewing the risks associated with the Group's implementation of the guidelines on social and environmental responsibility and the indicators relating to the Conduct as part of the "Culture and Conduct" programme;
- j) reviewing the enterprise risk management related to the Company's operations in the United States. When acting as US Risk Committee, the Risk Committee is composed of its members and those of the Audit and Internal Control Committee. However, following a decision of the Board of Directors, the members of the Audit and Internal Control Committee, other than its Chairman, may be exempted from participating if they are not members of the Risk Committee.<sup>3</sup>

11.3 - It has all information on the Company's risk situation. It may use the services of the Chief Risk Officer or external experts.

11.4 - The Statutory Auditors are invited to the meetings of the Risk Committee, unless the Committee decides otherwise. They may also be consulted outside these meetings.

The Risk Committee or its Chairman hear the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, the managers responsible for drawing up the accounts, internal control, risk control, compliance control and periodic control.

11.5 - The Risk Committee is composed of at least three Directors appointed by the Board of Directors who have knowledge, skills and expertise concerning risks. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

## **Article 12: The Compensation Committee**

12.1 - The Compensation Committee prepares the decisions that the Board of Directors adopts concerning compensation, especially those related to the chief executive officers (*dirigeants mandataires sociaux*) as well as those that have an impact on the risk and the management of risks in the Company.

12.2 - It conducts an annual review of:

- a) the principles of the Company's compensation policy;

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<sup>3</sup> In accordance with the requirements of the U.S. Federal Reserve's Enhanced Prudential Standards Rules, the Risk Committee will hold quarterly meetings to review the Company's operations in the United States. The Risk Committee's obligations in this regard include the review of the enterprise risk management related to the Company's operations in the United States. As such, the Risk Committee must:

- a) receive regular reports from the US-based Chief Risk Officer of the Company;
- b) review the risk management system for the Company's combined operations in the United States; and
- c) review the Company's liquidity risk in the United States.

- b) the compensation, allowances and benefits of any kind granted to the Company's executive officers (*mandataires sociaux*) as well as the Effective Senior Managers, if they are different;
- c) the compensation policy for regulated employees within the meaning of the banking regulations.

12.3 - It controls the compensation of the Chief Risk Officer and the Chief Compliance Officer.

12.4 - It receives all information necessary for its mission and in particular the annual report sent to the European Central Bank.

12.5 - It may be assisted by the internal control services or by external experts.

12.6 - In particular, the Committee:

- a) proposes to the Board of Directors, in compliance with the regulations applicable to credit institutions, the principles given by the AFEP-MEDEF Corporate Governance Code and professional standards, the principles of the compensation policy for the chief executive officers (*dirigeants mandataires sociaux*), and especially the criteria for the determination, the structure and the amount of this compensation, including allowances and benefits in kind, insurance or pension benefits, and compensation of any kind received from all the Group companies; it ensures their application;
- b) prepares the annual performance assessment of the chief executive officers (*dirigeants mandataires sociaux*);
- c) proposes to the Board of Directors the policy for performance shares;
- d) prepares the decisions of the Board of Directors concerning the employee savings plan.

12.7 - It is composed of at least three Directors and includes a Director elected by the employees. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Code<sup>4</sup>. Its composition enables it to exercise a competent and independent judgement on the compensation policies and practices with regard to the management of risks, the equity and the liquidities of the Company.

### **Article 13: The Nomination and Corporate Governance Committee**

13.1 - The Nomination and Corporate Governance Committee:

- a) is responsible for making proposals to the Board of Directors for the appointment of Directors and Committees members as well as on the succession of the executive officers (*mandataires sociaux*), especially in the event of an unforeseeable vacancy, after having carried out necessary studies. To this end, it prepares the selection criteria to be submitted to the Board of Directors, proposes to the Board of Directors an objective to be achieved concerning the balanced representation of women and men on the Board of Directors and develops a policy designed to achieve this objective<sup>5</sup>;

<sup>4</sup> For the calculation of the rate of independents within the committees, the AFEP-MEDEF Code does not take employees into account.

<sup>5</sup> The objective and policy of the credit institutions, as well as the terms of implementation, are made public in accordance with paragraph 2 (c) of Article 435 of regulation (EU) n° 575/2013 dated 26 June 2013.

- b) periodically reviews the structure, size, composition and effectiveness of the Board of Directors' work and submits to the Board of Directors any recommendation relevant to the carrying out of the annual assessment of the Board of Directors and its members;
- c) periodically reviews the Board of Directors' policies concerning the selection and appointment of the Effective Senior Managers, the Deputy Chief Executive Officers and the Heads of risk, compliance, audit and finance functions; it makes recommendations in this area;
- d) is informed in advance of the appointment of the Heads of risk, compliance, audit and finance functions. It is also informed of the appointment of the Heads of Business Units or of Service Units. It is informed of the succession plan for these senior officers (*dirigeants*);
- e) prepares the review by the Board of Directors of corporate governance issues as well as the Board of Directors' work on matters relating to Corporate culture. It proposes to the Board of Directors the presentation of the Board of Directors in the Registration Document and in particular the list of independent Directors.

13.2 - It is composed of at least three Directors. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code. The Chief Executive Officer is involved, as necessary, in the Committee's work.

#### **Article 14: Conflicts of interest**

14.1 - The Director shall inform the Secretary of the Board of Directors of any conflict of interest, including potential ones, in which he/she may be directly or indirectly involved. He/she shall refrain from taking part in the debates and decision-making on related matters.

14.2 - The Chairman is in charge of managing conflict of interest situations of the members of the Board of Directors. Where appropriate, he/she refers the matter to the Nomination and Corporate Governance Committee. Regarding conflicts which could affect him/her personally, he/she refers to the Chairman of the Nomination and Corporate Governance Committee.

If necessary, the Chairman may invite a Director having a conflict of interest not to attend the deliberation.

14.3 - The Director shall inform the Chairman and the Chairman of the Nomination and Corporate Governance Committee of his/her intention to accept a new mandate, including his/her participation in a committee, in a listed company that does not belong to a group of which he/she is an executive officer, in order to enable the Board of Directors, based on the Committee's proposal, to decide where appropriate that such an appointment would be inconsistent with the directorship in Societe Generale.

14.4 – The Director shall inform the Chairman of the Board of Directors of any conviction for fraud, of any incrimination and/or public sanction, and of any prohibition to manage or administer that may have been pronounced against him/her, as well as any bankruptcy, sequestration or liquidation proceedings to which he/she may have been associated.

14.5 - Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to in 14.1 and 14.3: i) upon taking up his/her office, ii) each year in response to the request made by the Secretary of the Board of Directors upon the preparation of the Registration Document, iii) at any time if the Secretary of the Board of Directors requests it and iv) within 10 working days following the occurrence of any event that renders the previous statement made by him/her in whole or in part inaccurate.

## **Article 15: Attendance fees**

15.1 - The overall amount of attendance fees is set by the General Meeting. The Board of Directors may decide to only partially use it. It may decide to allocate a budget for specific tasks or temporary workload increases for some members of the Board of Directors or of Committees.

15.2 - The Chairman and the Chief Executive Officer, when he/she is also a Director, do not receive attendance fees.

15.3 - As from 1 May 2018, the amount of allocated attendance fees is reduced by a sum equal to EUR 200,000 to be distributed between the members of the Risk Committee and the members of the Audit and Internal Control Committee gathered as the US Risk Committee. This amount is distributed in equal portions, except for the Chairman of the Risk Committee who has two portions.

The balance is then reduced by a lump sum of EUR 130,000 distributed between the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

15.4 - The balance is divided into 50% fixed, 50% variable. The number of fixed portions per Director is 6. Additional fixed portions are allocated:

- Chairman of the Audit and Internal Control Committee or of the Risk Committee: 4 portions;
- Chairman of the Nomination and Corporate Governance Committee or of the Compensation Committee: 3 portions;
- Member of the Nomination and Corporate Governance Committee or of the Compensation Committee: 0.5 portion;
- Member of the Audit and Internal Control Committee or of the Risk Committee: 1 portion.

The additional fixed portions may be reduced in proportion to the actual attendance when the attendance over the year is below 80%.

15.5 – The variable portion of attendance fees is divided up at the end of the year, in proportion to the number of meetings or working meetings of the Board of Directors and of each of the Committees which each Director has attended.

## **Article 16: Shares held in a personal capacity**

16.1 - Each Director appointed by the General Meeting (whether in his/her own name or as a permanent representative of a legal entity) must hold the equivalent of at least 1,000 shares. Each Director has a six-month time frame to hold the 600 shares provided for by the By-laws and an additional six-month time frame to increase his/her holding to 1,000 shares.

16.2 - Each Director shall refrain from hedging his/her shares.

## **Article 17: Reimbursement of expenses**

17.1 - Directors' travel, accommodation, meals and mission expenses pertaining to the meetings of the Board of Directors or of the Committees of the Board of Directors, the General Meeting of Shareholders or any other meetings related to the work of the Board of Directors or the Committees, are paid for or reimbursed by Societe Generale, upon submission of receipts.

At least once a year, the Nomination and Corporate Governance Committee considers these and, as necessary, makes proposals or recommendations.

17.2 – As to the Chairman, the Company also pays the expenses necessary for the performance of his/her duties.

17.3 - The Secretary of the Board of Directors receives and verifies the relevant supportive documents and ensures that the sums due are paid or reimbursed.

**Article 18: Secret**

18.1 - Each Director is bound by a strict professional secrecy with regard to the confidential information he/she receives, the discussions in which he/she participates, the decisions taken as long as they are not made public as well as with regard to the views expressed by each of them.

18.2 - He/she obliges himself/herself to a duty of care and a duty to alert.