

## Indicative Termsheet

# Credit Linked Note on iTraxx Main Serie 23

*Private Placement*

Tranche / Cash Settlement / European / No Accrued Interest upon Credit Event / Not Capital Guaranteed / Floating Recovery

This Termsheet is available exclusively in English.

The product described in this document (“Notes”) does not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”). Therefore, the Notes are not subject to authorization and supervision by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA. Investors in the Notes bear a credit risk on the Guarantor.

The Notes may be distributed in or from Switzerland exclusively to Qualified Investors, and this Termsheet shall not be dispatched, copied to or otherwise made available to, the public (see also section “*General Information - Selling Restrictions*” below).

## 1. PRODUCT DESCRIPTION

### Overview

The Notes described herein are linked to the credit risk of a basket of Reference Entities.

The redemption amount payable on Maturity Date depends on the occurrence of Credit Event(s):

If no Credit Event occurs, each Note will be redeemed at an amount equal to the Specified Denomination (Scenario 1).

If one or more Credit Event(s) occur(s), the Notes will be redeemed at an amount equal to the Aggregate Nominal Amount less (a) the excess of the aggregate of the Loss Amounts over the Tranche Subordination Amount, and (b) the aggregate Unwind Costs (if any) (Scenario 2). Each Loss Amount is equal to the product of (a) the Reference Entity Notional Amount of the defaulting Reference Entity and (b) the difference between the Reference Price and the Final Value (each expressed as a percentage). The Final Value will be equal to the quotation of Selected Obligations of the defaulting Reference Entity as determined by ISDA in an auction process upon the occurrence of a Credit Event. If an Unsettled Credit Event occurs (which includes, in particular, if a Notice of Pending Credit Event is delivered and on the Scheduled Maturity Date, it is not confirmed whether or not a Credit Event has occurred, or – if applicable as per the “Annex for Credit Linked Notes” hereto – if a Potential Repudiation/Moratorium or a Potential Failure to Pay occurs and is continuing at the Scheduled Maturity Date), full payment of the redemption amount will occur only on Maturity Date falling after the Scheduled Maturity Date (Scenario 3). Such redemption date may fall a considerable period after the Scheduled Maturity Date.

Investors’ attention is drawn to the fact that the redemption amount may be less than the Specified Denomination and may be as low as zero, and that the market value of the Notes is highly volatile. Further, Credit Events may occur prior to the Issue Date.

Assuming the weighting of each Reference Entity at any time was 0.80%, and a recovery rate of 40%, and further assuming that no Unwind Costs apply, the redemption amount payable at maturity would be equal to:

100% of the Specified Denomination if 0 - 0 Credit Events occurred;

84% of the Specified Denomination if 1 Credit Events occurred;

68% of the Specified Denomination if 2 Credit Events occurred;

...

4% of the Specified Denomination if 6 Credit Events occurred;

0% of the Specified Denomination if 7 Credit Events occurred;

The above example is for illustrative purposes only and the final redemption amount will be calculated pursuant to the formula set out in the Prospectus and as summarized in this Termsheet. In particular, the weighting of any Reference Entity may change following the occurrence of a Succession Event, which would affect the calculation of the redemption amount. Further, the Final Value in relation to any defaulting Reference Entity may be higher or lower than the assumed 40% so that the Loss Amount may be as high as the full Reference Entity Notional Amount of such defaulting Reference Entity.

Payments due under the Notes are guaranteed by the Guarantor by a guarantee governed by **English law (English Courts)** having jurisdiction), and secured by a pledge governed by Luxembourg law over the Collateral Pool with recourse against the Issuer limited to such Collateral Pool (see section “*Collateral Provisions*” below).

|                                       |   |
|---------------------------------------|---|
| SVSP Product Type:                    | 1410 - Reference Entity Certificate   |
| Valor                                 | 28272706  |
| ISIN Code                             | CH0282727061  |
| Reuters RIC                           | CH28272706=SGAZ   |
| Issue Size / Aggregate Nominal Amount | EUR 7 000 000 (indicative)  |
| Specified Denomination                | EUR 1 000   |
| Issue Price                           | 59.75%  |
| Specified Currency                    | EUR   |
| Capital Protection                    | No  |
| Guarantor                             | <b>Société Générale</b> , France (Ratings : A2 (Moody's), A (S&P), A (Fitch), AA (low) DBRS as of the Launch Date) / Registered office is located at 29, boulevard Haussmann, Paris, 75009, France. The Guarantor is a credit institution authorized to act as a bank in France and is authorized and regulated by the Autorité de Contrôle Prudentiel et de Résolution and the Autorité des Marchés Financiers.  |
| Issuer                                | <b>SG Issuer</b> / Head office at 33, boulevard du Prince Henri, L-1724 Luxembourg.<br><br>The Issuer is not subject to individual prudential supervision in its jurisdiction of incorporation and is not rated. The Issuer is a wholly owned subsidiary of Société Générale Bank & Trust S.A. ("SGBT") (which is a subsidiary of the Guarantor) and as such falls within the perimeter of consolidated supervision over SGBT by the Commission de Surveillance du Secteur Financier in Luxembourg. |
| Minimum Investment                    | EUR 50 000 (i.e. 50 Notes)  |
| Minimum Trading Lot                   | EUR 1 000 (i.e. 1 Note)   |

## Dates

|   |   |
|---|---|
| Launch Date                             | 05/06/2015  |
| Issue Date (DD/MM/YYYY)                 | 19/06/2015  |
| Interest Commencement Date (DD/MM/YYYY) | Not Applicable  |
| Scheduled Maturity Date (DD/MM/YYYY)    | 11/07/2022  |
| Maturity Date                           | means the later of:<br><br>(1) the Scheduled Maturity Date; or<br><br>(2) the Cash Redemption Date if a Credit Event Notice is delivered during the Notice Delivery Period;<br><br>in all cases, subject to the Maturity Date being postponed pursuant to the provisions in the Additional Terms and Conditions for Credit Linked Notes applicable with respect to Unsettled Credit Events.   |
| Cash Redemption Date                    | means the later of (a) the Scheduled Maturity Date and (b) the day (falling on a date that is a Payment Business Day) that is four Payment Business Days following the last Final Valuation Notice Receipt Date, i.e. the day on which the Calculation Agent delivers the last Final Valuation Notice on behalf of the Issuer to the relevant clearing system, for the information of the Noteholders.  |
| Credit Event Notice                     | means an irrevocable notice that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Noteholders that describes a Credit Event that occurred on or prior to the Last Credit Event Occurrence Date; whereby <b>Notice Delivery Period</b> means the period from (and including) the Issue Date to (and including) the later of (i) the Scheduled Maturity Date and (ii) the fourth Business Day following the Last Credit Event Occurrence Date, or in the event of delivery of a Notice of Pending Credit Event, the date that is 110 Business Days following the DC Credit Event Meeting Announcement. |

## Final Redemption

|                          |  |
|--------------------------|--|
| Final Redemption Amount: | Unless previously redeemed, the Issuer shall redeem the Notes on the Maturity Date, in accordance with the following provisions in respect of each Note:<br><br>Final Redemption Amount = Specified Denomination x 100%<br><br><b>Provided that</b> if one or more Credit Event Determination Date(s) occur(s), the Issuer will, on the Maturity Date, redeem each Note at the Cash Redemption Amount, subject to provisions of the Additional Terms and Conditions for Credit Linked Notes. |
| Cash Redemption Amount   | means, an amount, subject to a minimum of zero, equal for each Note to (i) the Relevant Proportion of the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount minus (ii) the aggregate of the Unwind Costs calculated in respect of all Credit Event Determination Dates, as at the Maturity Date.   |

|  |  |
|--|--|
| <b>Credit Event Determination Date</b> | means, in relation to a Credit Event, the date specified in the related Credit Event Notice, which date will be, in the determination of the Calculation Agent (a) the Credit Event Resolution Request Date in respect of such Credit Event; (b) such other date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it deems appropriate, including without limitation, by reference to Hedge Positions; or (c) if no such date is specified, the date the Credit Event Notice is delivered.   |
| <b>Relevant Proportion</b>             | As per Condition 2 of the Additional Terms and Conditions for Credit Linked Notes, means the proportion which one Note bears to the total number of Notes outstanding  |
| <b>Aggregate Loss Amount</b>           | As per Condition 2 of the Additional Terms and Conditions for Credit Linked Notes, means at any time for a Tranche Note, the lowest of (i) the Tranche Notional Amount; and (ii) the highest of (x) zero and (y) the difference between (xx) the aggregate of the Loss Amount for all Reference Entities in respect of which a Credit Event Determination Date has occurred and (xy) the Tranche Subordination Amount.   |
| <b>Loss Amount</b>                     | In relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.   |
| <b>Tranche Subordination Amount</b>    | The Reference Portfolio Notional Amount multiplied by the Attachment Point   |
| <b>Tranche Notional Amount</b>         | the Aggregate Nominal Amount   |
| <b>Final Value</b>                     | Floating Recovery with Auction Method<br><br>: the Final Value is to be determined pursuant to a Transaction Auction Settlement Terms and if a Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, that provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred, means the Auction Final Price (as specified in the relevant Transaction Auction Settlement Terms and expressed as a percentage) determined, if any, under such Transaction Auction Settlement Terms and applicable to the seniority of the Reference Obligation or if no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, means the amount determined by the Calculation Agent on the Credit Valuation Date as follows: (x) the Final Price if there is only one Selected Obligation; or (y) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio, in each case, minus the Valuation Hedging Cost for such Selected Obligation(s). |
| <b>Unwind Costs</b>                    | Not Applicable : the Unwind Costs in respect of each Note will be equal to zero  |

### Early Redemption

|                         |  |
|-------------------------|--|
| <b>Early Redemption</b> | The Notes cannot be redeemed prior to their Maturity Date except for (special) tax or regulatory reasons or in case of an Event of Default (in each case as further set out in the Conditions as defined below) or upon the occurrence of an early redemption or termination event as specified in the relevant Additional Terms and Conditions (if any) in the Base Prospectus, including a Collateral Disruption Event, in each case at an early redemption amount further specified in the Final Terms. |
|-------------------------|--|

**Credit Linked Notes Provisions** (subject to the provisions of the Additional Terms and Conditions for Credit Linked Notes. The provisions of Part B (2014 definitions) shall apply.)

#### Type of Credit Linked Note

|   |                |
|---|----------------|
| <b>Type of Credit Linked Notes</b>          | Tranche Notes  |
| <b>Provisions relating to Basket Notes</b>  | Applicable     |
| <b>Provisions relating to Tranche Notes</b> | Applicable     |
| <b>Observed Interest</b>                    | Not Applicable |

#### Reference Portfolio

|  |   |
|--|---|
| <b>Reference Entity(ies)</b>               | The Reference Entities comprised in the Reference Portfolio as described in "Annex for Credit Linked Notes" hereto (or any Successor thereto)   |
| <b>Reference Portfolio Notional Amount</b> | An amount equal to the Aggregate Nominal Amount divided by the difference between the Detachment Point and the Attachment Point.  |
| <b>Reference Entity Weighting</b>          | For each Reference Entity comprised in the Reference Portfolio: the proportion specified as such in "Annex for Credit Linked Notes" hereto which will be adjusted in accordance with the provisions of the Additional Terms and Conditions for Credit Linked Notes. |
| <b>Reference Entity Notional Amount</b>    | For each Reference Entity comprised in the Reference Portfolio: the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount   |
| <b>Reference Price</b>                     | For each Reference Entity comprised in the Reference Portfolio: the percentage specified as such in "Annex for Credit Linked Notes" hereto or, if not specified, 100%.  |
| <b>Attachment Point</b>                    | 0%  |

Detachment Point 3%

### Credit Events

|   |  |
|---|--|
| Credit Events                                   | For each Reference Entity comprised in the Reference Portfolio, the Credit Event(s) specified in "Annex for Credit Linked Notes" hereto  |
| Multiple Successor(s)                           | Not relevant. The provisions of Condition 1.5 of the Additional Terms and Conditions for Credit Linked Notes do not apply. For the avoidance of doubt, splits into several resulting entities are dealt with in the definition of Successor as per Condition 2 of the Additional Terms and Conditions for Credit Linked Notes. |
| Transaction Type                                | For each Reference Entity comprised in the Reference Portfolio, as specified in "Annex for Credit Linked Notes" hereto   |
| Reference Obligation(s)                         | For each Reference Entity comprised in the Reference Portfolio, the Reference Obligation(s) specified in "Annex for Credit Linked Notes" hereto (or any obligation replacing such original Reference Obligation as per the Additional Terms and Conditions for Credit Linked Notes).   |
| Obligation Category                             | For each Reference Entity comprised in the Reference Portfolio, the Obligation Category specified in "Annex for Credit Linked Notes" hereto  |
| Obligation Characteristics                      | For each Reference Entity comprised in the Reference Portfolio, the Obligation Characteristics specified in "Annex for Credit Linked Notes" hereto   |
| First Credit Event Occurrence Date (DD/MM/YYYY) | 06/04/2015   |
| Last Credit Event Occurrence Date               | 30/06/2022 (subject to such date being postponed pursuant to the relevant provisions in the Additional Terms and Conditions for Credit Linked Notes if Repudiation/Moratorium and/or Grace Period Extension is applicable as per the "Annex for Credit Linked Notes" hereto)   |

### Settlement

|   |   |
|---|---|
| Settlement Type   | European  |
| Settlement Method   | Cash Settlement   |
| Selected Obligation(s)  | Applicable  |
| Selected Obligation Category  | For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Category specified in "Annex for Credit Linked Notes" hereto        |
| Selected Obligation Characteristics                                   | For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Characteristics specified in "Annex for Credit Linked Notes" hereto |
| Additional Provisions relating to certain specific Reference Entities | Applicable, if relevant, as per Condition 1.9 of the Additional Terms and Conditions for Credit Linked Notes.   |

### Collateral Provisions

In addition to the first demand guarantee (the "**Guarantee**") of the Guarantor, payments due under the Notes will be secured by a pledge over collateral assets contained in an account held by the Issuer with the Collateral Custodian (the "**Collateral Assets**").

On each Collateral Business Day, Société Générale, as Collateral Agent, will run the Collateral Test as summarised below (under "*Type of Collateralisation*") and if the Collateral Test is not satisfied, the Collateral Agent on behalf of the Issuer, will make required adjustment(s), all monitored by the Collateral Monitoring Agent.

If following the occurrence of an Event of Default the Issuer and the Guarantor fail to pay any amount due and payable under the Notes within 3 Collateral Business Days following the notification of the occurrence of a Secured Note Acceleration Event to Noteholders, any Noteholder may request the enforcement of the pledge by the Security Trustee. The Collateral Pool may then be liquidated and realized by the Security Trustee or the Disposal Agent in accordance with the pledge agreement relating to the Collateral Assets ("**Pledge Agreement**", see particularly clause "Blocking of Accounts and Enforcement of the Pledge") and in particular, by appropriating the Collateral Assets at their value as determined by the Collateral Agent and/or effecting sales of the Collateral Assets (i) on the stock exchange or quotation service on which a Collateral Asset is listed or quoted, (ii) in the over-the-counter market or (iii) in other transactions (such as public auctions). The Collateral Enforcement Proceeds will then be applied by the Security Trustee to pay amounts due in accordance with the Order of Priority. The Order of Priority implies that part of the proceeds of realisation of the Collateral Pool will be used first to pay amounts due to the service providers. Noteholders' recourse against the Issuer is limited to the Collateral Pool (see also section "*Significant Risks for Investors*" below). Following the payment of any Collateral Enforcement Proceeds, Noteholders will however continue to be able to claim under the terms of the Guarantee against the Guarantor for any unpaid amounts due under the Notes.

|                           |  |
|---------------------------|--|
| Collateral Pool           | The Collateral Assets held in the Collateral Account N°190959 established with the Collateral Custodian.   |
| Type of Collateral Pool   | Multiple Series Collateral Pool<br><br>The Collateral Pool will secure this Series of Secured Notes and other(s) Series of Secured Notes. Upon realization of the Collateral Assets, all Series secured by such Collateral Pool will share the proceeds of such realization.   |
| Type of Collateralisation | MV Collateralisation (market value collateralisation)<br><br>On each Collateral Business Day, the Collateral Agent shall verify that the Collateral Test is satisfied, i.e. that (i) the Collateral Assets comply with the Eligibility Criteria and the Collateral Rules and (ii) the Collateral Value is at least equal to the Required Collateral Value. |

|   |  |
|---|--|
|   | Where:   |
|   | a) <b>Required Collateral Value:</b> means the sum of the amounts calculated in respect of each Series of Secured Notes on the Multiple Series Collateral Pool as follows: the product of (i) the Secured Note Market Value of the relevant Series of Secured Notes, (ii) the Collateralisation Percentage (as defined below) and (iii) the number of outstanding Notes in such Series of Secured Notes held by Noteholders other than Société Générale. |
|   | b) <b>Collateral Value:</b> means the aggregate market value as of the relevant Valuation Point of the Eligible Collateral Assets in the Collateral Pool, in each case taking into account any Haircut applied in relation thereto (if any).   |
| Collateralisation Percentage  | 100%   |
| Eligibility Criteria  | The collateral assets can be composed of all kind of securities with a value reviewed on a daily basis. No specific diversification guidelines will be applicable. Société Générale equities or Société Générale unsecured debt instruments are not authorized in this pool.   |
| Collateral Rules  | The Collateral Assets that comply with the Eligibility Criteria will be the “ <b>Eligible Collateral Assets</b> ”.   |
| Haircuts  | Not Applicable   |
| Collateral Valuation Currency   | EUR  |
| Collateral Substitution   | Applicable (i.e., the Issuer may withdraw and/or replace Collateral Assets provided that following such adjustment the Collateral Test continues to be satisfied).   |
| Security Trustee  | BNY Mellon Corporate Trustee Services Limited  |
| Collateral Agent and Note Valuation Agent                               | Société Générale   |
| Collateral Monitoring Agent, Disposal Agent and Substitute Paying Agent | The Bank of New York Mellon, London Branch   |
| Collateral Custodian  | The Bank of New York Mellon (Luxembourg) S.A.  |
| Order of Priority   | The Standard Order of Priority (as defined in Condition 1 of the Additional Terms and Conditions relating to Secured Notes) applies.   |

## General Information

|                           |  |
|---------------------------|--|
| Lead Manager              | Société Générale, Paris  |
| Calculation Agent         | Société Générale, 17, cours Valmy 92987 Paris La Défense Cedex, France.  |
| Paying Agent              | Société Générale, Paris, Zurich Branch, Talacker 50, PO Box 1928, 8021 Zurich, Switzerland.  |
| Governing Law             | <b>English Law</b>   |
| Jurisdiction              | <b>English Courts</b>  |
| Type                      | Debt Instrument  |
| Type of Structured Notes: | Credit Linked Notes  |
| Reference of the Product  | The provisions of the following Additional Terms and Conditions apply:<br>Additional Terms and Conditions for Credit Linked Notes  |
| Status                    | Not Applicable, i.e. the Additional Terms and Conditions relating to Formulae set out in the Base Prospectus do not apply, although some capital terms used herein have the same meaning as given to them in such Additional Terms and Conditions relating to Formulae.  |
| Public Offering           | The Notes will be direct, unconditional, secured, limited recourse and unsubordinated obligations of the Issuer.   |
| Listing/Trading           | None - only private placement  |
| Selling Restrictions      | No listing   |
|                           | <b>General</b> - No prospectus has been, or will be, approved by the local regulator (if any) and no action has been, or will be, taken in any jurisdiction that would permit a public offering of the Notes, save in countries (if any) explicitly referred to in this document under “Public Offering” and accordingly, the Notes may not be offered or distributed to the public in countries that are not expressly referred to in this document as countries in which the public offering of the Notes is authorized. It is each investor’s responsibility to ascertain that it is authorised to subscribe for, or invest into, or to on-sell the Notes described herein. Investors are further advised to read the detailed selling restrictions set out in the SG/SGA/SGOE/SGIS Debt Instruments Issuance Programme Base Prospectus effective on Launch Date (the “ <b>Base Prospectus</b> ”) and any Supplement(s) to the Base Prospectus. |
|                           | <b>EEA</b> - For any country of the European Economic Area (i) in which the Notes are not admitted to trading on a regulated market and (ii) not expressly referred to, in this document, as a country in which a public offer of the Notes is authorised, the NOTES are OFFERED ON A PRIVATE PLACEMENT BASIS and no prospectus has been approved in that country by the local regulator. The Notes cannot thus be distributed in that country by way  |



of an offer, or an invitation to make an offer of securities to the public, as defined in Article 2.1(d) of Directive 2003/71, as amended from time to time (the “**Prospectus Directive**”), save in those circumstances (commonly called “private placement”) set out in Article 3.2 of the Prospectus Directive.

**Switzerland:** The Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland, and in case of structured products as per article 5 CISA, the Notes may be distributed in or from Switzerland exclusively to Qualified Investors as defined by article 10 CISA and related provisions of the Collective Investment Scheme Ordinance (“**CISO**”) and in strict compliance with applicable Swiss law and regulations. The Notes will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document, nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus pursuant to the listing rules of the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the CISA. Neither this document nor any other offering or marketing material relating to the Notes may be distributed to non-Qualified Investors or otherwise made publicly available in Switzerland.

|                                 |   |
|---------------------------------|---|
| US Selling Restrictions         | Permanent Restriction (see also section “Disclaimer – Important Information for Investors” below)   |
| Payment Business Day Convention | Following Payment Business Day  |
| Financial Centre(s)             | TARGET2   |
| Clearing                        | SIX SIS Ltd, Euroclear Bank S.A/N.V. / Clearstream Banking  |
| SIS Notes                       | Uncertificated SIS Notes  |
| TEFRA Rules                     | Not Applicable  |
| Secondary Market                | Under normal market conditions, Société Générale will endeavor to provide bid and offer prices for the Notes including the valuation of the coupons to be paid, up to EUR 100,000 (or its equivalent in another currency) on a regular basis during the term of the Notes up to the 4th Business Day preceding the Scheduled Maturity Date. There will be a price difference between the bid and the offer price (spread). Under normal market conditions, the spread should not be more than 3%. However, the spread between bid and offer prices may decrease or increase during the term of the Notes. |
| Type of quoting                 | The bid and offer prices will be quoted as dirty prices, i.e accrued interest (if any) is already included in the prices.   |

### Commissions and Remunerations

|                   |  |
|-------------------|--|
| Distribution Fees | Société Générale may pay a distribution fee to intermediaries distributing the Notes to investors. In accordance with applicable laws and regulations, investors in the Notes may request further information on such distribution fees from the intermediary distributing the Notes to such investor. |
|-------------------|--|

### Swiss Taxes

|                          |  |
|--------------------------|--|
| Swiss Federal Stamp Duty | Primary market transactions concerning the product are not subject to Swiss stamp transfer tax. Secondary market transactions concerning the product are subject to Swiss stamp transfer tax if they are made by or through the intermediary of a Swiss bank or Swiss securities dealer and if no exemption applies. The cash redemptions of the product are not subject to Swiss stamp transfer tax.  |
| Swiss Income Tax         | This product is classified for Swiss tax purposes as a non-Swiss bond without a predominantly one-time interest payment (“Obligation ohne überwiegende Einmalverzinsung”; non-IUP). As a result, the coupon payments generated by the product are taxable income at payment date for Swiss resident individual investors. Any gain on the disposal of the product is tax-free for Swiss resident individual investors holding the product for private investment purposes. A capital loss is not tax-deductible.   |
| Withholding Tax          | The Notes are not subject to Swiss withholding tax. However, Switzerland has entered into bilateral tax treaties with several States (currently the United Kingdom and Austria) relating to, amongst others, a final withholding tax (Abgeltungssteuer) on investment income and capital gains of investors resident in any of these States. Such final withholding tax will be levied by the Swiss depository bank of such investor and transferred to the authorities in the relevant State. The applicable tax rate depends on the home country of the investor and the category of capital income. |
| EU Saving Tax            | Interest income paid by Swiss paying agents to a beneficial owner who is an EU resident individual investor is subject to retention of 35% EU Savings Tax (in scope – TK 19). The relevant investor may authorize the Swiss paying agent to report the interest income payments to the Swiss federal tax authority. Such a reporting substitutes the EU Savings Tax.   |

**The summary on Swiss Taxation and EU Savings Tax does not purport to address all tax consequences linked to the products that may be relevant to a decision to purchase, own or dispose of the products and does not constitute, and should not be construed to constitute, tax advice. No representation as to the tax consequences to any particular person is made hereby. Investors are advised to consult their own tax adviser in light of their particular circumstances as to the tax consequences of purchasing, holding or disposing of the products. Tax laws and tax doctrine may change, possibly with retroactive effect.**

### Product Documentation

|                              |   |
|------------------------------|---|
| Product Documentation        | <p>This document is of summary nature and full information on the legally binding terms and conditions of the Notes is only available on the basis of the combination of the applicable Final Terms, the Base Prospectus and any Supplement(s) to the Base Prospectus (the Final Terms, the Base Prospectus and the Supplements, together, the “<b>Prospectus</b>”). Consequently, this document must be read in conjunction with such Prospectus. Unless the context requires otherwise, capitalised terms used in this document have the meaning given to them in the Prospectus (including the relevant Additional Terms and Conditions set out in the Base Prospectus) and definitions set out herein (partially in summarised form) are given for ease of reference only.</p> <p>In case of discrepancy or inconsistency between this document and the Prospectus, the Prospectus shall prevail.</p> <p>This document, the applicable Final Terms, the Base Prospectus and any Supplement(s) to the Base Prospectus, together with the Guarantee, if any, will be available, free of charge, upon request, at the office of Société Générale, Paris, Zurich Branch, Talacker 50, PO Box 1928, 8021 Zurich, Switzerland (Telephone : +41-44-272-33-00).</p> <p>Notice to Noteholders will be given pursuant to the provisions of the “Terms and Conditions of the English Law Notes and Uncertificated Notes” (the “<b>Conditions</b>”) via the clearing systems.</p> <p>This document does not constitute a prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations. This document is not the result of a financial analysis and therefore, this document is not subject to the “Directives on the Independence of Financial Research” of the Swiss Bankers Association.</p>                          |
| Product Documentation        | <p>This document is of summary nature and full information on the legally binding terms and conditions of the Notes is only available on the basis of the combination of the applicable Final Terms, the Base Prospectus and any Supplement(s) to the Base Prospectus (the Final Terms, the Base Prospectus and the Supplements, together, the “<b>Prospectus</b>”). Consequently, this document must be read in conjunction with such Prospectus. Unless the context requires otherwise, capitalised terms used in this document have the meaning given to them in the Prospectus (including the relevant Additional Terms and Conditions set out in the Base Prospectus) and definitions set out herein (partially in summarised form) are given for ease of reference only.</p> <p>In case of discrepancy or inconsistency between this document and the Prospectus, the Prospectus shall prevail.</p> <p>This document, the applicable Final Terms, the Base Prospectus and any Supplement(s) to the Base Prospectus, together with the Guarantee, if any, and the Pledge Agreement, will be available, free of charge, upon request, at the office of Société Générale, Paris, Zurich Branch, Talacker 50, PO Box 1928, 8021 Zurich, Switzerland (Telephone : +41-44-272-33-00)</p> <p>Notice to Noteholders will be given pursuant to the provisions of the “Terms and Conditions of the English Law Notes and Uncertificated Notes” (the “<b>Conditions</b>”) via the clearing systems.</p> <p>This document does not constitute a prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations. This document is not the result of a financial analysis and therefore, this document is not subject to the “Directives on the Independence of Financial Research” of the Swiss Bankers Association.</p> |
| Establishment in Switzerland | Société Générale, Paris, Zurich Branch, Talacker 50, PO Box 1928, 8021 Zurich, Switzerland.   |

## 2. PROSPECTS OF PROFIT AND LOSSES

|                    |   |
|--------------------|---|
| Market Expectation | This product is for investors who expect that no Credit Event will occur in relation to any of the Reference Entities, or at least that the aggregate Loss Amount due to Credit Events will not exceed the Tranche Subordination Amount. Investors are also exposed to the credit risk of the Issuer.                         |
| Risk Tolerance     | Investors in this credit linked note should be experienced investors and familiar with derivative products and the credit risk. This product contains leverage and is highly volatile. Investors should be able to tolerate significant fluctuations and must also be able to sustain the total loss of principal and coupon. |
| Profit Potential   | The potential return of the Notes is limited to the coupons (if any).   |
| Loss Potential     | In case where either a Credit Event occurs or the Issuer defaults or both, investors could lose their total investment and coupons.   |

## 3. SIGNIFICANT RISKS FOR INVESTORS

This section cannot disclose all the risks related to the Notes and must be read in conjunction with the risks set out under “Risk Factors” in the Base Prospectus (including, without limitation, general operational risks, conflicts of interests, and the risk that hedging and trading activities by the Issuer or the Guarantor (or any of their affiliates) may affect the value of the Notes) and the risk disclosure brochure “Special Risks in Securities Trading” (Edition 2008), which is available for free on the Swiss Bankers Association’s website [www.swissbanking.org/en/homes/shop](http://www.swissbanking.org/en/homes/shop).

**Structured products such as the Notes described in this document are complex and may involve a high risk of loss. The terms and conditions are indicative and may change with market fluctuations. Prior to investing in the product, investors should seek independent financial, tax, accounting and legal advice.**

**Credit risk:** Investors take an ultimate credit risk on Société Générale as guarantor of the obligations of the Issuer in respect of the product according to the terms and conditions of the guarantee (available at the Guarantor's office upon request). Thus Société Générale's insolvency may result in the partial or total loss of the invested amount. The market value of the product can decrease significantly below its nominal value as a result of Société Générale's creditworthiness. Investors' risk of making a total loss due to a default by the Guarantor is mitigated by a pledge of collateral assets in favor of (amongst others) investors.

For credit linked notes or bond linked notes, investors will also be exposed to the credit risk of the reference entity(ies) or of the issuer of the reference bond mentioned in such product, i.e. the reference entity(ies)' or reference bond issuer's insolvency may result in the partial or total loss of the invested amount.

**Information when products do not offer capital protection:** For products which include a risk of capital loss, the redemption value of such products may be less than the amount initially invested. In a worst case scenario, investors could sustain the loss of their entire investment. Moreover, regardless the formula linked to the redemption amount, the investor may lose part or all of the initially invested amount (i) before the maturity date, if the product is sold by the investor or early redeemed by the Issuer or (ii) at maturity date, if the increased cost of hedging is deducted from any amount due on such date.

**Currency exchange risk:** When the underlying asset(s) is/are quoted and/or expressed in a foreign currency and/or, in the case of an index or an asset basket, it contains components expressed and/or quoted in one or several foreign currency(ies), the value of the investment may increase or decrease as a result of the value of such currency(ies) against the euro or any other currency in which the product is expressed, unless the product includes a currency exchange guarantee. Investors may be exposed to a further currency risk and the value of the Notes may decrease or increase due to currency fluctuations if the Notes are denominated in a currency other than the currency of the country in which the investor is resident.

**Market risk:** the product may at any time be subject to significant price movement which may in certain cases lead to the loss of the entire amount invested. Certain products may include embedded leverage, which amplifies the variation, upwards or downwards, in the value of the underlying instrument(s) which may result, in a worst case scenario, in the partial or total loss of the invested amount.

**Risk relating to unfavourable market conditions:** The fluctuations in the marked-to-market value of certain products may require the investor to make provisions or resell the products in whole or in part before maturity, in order to enable the investor to comply with its contractual or regulatory obligations. As a consequence, the investor may have to liquidate these products under unfavourable market conditions, which may result in the partial or total loss of the invested amount. This risk will be even higher if these products include leverage.

**Liquidity risk:** For certain products, there is no liquid market on which such products can be easily traded, and this may have a material adverse effect on the price at which such products might be sold. As a consequence, the investor may lose part or all of the invested amount. Certain exceptional market circumstances may also have a negative effect on the liquidity of the product, and even render the product entirely illiquid, which may make it impossible to sell the product and result in the partial or total loss of the invested amount.

**Bid / offer spread:** If Société Générale provides secondary market prices during the term of a product, there will be a difference between the bid and offer prices (spread), and this spread may decrease or increase during the term of the product.

**Information in the event of a buy back by Société Générale or of an early termination of the product:** Although there is no general undertaking from Société Générale to buy back, terminate early or propose prices for products during the life of such products, Société Générale may expressly commit to do so on a case by case basis. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. The price of such products (in particular, the "bid/offer" spread that Société Générale may propose from time to time for the repurchase or early termination of such products) will include, inter alia, the hedging and/or unwinding costs generated by such a buy back for Société Générale. Société Générale and/or its subsidiaries cannot assume any responsibility for such consequences and for their impact on the transactions relating to, or investment into, the relevant products.

**Events affecting the underlying instrument(s) or hedging transactions:** In order to take into account the consequences of certain events affecting the underlying instrument(s) on the product or hedging transactions, the product's documentation provides for (a) mechanisms to adjust or substitute underlying instrument(s), (b) the deduction of the increased cost of hedging from any due amount, (c) monetization and accordingly, de-indexation of the pay-off formula for all or part of the amounts payable under the product from the underlying instrument(s), and (d) the early redemption of the product. Any of these measures may result in losses on the product.

Given the characteristics of the Notes, such Notes should not represent a significant portion of the investor's portfolio of securities.

**Credit exposures to Reference Entity (ies):** The Notes will reference the credit(s) of the Reference Entity(ies). The redemption amount and/or the coupons of the Notes will depend on whether (a) Credit Event(s) has(ve) occurred in respect of such Reference Entity(ies) unless the capital is guaranteed in full at maturity in which case the redemption amount payable at maturity will be equal to the initial nominal amount but the redemption date will be delayed in case of the occurrence of (a) Credit Event(s) in respect of such Reference Entity(ies). If between the First Credit Event Occurrence Date and the Last Credit Event Occurrence Date, (a) Credit Event(s) occur(s) with respect to one or more of the Reference Entity(ies), the Notes will be adversely affected by an actual loss of principal and/or diminution of the coupons. Consequently, the Notes may create significantly leveraged exposure to the credit of such Reference Entity(ies). Unless the capital is guaranteed in full at maturity, the product includes a risk of capital loss in part or in whole, as the result of Credit Event(s) occurring with respect to the Reference Entity(ies).

**Limited liquidity of obligations:** Some of the Obligations and if applicable, Deliverable Obligations or Selected Obligations may have no, or only a limited, trading market. The liquidity of these obligations will vary generally with, among other things, general economic conditions, domestic and international political events, developments or trends in one or more particular industries. The financial markets have experienced periods of volatility and reduced liquidity which may reoccur and reduce the market value of the Obligations and if applicable, Deliverable Obligations or Selected Obligations. Some of the Obligations, Deliverable Obligations or Selected Obligations may also be subject to restrictions on transfer and maybe considered illiquid. Any such event may have a negative impact on the market value and/or liquidity of Notes.

**Credit Rating:** Noteholders should be aware that credit ratings do not constitute a guarantee of the quality of the Notes or the Reference Entity(ies). The rating assigned to the Notes by the rating agencies, if any, is based on the Reference Entity(ies)'s current financial condition (or, as the case may be, the Reference Entity(ies)'s long term unsubordinated debt rating) and reflects only the rating agencies' opinions. In respect of the Reference Entity(ies), rating



agencies do not evaluate the risks of fluctuation in market value but attempt to assess the likelihood of principal and/or interest payments being made. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning agency. Nevertheless, the rating agencies may fail to make timely changes in credit ratings in response to subsequent events so that a Reference Entity(ies)'s current financial condition may be better or worse than a rating indicates. Accordingly a credit rating may not fully reflect the true risks under the Notes.

**Collateralisation and limited recourse:** There is no guarantee that following enforcement of the relevant pledge, the collateral proceeds available for distribution (or the value of the collateral assets available to be delivered) will be sufficient to pay all amounts due to investors. If there is any shortfall in amounts due to an investor then such investor shall have no further claim against the Issuer, but keep a claim against the Guarantor in respect of such shortfall amounts.

**MV Collateralisation:** The value of Collateral Assets actually held in the Collateral Pool will be based on the Secured Note Market Value, which can decrease significantly below the nominal value of the Notes as a result of market fluctuations and/or the Guarantor's creditworthiness. As a result, after the Guarantor's default, investors in the product may end up in a situation where the value of Collateral Assets is significantly lower than the investors' claim under the Notes.

## **DISCLAIMER – IMPORTANT INFORMATION FOR INVESTORS**

This document is of summary nature and does not constitute an offer, personal recommendation or solicitation to subscribe for, or purchase, the Notes described herein and should not be construed as giving investment advice. The Issuer has no obligation to issue the Notes, and the Notes described herein will be exclusively subject to the detailed provisions contained in the Final Terms, the Base Prospectus and any Supplement(s) to the Base Prospectus.

### **U.S. permanent selling restrictions**

THE NOTES DESCRIBED HEREIN ARE DESIGNATED AS PERMANENTLY RESTRICTED NOTES. AS A RESULT, THEY 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 OF 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".

**General selling restrictions:** It is each investor's responsibility to ascertain that it is authorized to subscribe for, or invest into, or to on-sell this product. Further, the underlying instrument(s) of certain products may not be authorised to be marketed in the country(ies) where such products are offered. The attention of investors is drawn to the fact that the offering of these products in this (these) country(ies) in no way constitutes an offer, or an invitation to make an offer, to subscribe to, or purchase, the underlying instrument(s) in such country(ies).

**Information on commissions, remunerations paid to, or received from third parties:** If, under applicable laws and regulations, any person (the "Interested Party") is required to disclose to prospective investors in the product any commission or remuneration that Société Générale and/or the Issuer pay(s) to, or receives from, such Interested Party in respect of the product, the Interested Party shall be solely responsible for compliance with such laws and regulations.

**Information on data and/or figures drawn from external sources:** The accuracy, completeness or relevance of the information which has been drawn from external sources is not guaranteed although it is drawn from sources reasonably believed to be reliable. Subject to any applicable law, neither Société Générale nor the Issuer shall assume any liability in this respect.

### **Information on simulated past performance and/or on future performance and/or on past performance:**

The value of your investment may fluctuate. When simulated past performance or past performance is displayed, the figures relating thereto refer or relate to past periods and are not a reliable indicator of future results. This also applies to historical market data. When future performance is displayed, the figures relating to future performance are a forecast and are not a reliable indicator of future results. Furthermore, where past performance or simulated past performance relies on figures denominated in a currency other than that of the country of residence of an investor, the return for such investor may increase or decrease as a result of currency fluctuations. Finally, when past or future performance or simulated past performance is displayed, the potential return may also be reduced by the effect of commissions, fees, taxes or other charges borne by the investor.

**Authorisation:** Société Générale is a French credit institution (bank) authorised by the Autorité de Contrôle Prudenciel et de Résolution (the French Prudential Control and Resolution Authority)

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**ANNEX FOR CREDIT LINKED NOTES**

(This Annex forms a part of the termsheet to which it is attached)

**Index:** iTraxx® Europe Series 23 Version 1

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**Annex Date:** 18 March 2015

**Reference Portfolio:**

| Reference Entities                              | Transaction Type   | Reference Entity Weighting                                      | Reference Obligation  | Reference Price                    | Seniority Level                         |
|---|--|---|---|------------------------------------|---|
| Each Reference Entity as specified in the Index | For each Reference Entity: European Corporate or European Financial Corporate, as specified in the Index | For each Reference Entity, the weighting specified in the Index | For each Reference Entity, the Reference Obligation, if any, specified in the Index | For each Reference Entity, 100.00% | For each Reference Entity, Senior Level |

Terms applicable to a Reference Entity are the ones specified in the tables below for the Transaction Type of such Reference Entity as determined in the table above.

In the tables hereunder, “X” shall mean “Applicable”.

| Credit Events and related options   | European Corporate | European Financial Corporate |
|---|--------------------|------------------------------|
| Bankruptcy  | X                  | X                            |
| Failure to Pay  | X                  | X                            |
| Grace Period Extension  |                    |                              |
| Notice of Publicly Available Information  | X                  | X                            |
| Payment Requirement   | X (USD 1,000,000)  | X (USD 1,000,000)            |
| Obligation Default  |                    |                              |
| Obligation Acceleration   |                    |                              |
| Repudiation/Moratorium  |                    |                              |
| Restructuring   | X                  | X                            |
| Mod R   |                    |                              |
| Mod Mod R   | X                  | X                            |
| Multiple Holder Obligation  | X                  | X                            |
| Default Requirement   | X (USD 10,000,000) | X (USD 10,000,000)           |
| All Guarantees  | X                  | X                            |
| Governmental Intervention   |                    | X                            |
| Financial Reference Entity Terms  |                    | X                            |
| Subordinated European Insurance Terms   |                    |                              |
| 2014 Coco Supplement  |                    |                              |
| No Asset Package Delivery   |                    |                              |
| Business Days (for the purposes of the Additional Terms and Conditions for Credit Linked Notes) | London & TARGET2   | London & TARGET2             |
|   |                    |                              |
| Obligation Category   | European Corporate | European Financial Corporate |
| Payment   |                    |                              |
| Borrowed Money  | X                  | X                            |
| Reference Obligation Only   |                    |                              |
| Bond  |                    |                              |
| Loan  |                    |                              |
| Bond or Loan  |                    |                              |
|   |                    |                              |
| Obligation Characteristics  | European Corporate | European Financial Corporate |
| Not Subordinated  |                    |                              |

|  |                    |                              |
|--|--------------------|------------------------------|
| Specified Currency - Standard Specified Currencies                       |                    |                              |
| Specified Currency - Standard Specified Currencies and Domestic Currency |                    |                              |
| Not Sovereign Lender   |                    |                              |
| Not Domestic Currency  |                    |                              |
| Not Domestic Law   |                    |                              |
| Listed   |                    |                              |
| Not Domestic Issuance  |                    |                              |
|  |                    |                              |
| <b>Selected Obligation Category</b>                                      | European Corporate | European Financial Corporate |
| Payment  |                    |                              |
| Borrowed Money   |                    |                              |
| Reference Obligation Only  |                    |                              |
| Bond   |                    |                              |
| Loan   |                    |                              |
| Bond or Loan   | X                  | X                            |
|  |                    |                              |
| <b>Selected Obligation Characteristics</b>                               | European Corporate | European Financial Corporate |
| Not Subordinated   | X                  | X                            |
| Specified Currency - Standard Specified Currencies                       | X                  | X                            |
| Specified Currency - Standard Specified Currencies and Domestic Currency |                    |                              |
| Not Sovereign Lender   |                    |                              |
| Not Domestic Currency  |                    |                              |
| Not Domestic Law   |                    |                              |
| Listed   |                    |                              |
| Assignable Loan  | X                  | X                            |
| Consent Required Loan  | X                  | X                            |
| Transferable   | X                  | X                            |
| Not Bearer   | X                  | X                            |
| Maximum Maturity : 30 years  | X                  | X                            |
| Not Domestic Issuance  |                    |                              |
| Accelerated or Matured   |                    |                              |
|  |                    |                              |