

APPLICABLE FINAL TERMS
FINAL VERSION APPROVED BY THE ISSUER

Investors should have sufficient knowledge and experience of financial and business matters to evaluate the merits and risks of investing in a particular issue of Euro Medium Term Notes as well as access to, and knowledge of, appropriate analytical tools to assess such merits and risks in the context of their financial situation. Certain issues of Euro Medium Term Notes are not an appropriate investment for investors who are unsophisticated with respect to the applicable interest rate indices, currencies, other indices or formulas, or redemption or other rights or options. Investors should also have sufficient financial resources to bear the risks of an investment in Euro Medium Term Notes. For a more detailed description of the risks associated with any investment in the Notes investors should read the section of the Debt Issuance Programme Prospectus headed “Risk Factors”.

12 February 2010

SG Option Europe

Issue of EUR 20 000 000 Notes due 11 May 2018
Unconditionally and irrevocably guaranteed by Société Générale
under the €125,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

NON-US REGISTERED NOTES

The Notes described herein may not be legally or beneficially owned at any time by any U.S. Person (as defined in Regulation S) and accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in reliance on Regulation S.

By its purchase of a Note, each purchaser will be deemed or required, as the case may be, to have agreed that it may not resell or otherwise transfer any Note held by it except outside the United States in an offshore transaction to a person that is not a U.S. Person.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth under the heading “*Terms and Conditions of the French Law Notes*” in the Debt Issuance Programme Prospectus dated 28 April 2009, which, constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Debt Issuance Programme Prospectus and any Supplement(s) to such Debt Issuance Programme Prospectus published prior to the Issue Date (as defined below) (the “**Supplement(s)**”); provided, however, that to the extent such Supplement (i) is published after these Final Terms have been signed or issued and (ii) provides for any change to the Conditions as set out under the heading “*Terms and Conditions of the French Law Notes*”, such change(s) shall have no effect with respect to the Conditions of the Notes to which these Final Terms relate. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Debt Issuance Programme Prospectus and any Supplement(s). Prior to acquiring an interest in the Notes described herein, prospective investors should read and understand the information provided in the Debt Issuance Programme Prospectus and any Supplement(s) and be aware of the restrictions applicable to the offer and sale of such Notes in the United States or to, or for the account or benefit of, U.S. persons. Copies of the Debt Issuance Programme Prospectus, any Supplement(s) and these Final Terms are available for inspection from the head office of the Issuer, the specified offices of the Paying Agents and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The provisions of the Equity Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Equity Technical Annex and these Final Terms, these Final Terms shall prevail.

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1.	(i)	Issuer:	SG Option Europe
	(ii)	Guarantor:	Société Générale
2.	(i)	Series Number:	25264/10.2
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	EUR
4.		Aggregate Nominal Amount:	
	(i)	- Tranche:	20 000 000
	(ii)	- Series:	20 000 000
5.		Issue Price:	99.59% of the Aggregate Nominal Amount
6.		Specified Denomination(s):	1 000
7.	(i)	Issue Date and, if any, Interest Commencement Date:	15 February 2010
	(ii)	Interest Commencement Date (if different from the Issue Date):	Not Applicable
8.		Maturity Date:	11/05/18 (DD/MM/YY)
9.		Interest Basis:	See paragraphs 15 to 18 below
10.		Redemption/Payment Basis:	See paragraph(s) 20 and/or 23 below
11.		Change of Interest Basis or Redemption/Payment Basis:	See paragraphs 15 to 18 below
12.		Put/Call Options:	See paragraph(s) 21 and/or 22 below
13.		Status of the Notes:	Unsubordinated
14.		Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:	Not Applicable
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Index Linked Interest Note Provisions:	Not Applicable
19.	Dual Currency Note Provisions:	Not Applicable

PROVISIONS RELATING TO PHYSICAL DELIVERY

20. **Physical Delivery Note Provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. **Issuer's optional redemption (other than for taxation reasons):** Not Applicable
22. **Redemption at the option of the Noteholders:** Not Applicable
23. **Final Redemption Amount:** See in the Schedule
- (i) **Index/Formula:** See in the Schedule
- (ii) **Calculation Agent responsible for calculating the Final Redemption Amount (if not the Fiscal Agent):** As provided in Part 4-I of the Equity Technical Annex
- (iii) **Provisions for determining the redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable:** As provided in the Equity Technical Annex
24. **Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(g) of the Terms and Conditions of the English Law Notes and the Uncertificated Notes and 6(g) of the Terms and Conditions of the French Law Notes):** Market Value
25. **Credit Linked Notes provisions:** Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. **Form of Notes:**
- (i) **Form:** Dematerialised Notes
Bearer dematerialised form (*au porteur*)
- (ii) **New Global Note:** No
27. **"Payment Business Day" election in accordance with Condition 5(d) of the Terms and Conditions of the French Law Notes or other special provisions relating to Payment Business Days:** Following Payment Business Day

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| 28. | Additional Financial Centre(s) for the purposes of Condition 5(d) of the Terms and Conditions of the French Law Notes and Uncertificated Notes: | Not Applicable |
| 29. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes: | Yes (if appropriate) |
| 30. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay: | Not Applicable |
| 31. | Details relating to Instalment Notes: | Not Applicable |
| 32. | Redenomination applicable: | Redenomination not applicable |
| 33. | Clearing System Delivery Period in accordance with Condition 15 of the Terms and Conditions of the English Law Notes and the Uncertificated Notes (<i>Notices</i>): | Not Applicable |
| 34. | Masse (Condition 13 of the Terms and Conditions of the French Law Notes): | <p>Applicable</p> <p>The initial Representative ("<i>Représentant de la Masse</i>") will be :</p> <p>SCP SIMONIN - LE MAREC - GUERRIER,
Huissiers de Justice Associés
54 rue de Taitbout 75009 Paris</p> <p>The Representative will be entitled to a remuneration of Euro 500 (VAT included) per year</p> |
| 35. | Swiss Paying Agent(s): | Not Applicable |
| 36. | Portfolio Manager: | Not Applicable |
| 37. | Other final terms: | As specified in the Schedule. |
| 38. | Governing Law: | The Notes (and, if applicable, the Receipts and the Coupons) and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, French law. |

DISTRIBUTION

- | | | |
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| 39. | (i) If syndicated, names and addresses and underwriting commitments of Managers: | Not Applicable |
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- (ii) **Date of Syndication Agreement:** Not Applicable
- (iii) **Stabilising Manager (if any):** Not Applicable
40. **If non-syndicated, name and addresses of relevant Dealer:** Société Générale
17 Cours Valmy
92987 Paris La Défense Cedex
France
41. **Total commission and concession:** There is no commission and/or concession paid by the Issuer to the Dealer or the Managers.
- Société Générale shall pay**
- to each relevant distributor, an annual remuneration (calculated on the basis of the term of the Notes) of up to 0.85% of the amount of Notes effectively placed.
42. **Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:** TEFRA rules not applicable
43. **Additional selling restrictions:** Not Applicable
- The Notes may not be legally or beneficially owned at any time by any U.S. Person (as defined in Regulation S) and accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in reliance on Regulation S.**
44. **Additional U.S. Tax Disclosure:** Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue of the Notes, public offer in France and admission to trading on the regulated market of the Luxembourg Stock Exchange by SG Option Europe pursuant to its €125,000,000,000 Euro Medium Term Note Programme for which purpose they are hereby submitted.

RESPONSIBILITY

Each of the Issuer and the Guarantor accepts responsibility for the information contained in these Final Terms prepared in relation to Series 25264/10.2, Tranche 1. Information or summaries of information included herein with respect to the Underlying(s), has been extracted from general databases released publicly or by any other available information. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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PART B – OTHER INFORMATION**1. LISTING AND ADMISSION TO TRADING**

- (i) **Listing:** Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange
- (ii) **Admission to trading:** Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from or as soon as practicable after the Issue Date.

2. RATINGS

Ratings: The Notes to be issued have not been rated.

3. NOTIFICATION AND AUTHORISATION

The *Commission de Surveillance du Secteur Financier (CSSF)*, Luxembourg, has provided the *Autorité des marchés financiers (AMF)*, France, with a certificate of approval attesting that the Debt Issuance Programme Prospectus has been drawn up in accordance with the Prospectus Directive.

The Issuer and the Guarantor have authorised the use of these Final Terms and the Debt Issuance Programme Prospectus dated 28 April 2009 by the Dealer/Managers and the entities in charge of the distribution of the Notes (the **Distributors** and, together with the Dealer/Managers, the **Financial Intermediaries**) in connection with offers of the Notes to the public in France for the period set out in paragraph 13 below, being specified that names and addresses of the Distributors, if any, are available upon request to the Dealer (specified above in the item 40 of the Part A).

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer, and except as mentioned below, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

As Lyxor Asset Management S.A. is a subsidiary of Société Générale, there is a potential conflict of interests based on the function of Lyxor Asset Management as the fund management company of the Underlying. However, such conflict of interests will be resolved in a manner which respects the interests of the Noteholder.

The Issuer and Société Générale expect to enter into hedging transactions in order to hedge the Issuer's obligations under the Notes and Société Générale acts as sponsor of the underlying Index (Standard & Poor's being designated as Index Calculation Agent). Should any conflicts of interest arise between (i) the responsibilities of Société Générale as Calculation Agent for the Notes, (ii) the responsibilities of Société Générale as counterparty to the above mentioned hedging transactions and (iii) the responsibilities of Société Générale as Index Sponsor, the Issuer and Société Générale hereby represent that such conflicts of interest will be resolved in a manner which respects the interests of the Noteholders.

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5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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| (i) | Reasons for the offer: | See "Use of Proceeds" wording in Debt Issuance Programme Prospectus |
| (ii) | Estimated net proceeds: | Not Applicable |
| (iii) | Estimated total expenses: | Not Applicable |

6. YIELD (Fixed Rate Notes only)

Indication of yield: Not Applicable

7. HISTORIC INTEREST RATES (Floating Rate Notes only)

Not Applicable

8. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index Linked Notes only)

The information about the past and coming performances of the Fund(s) and volatility together with the relevant prospectus(es) are available, upon request, at the specified office of Société Générale (see in address and contact details of Société Générale for all administrative communications relating to the Notes) and at the office of the Agent in Luxembourg.

Under these Notes, the Noteholders will not receive any coupons during the term of the Notes. At maturity, the Noteholders are entitled to receive at least the amount initially invested on the Issue Date (the « Minimum Redemption Amount »). The return under these Notes is totally linked to the performance of the Underlying(s): the higher the performance, the higher the return. Some of the performances used to calculate the return of the Notes are capped at a pre-determined level, i.e. the Noteholders may not benefit from any future performance, if any, above that level. The return of these Notes is linked to the performances of the Underlying(s) as calculated on pre-determined Valuation Dates, and regardless of the level of such Underlying(s) between these dates. As a result, the Closing Price of the Underlying(s) on these dates will affect the value of the Notes more than any other single factor. Under these Notes, at maturity, the Noteholders will receive at least 100% of the amount initially invested on the Issue Date. The Notes are different from conventional debt securities in that there will be no periodic payment of interest on the Notes, and the effective yield to maturity of the Notes based on the Minimum Redemption Amount may be less than that which would be payable on such a conventional debt security. Noteholders should realize that the return of only the Minimum Redemption Amount at maturity will not compensate for any opportunity cost implied by inflation and other factors relating to the time value of money.

Pursuant to the provisions of the Equity Technical Annex, upon the occurrence of certain Extraordinary Events and Adjustments affecting the Underlying, the Calculation Agent may decide an Early Redemption of the Notes on the basis of Market Value.

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9. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only)**

Not Applicable

10. **INFORMATION REQUIRED FOR SIS NOTES TO BE LISTED ON THE SIX SWISS EXCHANGE**

Not Applicable

11. **OPERATIONAL INFORMATION**

(i) **ISIN Code:** FR0010855767

(ii) **Common Code:** 048676537

(iii) **Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme or Euroclear France and the relevant identification number(s):** Not Applicable

(iv) **Delivery:** Delivery against payment

(v) **Names and addresses of Additional Paying Agent(s) (if any):** Not Applicable

(vi) **Name and address of Issuer Agent in relation to Finnish Uncertified Notes** Not Applicable

(vii) **Intended to be held in a manner which would allow Eurosystem eligibility:** No

12. **Address and contact details of Société Générale for all administrative communications relating to the Notes:**

Société Générale
17, Cours Valmy
92987 Paris La Défense Cedex

Name: Sales Support Services - Equity Derivatives
Tel: +33 1 42 13 86 92 (Hotline)
Fax: +33 1 58 98 35 53
Email: clientsupport-deai@sgcib.com
valuation-deai@sgcib.com

13. PUBLIC OFFERS

This paragraph applies only in respect of any offer of Notes made in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), where such offer is not made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes.

The Notes issued on 15 February 2010 will be fully subscribed by Société Générale and thereafter offered to the public in the secondary market, in France, including 15/02/10 to and including 30/04/10.

The Offer Price of the Notes evolves at a rate of 2% between the Issue Date and the 30/04/10 in order to reach 100% on 30/04/10 in accordance with the following formula :

$$99,59\% \times \left(1 + 2\% \times \frac{Nb(t)}{360} \right)$$

Where :

“Nb(t)” means, the number of calendar days between the Issue Date and such date “t” on which the Market Value of the Note will be calculated (both dates included).

Post-issuance information: The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.

SCHEDULE FOR EQUITY LINKED NOTES

(This Schedule forms part of the Final Terms to which it is attached)

Part 1

(i) Issuer	SG Option Europe
(ii) Guarantor	Société Générale
3. Specified Currency or Currencies	EUR
4. Aggregate Nominal Amount:	
(i) Tranche	20 000 000
(ii) Series	20 000 000
5. Issue Price	99.59% of the Aggregate Nominal Amount
6. Specified Denomination(s)	1 000
7. Issue Date	15/02/10 (DD/MM/YY)
8. Maturity Date	11/05/18
1.(i). (Part B) Listing	Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange
15. Fixed Rate Note Provisions	Not Applicable
18. Index Linked Interest Note Provisions	Not Applicable
23. Final Redemption Amount	Index Linked
(i) Index/Formula	<p>The Issuer shall redeem the Notes on the Maturity Date in accordance with the following provisions in respect of each Note:</p> <p style="margin-left: 40px;">Specified Denomination × Max { 100% ; (100% + Max [0% ; Best_Value]) × [Eonia(74) / Eonia(73)] }</p>

Part 2 (Definitions):

Terms used in the formulae above are described in this Part 2.

Valuation Date(0) 30/04/10

Monthly Valuation Date(n);
(n from 1 to 72) Each 30th day of each month (or each 28th day in respect of February) from and excluding Valuation Date(0) to and excluding Monthly Valuation Date(73)
(such dates being a “Valuation Date” for the purposes of the Equity Technical Annex)

Valuation Date(73) 11/05/16

Valuation Date(74) 30/04/18

Underlying The following Index (the “Index”) and Exchange Traded Fund (the “ETF”) (each an “Underlying” and together the “Basket”, Underlyings shall be construed accordingly) as defined below:

Index Name	Reuters Code	Index Calculation Agent	Index Sponsor	Exchange
Alloc Dynamique Index	SGMDAD01	Standard & Poor's (which calculates and disseminates the Index levels in accordance with the Index rules)	Société Générale (which specifies the Index rules and methods of calculation)	Each exchange on which Index components are traded, from time to time, as determined by the Index Sponsor

The information relating to the back-tested past and future performance of the Underlying and the volatility can be obtained, upon request, at the specified office of Société Générale (see in address and contact details of Société Générale for all administrative communications relating to the Notes) and at the office of the Agent in Luxembourg. Back-tested data is information for the period prior to the launch of the Underlying (i.e., calculations of how the index might have performed during that time period if the index had existed). Back-tested information is purely hypothetical and does not represent actual performance and should not be interpreted as an indication of actual performance. Past performance is not indicative of future results.

- Summary Index rules are available on either the Index Sponsor's website or the Index Calculation's website
- Upon request, detailed Index rules may be supplied by either the Index Sponsor or the Index Calculation Agent

Exchange Traded Fund Name	Bloomberg	Fund Management Company	Place of incorporation	ISIN code	Web Site
Lyxor ETF Euro Cash EuroMTS Eonia Investable	CSH FP Equity	Lyxor International Asset Management-ETF/France	Euronext Paris	FR0010510800	www.lyxoretff.com

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Closing Price

For Shares or Indices, as defined in Part 1 of the Equity Technical Annex

For the ETF :

The Closing Price on the Valuation Date(73) means :

if Société Générale makes a subscription of Unit(s) for the purposes of its hedge in respect of the Notes, the amount per Unit including all costs or fees (if any) effectively paid by Société Générale pursuant to a valid and timely subscription order of Units, sent in accordance with the subscription notice period and the relevant cut-off time as set forth in the Fund Documents, submitted to and recorded on such date by the Fund (or the Fund Service Provider that generally accepts such order); or

if Société Générale does not make a subscription of Unit(s) for the purposes of its hedge in respect of the Notes, the amount per Unit including all costs or fees (if any) that would be paid by a hypothetical investor pursuant to a valid and timely subscription order of Units, sent in accordance with the subscription notice period and the relevant cut-off time as set forth in the Fund Documents, that would be submitted to and recorded on such date by the Fund (or the Fund Service Provider that generally accepts such order).

The Closing Price on the Valuation Date(74) means:

if Société Générale makes a redemption of Unit(s) for the purposes of its hedge in respect of the Notes, the amount per Unit net of all costs or fees (if any) effectively received by Société Générale pursuant to a valid and timely redemption order of Units, sent in accordance with the redemption notice period and the relevant cut-off time as set forth in the Fund Documents, scheduled to be executed on the net asset value per Unit determined on such date by the Fund (or the Fund Service Provider that generally determines such value); or

if Société Générale does not make a redemption of Unit(s) for the purposes of its hedge in respect of the Notes, the amount per Unit net of all costs or fees (if any) that would be received by a hypothetical investor pursuant to a valid and timely redemption order of Units, sent in accordance with the redemption notice period and the relevant cut-off time as set forth in the Fund Documents, scheduled to be executed on the net asset value per Unit determined on such date by the Fund (or the Fund Service Provider that generally determines such value).

S(0)

Closing Price of the Index on Valuation Date(0)

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S(i) ; (i from 1 to 72)	Closing Price of the Index on Monthly Valuation Date(i)
Eonia(73)	means the Closing Price of the ETF on Valuation Date(73)
Eonia(74)	means the Closing Price of the ETF on Valuation Date(74)
Best_Value	Max [MA(72) ; Best_Lock]
Best_Lock	Max [0 ; Ladder x INT { Max (i from 1 to 6) MA(12 x i) / Ladder }]
MA(i) (i from 0 to 72)	MA(i) = MA(i-1) + Min [6.0% ; S(i) / S(i-1) - 1] With, MA(0) = 0
Ladder	20%
INT{x}	mean the function which gives the integer part of the number x (rounded down to the closest integer number)

Information with respect to the Underlying(s)

Information or summaries of information included herein with respect to the Underlying(s), has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Additional Information

The Alloc Dynamique is the exclusive property of SG. SG has contracted with S&P to maintain and calculate the index. S&P shall have no liability for errors or omissions in calculating the index.

The Final Terms and the Debt Issuance Programme Prospectus and any amendments or supplements thereto are available in electronic form on the website of the Issuer on <http://prospectus.socgen.com>

Alloc Dynamique

Index Rules

Version as of 7th January 2010

1. Index Summary Description:

Index description

The Alloc Dynamique Index (the “**Index**”) is designed to produce a better risk-return ratio than a basket of mutual funds (the “**Underlying Basket**”).

The Index is constructed pursuant to a rebalancing process between (a) the Underlying Basket, (b) a hypothetical deposit based on the 1-Month Euro interbank offered rate for deposits in Euro (the “**EURIBOR Rate**”) and (c) a hypothetical borrowing based on the EURIBOR Rate used to optimize, under certain circumstances, the exposure to the Underlying Basket while keeping the risk level of the Index close to a pre-defined target level. The exposure to the Underlying Basket, through the use of the hypothetical borrowing, can reach a maximum of 200% of the level of the Index.

The Index is calculated and published by Standard & Poor’s LLC (the “**Index Calculation Agent**”).

Index strategy

The constituents of the Index are (a) the Underlying Basket, (b) a hypothetical deposit based on the EURIBOR Rate and (c) a hypothetical borrowing based on the EURIBOR Rate. The deemed exposure (the “**Exposure**”) of the Index to the Underlying Basket is determined by the Index Calculation Agent based on formulas (defined in the Index Rules) using the following input parameters:

- (i) the short-term historical volatility of the Underlying Basket;
- (ii) a target volatility of 25%;
- (iii) past Index Levels;
- (iv) a proxy of the historical volatility of the Index itself; and
- (v) past market values of the Notes linked to the Index

such that, in most cases, when the short-term historical volatility of the Underlying Basket increases, the deemed exposure to the Underlying Basket decreases, and when the short-term historical volatility of the Underlying Basket decreases, the deemed exposure to the Underlying Basket increases.

The Exposure is expressed as a percentage and is capped at 200% of the Index level (the “**Exposure**”).

If the Exposure of the Index to the Underlying Basket is less than 100%, (a) a percentage of the Index’s level is deemed invested in the Underlying Basket in an amount equal to the product of (i) the Exposure and (ii) the Index Level; and (b) the remaining percentage of the Index’s level is deemed invested in the hypothetical deposit based on the EURIBOR Rate.

If the Exposure of the Index to the Underlying Basket is equal to 100%, then 100% of the Index’s level is deemed invested in the Underlying Basket and no portion of the Index’s level is deemed invested in the hypothetical deposit based on the EURIBOR Rate.

If the Exposure of the Index to the Underlying Basket is greater than 100% (subject to a maximum Exposure of 200%), then 100% of the Index’s level is deemed invested in the Underlying Basket and no portion of the Index’s level is deemed invested in the hypothetical deposit based on the EURIBOR Rate. Furthermore, (a) the Index is deemed to have

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invested an additional amount into the Underlying Basket equal to the product of (i) the Index Level and (ii) the difference of the Exposure and 100% (the “**Additional Exposure**”) and (b) the Index is deemed to have borrowed funds equal to the product of (i) the Index Level and (ii) the Additional Exposure at a rate based on the EURIBOR Rate. The deemed additional investment in the Underlying Basket will increase the Index’s exposure to the Underlying Basket, while the deemed borrowing will reduce the level of the Index.

The EURIBOR Rate is subject to:

- a variable funding spread applicable to the hypothetical deposit deemed to be made with Société Générale (the “**Funding Spread**”). This Funding Spread is consistent with the funding spread that Société Générale would apply over the EURIBOR Rate for a 1-Month unsecured deposit made with Société Générale. The initial Funding Spread is equal to +0.40%; and
- a variable financing spread applicable to the hypothetical borrowing deemed to be granted by Société Générale (the “**Financing Spread**”). The Financing Spread is consistent with the financing spread that Société Générale would apply over the EURIBOR Rate for a 1-Month unsecured borrowing facility granted by Société Générale. The initial Financing Spread is equal to +0.55%.