SG STRUCTURED PRODUCTS, INC.
INDEX-LINKED NOTES

PRODUCT SUPPLEMENT

(To the Offering Memorandum dated July 16, 2013)

Payment or delivery of all amounts due and payable or deliverable under the Index-Linked Notes is irrevocably and unconditionally guaranteed pursuant to a Guarantee issued by

Société Générale, New York Branch

We, SG Structured Products, Inc. (the "**Issuer**"), an indirect subsidiary of Société Générale, a French banking corporation ("**Société Générale**"), may offer from time to time, pursuant to the offering memorandum dated July 16, 2013 (the "**Offering Memorandum**"), and this product supplement (the "**Product Supplement**"), the Index-Linked Notes (each, a "**Note**" and together, the "**Notes**") as part of one or more series of notes, certificates or securities issued by us under the **Program** (as defined herein). The specific terms of each offering of Notes will be set forth in the applicable pricing supplement (the "**Pricing Supplement**"). You should read this Product Supplement, the Offering Memorandum, and the applicable Pricing Supplement carefully before investment in the Notes. If the terms described in this Product Supplement are different or inconsistent with those described in the Offering Memorandum, the terms described in this Product Supplement will govern the Notes. If the terms described in the applicable Pricing Supplement are different or inconsistent with those described herein or in the Offering Memorandum, the terms described in the applicable Pricing Supplement will govern the Notes.

General Terms of the Notes:

Payment at Maturity: If you hold your Notes to maturity (or Redemption), for each Note, you may receive a payment, which may or may not include the return of all or any portion of your initial investment, as specified in the applicable Pricing Supplement, subject to the credit risk of the Issuer and the Guarantor.

Early Redemption: Terms of specific Notes may permit or require early redemption at the option of the Issuer ("**Early Redemption**"). Unless otherwise specified in the applicable Pricing Supplement, you may not redeem the Notes prior to Redemption. The applicable Pricing Supplement will indicate the terms of the Early Redemption option, if any.

Redemption: For purposes of this Product Supplement, each of the maturity, accelerated maturity and/or Early Redemption of the Notes shall be referred to as "**Redemption**". The date of the Redemption may be referred to as "Early Redemption Date," "Accelerated Maturity Date," "Maturity Date" or any Redemption date specified in the Pricing Supplement and each of these dates shall herein be referred to as the "**Redemption Date**".

Coupon and Coupon Payments: Unless otherwise specified in the applicable Pricing Supplement, the Notes will not include any coupon payments. The applicable Pricing Supplement may specify whether the Notes pay a coupon based on: (i) movements in the level or value of or other events relating to one or more Reference Indices, (ii) a fixed amount or rate, or (iii) a floating amount or rate.

Reference Index or Reference Indices: The principal, coupons or any other amounts payable or deliverable on the Notes may be based on the movements in the level or value of, performance of or other events relating to one or more indices of equity securities, indices of commodities or indices of other asset classes or market measures (each a "**Reference Index**" and together, the "**Reference Indices**"). The Reference Index or Reference Indices for a particular offering of Notes will be specified in the applicable Pricing Supplement. See "Annex A: *Descriptions of the Reference Indices*" beginning on page 48 of this Product Supplement to find detailed descriptions of selected Reference Indices.

Pricing Date: With respect to a Reference Index, the date specified in the applicable Pricing Supplement on which the Initial Index Level for such Reference Index is determined by the Calculation Agent.

Valuation Date: For the purpose of calculating the amount of principal payment or any Coupon Payment you may receive for each Note, the Relevant Level of any Reference Index may be determined by the Calculation Agent on one or more dates specified in the applicable Pricing Supplement. Those dates may be referred to as "Observation Date(s)", "Potential Early Redemption Date(s)", "Averaging Date(s)", "Valuation Date(s)", "Final Valuation Date(s)", "Accelerated Final Valuation Date(s)", "Accelerated Valuation Date(s)", "Pricing Date", or other date(s) as specified in the applicable Pricing Supplement. For purposes of this Product Supplement, these dates shall herein be collectively referred to as the "Valuation Dates".

Maturity Date: The applicable Pricing Supplement will specify the Maturity Date.

Initial Index Level: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Index, the Relevant Level of such Reference Index on the Pricing Date.

Relevant Level: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Index on any Valuation Date for such Reference Index, the Closing Level of such Reference Index on such Valuation Date.

Closing Level: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Index on any Scheduled Trading Day, the official closing level of such Reference Index on such Scheduled Trading Day as published and announced by the related Index Sponsor.

Index Sponsor: The applicable Pricing Supplement will specify the relevant Index Sponsor(s).

Final Index Level: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Index, the Relevant Level of such Reference Index on the last Valuation Date (the "**Final Valuation Date**").

Denominations: Unless otherwise specified in the applicable Pricing Supplement, the Notes will be issued in denominations of $1,000 (or the specified currency equivalent), and multiples of $1,000 (or the specified currency equivalent) thereafter.

Notional Amount: Unless otherwise specified in the applicable Pricing Supplement, $1,000 per Note.

Currency: Unless otherwise specified in the applicable Pricing Supplement, the Notes will be denominated in U.S. dollars.

Investor Eligibility: The applicable Pricing Supplement will specify the Investor Eligibility.

Minimum Investment Amount and Minimum Holding: The Notes will be subject to the minimum investment amount and minimum holding requirements set forth in the applicable Pricing Supplement.

Rating: Unless otherwise specified in the applicable Pricing Supplement, the Notes are not, and will not be, rated by any nationally recognized statistical rating organization. The Notes are securities in the same series as and have equal rights and obligations as investment grade rated notes and certificates issued by us under the Program.

Ranking: The Notes will be our direct, general, unconditional, unsecured and unsubordinated obligation and will rank *pari passu* without any preference among themselves and *pari passu* with all of our other unconditional, unsecured and unsubordinated obligations, except those mandatorily preferred by law.

Guarantee: The payment or delivery of all amounts due and payable or deliverable under the Notes is irrevocably and unconditionally guaranteed pursuant to the Guarantee (as defined in the Offering Memorandum) by Société Générale, New York Branch ("**SGNY**" or the "**Guarantor**").

Program: We intend to issue from time to time certificates, warrants or notes specified in the Offering Memorandum, including the Notes described herein, having an aggregate notional amount of up to $5,000,000,000 (the "**Program**").

Other terms: As specified in the section "*Certain Definitions*" herein and, with respect to each offering of Notes, as specified in the applicable Pricing Supplement.

CAPITALIZED TERMS USED BUT NOT DEFINED HEREIN HAVE THE MEANINGS ASCRIBED TO THEM IN THE OFFERING MEMORANDUM.

The Notes involve risks not associated with an investment in ordinary debt securities. See "*Risk Factors*" beginning on page 2 of this Product Supplement, on page 7 of the Offering Memorandum and in the applicable Pricing Supplement.

THE NOTES AND THE SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH GUARANTEE (THE "GUARANTEE") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. THE NOTES ARE BEING OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION CONTAINED IN SECTION 3(a)(2) OF THE SECURITIES ACT.

THE NOTES AND THE GUARANTEE MAY ALSO BE OFFERED AND SOLD (I) IN THE UNITED STATES, ONLY TO PERSONS WHO ARE "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT) IN RELIANCE ON SECTION 4(a)(2) OF THE SECURITIES ACT (THE "SECTION 4(a)(2) NOTES AND GUARANTEE"), (II) IN THE UNITED STATES, TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("RULE 144A NOTES AND GUARANTEE") AND/OR (III) OUTSIDE THE UNITED STATES, IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT ("REGULATION S NOTES AND GUARANTEE"). THE SECTION 4(a)(2) NOTES AND GUARANTEE, RULE 144A NOTES AND GUARANTEE AND REGULATION S NOTES AND GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE SECTION 4(a)(2) NOTES AND GUARANTEE, RULE 144A NOTES AND GUARANTEE AND REGULATION S NOTES AND GUARANTEE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFERS AND RESALES OF THE SECTION 4(a)(2) NOTES AND GUARANTEE, RULE 144A NOTES AND GUARANTEE AND REGULATION S NOTES AND GUARANTEE, SEE "*NOTICE TO INVESTORS*" BEGINNING ON PAGE 50 OF THE OFFERING MEMORANDUM.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") NOR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE NOTES OR THE GUARANTEE OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRODUCT SUPPLEMENT, EACH PRICING SUPPLEMENT AND THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. UNDER NO CIRCUMSTANCES SHALL THIS PRODUCT SUPPLEMENT, THE APPLICABLE PRICING SUPPLEMENT AND THE OFFERING MEMORANDUM CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE NOTES OR THE GUARANTEE, IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION.

THE NOTES CONSTITUTE UNCONDITIONAL LIABILITIES OF THE ISSUER, AND THE GUARANTEE CONSTITUTES AN UNCONDITIONAL OBLIGATION OF THE GUARANTOR. THE NOTES AND THE GUARANTEE ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY U.S. OR FRENCH GOVERNMENTAL OR DEPOSIT INSURANCE AGENCY.

The Issuer reserves the right to withdraw, cancel or modify the offer and to reject orders in whole or in part. The Notes are expected to be delivered through the facilities of The Depository Trust Company on or about the Issue Date.

SG Americas Securities, LLC ("**SGAS**"), one of the potential selling agents in this offering, is an affiliate of ours. See "*Supplemental Plan of Distribution—Conflicts of Interest*" herein.

The date of this Product Supplement is August 26, 2013.

SOCIETE GENERALE

Table of Contents

In making your investment decision, you should rely only on the information contained or incorporated by reference in this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum. Copies of this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum are available from us, at no cost to you, and you should read each of these documents carefully prior to investing in the Notes. We have not authorized anyone to give you any additional or different information. The information in this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum may only be accurate as of the dates of each of these documents, respectively.

The contents of this Product Supplement are not to be construed as legal, business, or tax advice. The Notes described in this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum are not appropriate for all investors, and involve important legal and tax consequences and investment risks, which should be discussed with your professional advisors. You should be aware that the regulations of the Financial Industry Regulatory Authority, Inc. (formerly known as the National Association of Securities Dealers, Inc.) and the laws of certain jurisdictions (including regulations and laws that require brokers to ensure that investments are suitable for their customers) may limit the availability of the Notes.

We are offering to sell, and are seeking offers to buy, the Notes only in jurisdictions where such offers and sales are permitted. This Product Supplement, the applicable Pricing Supplement and the Offering Memorandum do not constitute an offer to sell or a solicitation of an offer to buy the Notes in any circumstances in which such offer or solicitation is unlawful.

Neither the delivery of this Product Supplement nor any sale made hereunder implies that there has been no change in our or our affiliates' affairs or that the information in this Product Supplement is correct as of any date after the date hereof.

You must (i) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this Product Supplement, the applicable Pricing Supplement and the related Offering Memorandum and the purchase, offer or sale of the Notes and (ii) obtain any consent, approval or permission required to be obtained by you for the purchase, offer or sale by you of the Notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales; neither we, Société Générale, New York Branch, Société Générale, or any of our or their affiliates shall have any responsibility therefor.

In this Product Supplement, the applicable Pricing Supplement and the accompanying Offering Memorandum, "we," "us" and "our" refer to SG Structured Products, Inc., unless the context requires otherwise.

RISK FACTORS

The Notes are generally riskier than ordinary debt securities. This section of the Product Supplement describes some risks relating to the Notes. Additional risk factors are described in the applicable Pricing Supplement and the Offering Memorandum. You should carefully consider all of the information set forth herein, in the applicable Pricing Supplement and in the Offering Memorandum and whether the Notes are suited to your particular circumstances before you decide to purchase them.

You must rely on your own evaluation of the merits as well as the risks of an investment in the Notes

In connection with your purchase of the Notes, we urge you to consult your own financial, tax and legal advisors as to the risks involved in an investment in the Notes and to investigate the Reference Index or the Reference Indices, as applicable, and not rely on our views in any respect. You should make a complete investigation as to the merits of an investment in the Notes.

Unless the full return of principal at Redemption or a minimum return on the Notes is specified, you may lose your entire investment amount

Unless the full return of principal at Redemption or a minimum return on the Notes is specified in the applicable Pricing Supplement, no assurance can be given, and none is intended to be given, that you will receive any portion of your initial investment in the Notes. Moreover, any payment to be made on your Notes depends on the Issuer's and the Guarantor's ability to satisfy their obligations as they become due. Accordingly, you may lose some or all of your initial investment.

The Notes are intended to be held to Redemption

You may receive less, and potentially significantly less, than the amount you originally invested if you sell your Notes in the secondary market (if any exists) prior to Redemption. You should be willing and able to hold your Notes until Redemption. Also see "*Risk Factors—There may be no secondary market for the Notes; potential illiquidity of the secondary market*" herein.

Issuer and Guarantor credit risk

The Notes are subject to our and the Guarantor's credit risk. Our ability to pay our obligations under the Notes is dependent upon a number of factors, including our and the Guarantor's creditworthiness, financial condition and results of operations. No assurance can be given, and none is intended to be given, that you will receive any amount at Redemption.

The Notes are not registered securities and will not be listed on any securities exchange; transfer restrictions may apply

The Notes and the Guarantee are not registered under the Securities Act or under any state laws. We may offer the Notes (i) pursuant to an exemption from the registration requirements of the Securities Act contained in Section 3(a)(2) of the Securities Act, (ii) in reliance on Section 4(a)(2) under the Securities Act, (iii) in reliance on Rule 144A under the Securities Act, and/or (iv) in reliance on Regulation S under the Securities Act. Neither the SEC nor any state securities commission or regulatory authority has recommended or approved the Notes or the Guarantee, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this Product Supplement, the Offering Memorandum or the applicable Pricing Supplement. The Notes will not be listed on an organized securities exchange or any inter-dealer quotation system. To the extent applicable, transfers of the Notes and Guarantee are, and will be, subject to the transfer restrictions set forth under "*Notice to Investors*" in the Offering Memorandum.

The Notes are not insured by any third parties

The Notes will be solely our and the Guarantor's obligations, and no other third party entity will have any obligation, contingent or otherwise, to make any payments or deliveries with respect to the Notes.

You will receive neither further benefits nor additional payments relating to the Notes if we call or redeem the Notes (automatically or otherwise) prior to their scheduled maturity

The terms of any particular issuance of Notes, as specified in the applicable Pricing Supplement, may permit or require Early Redemption by us (automatic or otherwise). If the Notes are redeemed or called by us prior to their scheduled maturity, you may be subject to reinvestment risk, whereby it is likely that you will not be able to invest in securities with similar risks, terms and yield as the Notes.

Moreover, in the event of an Early Redemption of the Notes, you will benefit from the features of the Notes only until the date of such Early Redemption, and you will receive no further benefits or payments under the Notes thereafter.

The value of any Reference Index and the secondary market price of the Notes will be influenced by many unpredictable factors

Several factors, most of which are beyond our control, may influence the value of any Reference Index during the term of the Notes, the value of the Notes in the secondary market and the price at which SGAS may be willing to purchase or sell the Notes in the secondary market. We expect that generally the Relevant Level of the (or each) Reference Index will affect the secondary market value of the Notes more than any other single factor. However, the value of the Notes in the secondary market may not vary in proportion to changes in the value of the (or each) Reference Index. Other factors that may influence the value of the Notes include, without limitation:

- interest rates and yield rates in the market;
- the volatility (frequency and magnitude of changes in value) of the (or each) Reference Index;
- the performance of the (or each) Reference Index prior to Redemption
- geopolitical conditions and economic, financial, political, regulatory or judicial events that affect markets generally and that may affect the (or each) Reference Index and the Relevant Level of the (or each) Reference Index;
- supply and demand for the Notes;
- if applicable, our right to redeem the Notes early;
- if applicable, dividend rates on the stocks underlying the (or each) Reference Index;
- the time remaining to the Redemption of the Notes;
- the creditworthiness of the Issuer and the Guarantor;
- whether a Market Disruption Event, Hedging Disruption Event or Change in Law Disruption Event (each as defined herein) has occurred; and
- the occurrence of an event described in the section "*Description of the Notes—Discontinuance or Modification of the Reference Index; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" which may or may not cause the Calculation Agent to (i) calculate, with respect to a Reference Index, the Relevant Level for such Reference Index or (ii) select, with respect to a Reference Index, a Successor Index (as defined herein) to replace such Reference Index.

Some or all of these factors may influence the price you will receive if you sell your Notes in the secondary market (if any exists) prior to Redemption. For example, you may have to sell your Notes at a substantial discount from the Notional Amount or at a price substantially less than the amount you originally invested in the Notes if the value of the Reference Index has (or one or more Reference Indices have) declined below its (or their) Initial Index Level(s). The impact of any of the factors set forth above may enhance or offset some or all of any of the changes resulting from another factor or factors.

We cannot predict the future performance of any Reference Index based on its historical performance. We also cannot predict whether the level or value of any Reference Index will fall or rise during the term of the Notes. Past fluctuation and trends in the levels of any Reference Index are not necessarily indicative of fluctuations or trends that may occur in the future with respect to such Reference Index.

There may be no secondary market for the Notes; potential illiquidity of the secondary market

The Notes are most suitable for purchase and holding until Redemption. The Notes will be new securities for which currently there is no trading market. We do not intend to apply for listing of the Notes and therefore the Notes will not be listed or quoted on any exchange. We cannot assure you as to whether there will be a secondary market for the Notes or, if there were to be such a secondary market, that it would be liquid.

In addition, the aggregate Notional Amount of the Notes being offered may not be purchased by investors in the initial offering, and one or more of our affiliates has agreed to purchase any unsold portion. Such affiliate or affiliates intend to hold the Notes, which may affect the supply of the Notes available in any secondary market trading and therefore may adversely affect the price of the Notes in any secondary market trading. If a substantial portion of any Notes held by our affiliates were to be offered for sale following this offering, the market price of such Notes could fall, especially if secondary market trading in such Notes is limited or illiquid.

Under ordinary market conditions, SGAS (or another broker-dealer affiliated with us) intends to maintain a secondary market in the Notes; however, neither SGAS nor any of its affiliates has any obligation to provide a secondary market in the Notes and may cease doing so at any time. Accordingly, we cannot assure you as to the development or liquidity of any secondary market for the Notes. If SGAS or any affiliate does not maintain a secondary market in the Notes, you may not be able to sell your Notes easily or at prices that will provide you with a yield comparable to that of similar securities that have a liquid secondary market.

We will sell the Notes through our affiliate, SGAS; potential conflict of interest

The Notes will be sold through our affiliate, SGAS, by appointment of SGAS as the principal agent for the sale of the Notes. SGAS and the Issuer are under common control and SGAS is not an underwriter that is independent from the Issuer. A conflict of interest may exist or arise with respect to the offering and sale of the Notes by SGAS to investors because an independent underwriter is not participating in the pricing of the Notes to investors.

Additionally, we may pay SGAS an underwriting fee and, similarly, if SGAS distributes the Notes to or through other broker-dealers or banks, we, SGAS or one of our affiliates may pay such other broker-dealers or banks a fee in connection with their distribution of the Notes. SGAS has discretion to determine the amount of fees paid to such other broker-dealers or banks, and may change them from time to time. Because such fees may negatively impact your investment in the Notes, SGAS's interests with respect to the Notes may be adverse to yours.

For more information about distribution of the Notes and related commissions, see the section "*Supplemental Plan of Distribution*" in this Product Supplement.

The inclusion of commissions and projected profit from hedging in the original price is likely to adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the price, if any, at which SGAS may be willing to purchase the Notes in secondary market transactions will likely be lower than the price at which you purchased the Notes (even if the Closing Level(s) of the (or each) Reference Index is not below its Initial Index Level). This is because such price included, and secondary market prices are likely to exclude, commissions paid with respect to the Notes, as well as the projected profit included in the cost of hedging our obligations under the Notes. In addition, any such prices may differ from values determined by pricing models used by SGAS, as a result of dealer discounts, mark ups or other transaction costs. See also *"Risk Factors—Risks relating to each Reference Index"* herein.

If the Notes are accelerated due to our insolvency, you may receive an amount substantially less than the Notional Amount of the Notes

The amount you receive from us as payment on the Notes if the Notes are accelerated due to an Event of Default may be substantially diminished (and could be zero) if such acceleration is due to our or the Guarantor's insolvency and we or the Guarantor are not able to make such payments under applicable bankruptcy laws. See *"Risk Factors—The Return to a Noteholder may be limited or delayed by the insolvency of Société Générale"* in the Offering Memorandum and *"Description of the Notes—Acceleration"* herein.

The determination of the Final Index Level for any Reference Index may be made early upon the occurrence of a Hedging Disruption Event or a Change in Law Disruption Event, which could adversely affect your return (if any) on the Notes

If, during the term of the Notes, an Index Sponsor for a Reference Index permanently cancels or materially modifies such Reference Index, and the Calculation Agent determines that such an event would cause a Hedging Disruption, the Final Valuation Date for such Reference Index (and only such Reference Index) will be accelerated to the day on which such cancellation or modification is effective (or, if later, the date on which the Hedging Disruption Event would exist), and the Calculation Agent will calculate the Final Index Level for such Reference Index in accordance with the section "*Description of the Notes—Discontinuance or Modification of the Reference Index; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" herein. Therefore, in the case of a Hedging Disruption Event, performance of such Reference Index will be measured only from the Pricing Date to the date on which such change, failure or cancellation is effective (or, if later, the date on which the Hedging Disruption Event would exist), and not for the entire term of the Notes. You may, in this event, receive a return that is less, perhaps substantially, than you would have received had such Hedging Disruption Event not occurred.

In addition, during the term of the Notes, a Change in Law Disruption Event may occur. This would generally be deemed to have occurred should the adoption of or change in any applicable law or regulation prevent us or any of our affiliates from performing our or its duties hereunder or hedging our or its obligations hereunder, or materially increase the costs of such performance or hedging, in connection with a Reference Index (see "*Certain Definitions*" herein for more details). If the Calculation Agent determines that a Change in Law Disruption Event has occurred with respect to a Reference Index, the Final Valuation Date for such Reference Index (and only such Reference Index) will be accelerated to the day on which such Change in Law Disruption Event has occurred, and the Final Index Level for such Reference Index will be determined by the Calculation Agent in accordance with the section "*Description of the Notes—Change in Law*" herein.

Therefore, in the case of a Hedging Disruption Event or Change in Law Disruption Event with respect to a Reference Index, the performance of such Reference Index (and only such Reference Index) will be measured only from the Pricing Date to the Accelerated Final Valuation Date, and not for the entire term of the Notes. You may, in this event, receive a return that is less, perhaps substantially, than you would have received had the Hedging Disruption Event or Change in Law Disruption Event not occurred with respect to such Reference Index. ***However, in all of these instances, the Maturity Date will not be accelerated.*** That is, although the Final Valuation Date in respect of the affected Reference Index will be accelerated, you will not be entitled to any early payments in the case of a Hedging Disruption Event or Change in Law Disruption Event with respect to any Reference Index and, other than the coupons payable on the Notes (if any), you will not receive any interest on any portion of your initial principal investment due to such acceleration of the Final Valuation Date for the remaining term of the Notes. In the event that the Final Valuation Date is accelerated due to a Hedging Disruption Event or Change in Law Disruption Event, your investment in the Notes may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

You will not be entitled to dividends paid on stocks tracked by any Reference Index or Reference Indices, as applicable, that are equity indices; your return (if any) on the Notes may be less than the return realized in a direct investment in the Reference Index (or Reference Indices) or securities underlying such Reference Index (or Reference Indices)

If the Notes are linked to any Reference Index or Reference Indices, as applicable, that are equity indices, the return (if any) on the Notes will not reflect the return you would realize if you actually owned interests in the equity securities underlying such Reference Index or Reference Indices, as applicable, and received dividends, if any, paid on those interests. Therefore, your return (if any) on the Notes may be less (perhaps substantially) than the return you would have realized had you directly purchased the equity securities underlying such Reference Index or Reference Indices, as applicable, and received any dividends or distributions paid on those equity securities.

You have no beneficial interest in any Reference Index or the securities or constituents underlying any Reference Index

Investing in the Notes is not equivalent to investing in the Reference Index (or Reference Indices) or the securities or constituents underlying the Reference Index (or Reference Indices). You will not have any ownership interest or rights in the Reference Index (or Reference Indices) or the assets, constituents or securities underlying the Reference Index (or Reference Indices) by virtue of your investment in the Notes. Moreover, as a holder of the Notes, you will not have voting rights, rights to receive cash distributions or other rights that actual holders of interests in the securities or constituents comprising the Reference Index (or Reference Indices) would have.

Certain business activities may create conflicts with your interests

We, the Guarantor, or one or more of our or its affiliates, may engage in trading and other business activities relating to one or more Reference Indices, or the securities or constituents comprising such Reference Index or Reference Indices, as applicable, which are not for your account or on your behalf. These activities may present a conflict between your interest in the Notes and interests we and the Guarantor, or one or more of our or its affiliates, may have in our or its proprietary account. Such activities may include, among other things, the exercise of voting power, financial advisory relationships, financing transactions, derivative transactions and the exercise of creditor rights, each of which may be contrary to your interests. Any of these trading and/or business activities may affect the level(s) of the Reference Index or Reference Indices, as applicable, and thus could be adverse to your return (if any) on the Notes. We, the Guarantor and our or its affiliates may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on the Notes.

We, the Guarantor and/or one or more of our or its affiliates may have published, and may in the future publish, research reports relating to the Reference Index or Reference Indices, as applicable, and the securities or constituents comprising such Reference Index or Reference Indices, as applicable. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities may affect the levels of the Reference Index or Reference Indices, as applicable, or the securities or constituents comprising the Reference Index or Reference Indices, as applicable, and, therefore, the value of the Notes.

We and the Guarantor or one or more of our or its affiliates, may also issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns indexed to one or more Reference Indices. By introducing competing products into the marketplace in this manner, we, the Guarantor and/or our or its affiliates could adversely affect the value of the Notes.

In addition, to the extent applicable, we, the Guarantor, or one or more of our or its affiliates may, at present or in the future, engage in business with the issuers of any securities or constituents underlying one or more Reference Indices, including making loans to or equity investments in those companies or providing investment banking, asset management or other advisory services to those companies. These activities may present a conflict between your interests and the interests of the Guarantor, us or our or its affiliates. In the course of that business, we, the Guarantor or one or more of our or its affiliates may acquire non-public information about one or more of the securities or constituents underlying one or more

Reference Indices. We, the Guarantor and our and its affiliates have no obligation to disclose such information.

Hedging and trading activity could potentially adversely affect the value of the Notes

In the ordinary course of business, whether or not we or they will engage in any secondary market making activities, we, the Guarantor or one or more of our or its affiliates may effect transactions for our or its own account or for the account of our or its customers, including holding long or short positions in one or more Reference Indices, securities or constituents comprising one or more Reference Indices and/or related derivatives. In addition, in connection with the offering of the Notes and during the term of the Notes, we, the Guarantor or one or more of our or its affiliates may enter into one or more hedging transactions relating to one or more Reference Indices, the securities or constituents comprising one or more Reference Indices and/or related derivatives. In connection with any of such hedging or any market-making activities or with respect to proprietary or other such trading activities, we, the Guarantor and/or our or its affiliates may enter into transactions in one or more Reference Indices, the securities or constituents underlying one or more Reference Indices and/or related derivatives, which may affect the market price, liquidity or value of such Reference Index or Reference Indices, as applicable, or the securities or constituents comprising such Reference Index or Reference Indices, as applicable, and, therefore, the value of the Notes. We, the Guarantor and/or any of our or its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of one or more Reference Indices or the securities or constituents comprising one or more Reference Indices. Any of the situations herein may result in consequences which may be adverse to your interests in the Notes. We and the Guarantor assume no responsibility whatsoever for such consequences and their impact on your investment.

The Indenture (as defined herein) does not contain any restrictions on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any securities. Neither we nor the Guarantor nor any of our affiliates will pledge or otherwise hold any security for the benefit of holders of the Notes. Consequently, in the event of a bankruptcy, insolvency or liquidation involving us or the Guarantor, as the case may be, any securities we hold as a hedge to the Notes will be subject to the claims of our creditors generally and will not be available specifically for the benefit of the holders of the Notes.

Postponement of the Pricing Date upon a Market Disruption Event could adversely affect the return (if any) on the Notes

Unless otherwise specified in the applicable Pricing Supplement, if there is no Market Disruption Event (as defined in the section "*Certain Definitions – Market Disruption Event*" herein) with respect to a Reference Index on the Pricing Date, the determination of the Initial Index Level of such Reference Index will be made on the Pricing Date, even if the Notes are linked to a basket of Reference Indices and one or more of such Reference Indices experiences a Market Disruption Event on the Pricing Date.

Unless otherwise specified in the applicable Pricing Supplement, if, on the Pricing Date, a Market Disruption Event exists with respect to a Reference Index, then the Pricing Date for such Reference Index (and only for such Reference Index) may be postponed for up to eight Scheduled Trading Days with respect to the Pricing Date for a Reference Index that is not a commodity index or up to five Scheduled Trading Days with respect to the Pricing Date for a Reference Index that is a commodity index. In either case, the Calculation Agent will determine the Initial Index Level for such Reference Index in accordance with the section *"Description of the Notes – Market Disruption Event"* herein.

Therefore, a Market Disruption Event that occurs with respect to a Reference Index on the Pricing Date will affect the timing when the Initial Index Level for such Reference Index is determined, which could adversely affect the return (if any) on the Notes.

Postponement of any Valuation Date and, if applicable, the Redemption Date upon a Market Disruption Event could adversely affect the return (if any) on the Notes

Unless otherwise specified in the applicable Pricing Supplement, if, on any Valuation Date for a Reference Index, there is no Market Disruption Event (as defined in the section "*Certain Definitions – Market Disruption Event*" herein) with respect to such Reference Index, the determination of the Relevant Level of such Reference Index will be made on such Valuation Date, even if the Notes are linked to a basket of Reference Indices and one or more of such Reference Indices experiences a Market Disruption Event on such Valuation Date.

Unless otherwise specified in the applicable Pricing Supplement, if, on any Valuation Date for a Reference Index, a Market Disruption Event exists with respect to such Reference Index, then such Valuation Date for such Reference Index (and only for such Reference Index) may be postponed for up to eight Scheduled Trading Days with respect to such Valuation Date for a Reference Index that is not a commodity index or up to five Scheduled Trading Days with respect to such Valuation Date for a Reference Index that is a commodity index. In either case, the Calculation Agent will determine the Relevant Level on such date in accordance with the section *"Description of the Notes – Market Disruption Event"* herein.

If the Final Valuation Date or Accelerated Final Valuation Date is postponed, then the applicable Redemption Date will be postponed until the fifth Business Day following such postponed Final Valuation Date or Accelerated Final Valuation Date.

Therefore, a Market Disruption Event that occurs on the Final Valuation Date or Accelerated Final Valuation Date, as applicable, will affect (i) the timing when the Final Index Level is determined, which could adversely affect the return (if any) on the Notes, and (ii) the timing of the applicable Redemption Date and, therefore, the timing of any payment at Redemption.

The Closing Level of each Reference Index and the value of the Notes may be exposed to fluctuations in exchange rates; the return (if any) on the Notes may be adversely affected by fluctuations in exchange rates

To the extent that one or more constituents comprising one or more Reference Indices may trade in currencies other than the U.S. dollar, unless otherwise specified in the applicable Pricing Supplement, such Reference Indices are calculated in U.S. dollars. As a result, the Closing Level of each of such Reference Indices and the value of the Notes may be adversely affected by changes in exchange rates between the U.S. dollar and foreign currencies. Unless otherwise specified in the applicable Pricing Supplement, payments on the Notes will not be adjusted for changes in the exchange rate between the U.S. dollar and any of the currencies in which some of the constituents included in one or more Reference Indices might trade.

Moreover, to the extent that the values of the constituent(s) comprising a Reference Index are determined in U.S. dollars, an appreciation of the U.S. dollar will increase the relative cost of such constituent(s) for foreign consumers, thereby potentially reducing demand for such constituent(s) and affecting the value of such Reference Index. As a result, the Closing Level of any Reference Index and the value of the Notes may be adversely affected by changes in exchange rates between the U.S. dollar and foreign currencies.

In addition, one or more Reference Indices and constituents of such Reference Indices may be denominated in currencies other than the U.S. dollar, which is the currency in which the Notes are denominated. Unless otherwise specified in the applicable Pricing Supplement, the performance calculation for these Reference Indices will not be adjusted for changes in exchange rates.

In recent years, rates of exchange between the U.S. dollar and various foreign currencies have been highly volatile and this volatility may continue in the future. However, fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative of fluctuations that may occur during the term of the Notes.

Tax Treatment

There is no direct legal authority as to the proper tax treatment of the Notes, and therefore significant aspects of the tax treatment of the Notes are uncertain as to both the timing and character of any inclusion in income in respect of your Notes. Because of this uncertainty, we urge you to consult your tax advisor as to the tax consequences of your investment in a Note. For a discussion of the U.S. federal income tax consequences of your investment in a Note, please see the discussion under the heading "*Certain U.S. Federal Income Tax Considerations*" herein and any additional discussion in the applicable Pricing Supplement.

Additional risks relating to Notes with more than one Reference Index or a basket involving one or more Reference Indices

The levels or values of the Reference Indices (or components in the basket) may not move in tandem; return (if any) on the Notes may not reflect the full performance of the Reference Indices (or components in the basket)

Value movements in the Reference Indices (or components in the basket) may not move in tandem with each other and, therefore, your return (if any) on the Notes may not reflect the full performance of the Reference Indices (or components in the basket) during the term of the Notes. Unless otherwise specified in the applicable Pricing Supplement, the positive performance of any Reference Index (or any component in the basket) will be offset, or moderated, by negative or lesser positive performances of the other Reference Indices (or other components in the basket). As a result, the payment (if any) at Redemption and the value of the Notes may be adversely affected even if the levels or values of some of the Reference Indices (or components in the basket) increase during the term of the Notes.

Furthermore, to the extent the weighting applicable to any Reference Index (or any component) in a basket is greater than the weightings applicable to other Reference Indices (or other components) in such basket, poor performance for that Reference Index (or that component in the basket) will have a disproportionately large negative impact on the payment (if any) due on the Notes.

A basket of a limited number of Reference Indices (or components) may be less diversified than a portfolio investing in broader markets and, therefore, may adversely affect the market value of the Notes

Because the Notes may be linked to changes in the value of a limited number of Reference Indices (or components in a basket), the basket of Reference Indices (or components) may be less diversified than funds or portfolios investing in broader markets and, therefore, could experience greater volatility than such investments. An investment in the Notes may carry risks similar to a concentrated investment in a limited number of industries, sectors or asset classes.

The correlation among the Reference Indices (or components in the basket) may change, which could adversely affect the value of and return (if any) on the Notes

Correlation is the term used to describe the relationship among the performance changes of the Reference Indices (or components in the basket). High correlation during the period of negative returns or a change in correlation among the Reference Indices (or components in the basket) could have an adverse impact on the value of and the return (if any) on the Notes.

Risks relating to each Reference Index

General

The historical performance of each Reference Index does not indicate the future performance of such Reference Index and it is impossible to predict whether and to what extent the level of each Reference Index will fall or rise during the term of the Notes. The level of each Reference Index will be influenced by political, economic, financial, market and other factors. It is impossible to predict what effect these factors will have on the level of each Reference Index or on the return (if any) on the Notes.

Any historical performance information in respect of any Reference Index must be considered illustrative only. Past performance of any Reference Index should not be considered indicative of future performance of such Reference Index or the Notes. In addition, as each Reference Index is based on a complex methodology, it is impossible to predict and list all factors and events that may negatively impact each Reference Index. Market and other factors may cause each Reference Index to act in unanticipated ways.

The strategy underlying any Reference Index may not be successful

There is no assurance that the strategy underlying the methodology of any Reference Index will be successful during the term of the Notes, particularly during periods in which sudden shifts in market trends occur. Furthermore, no assurance can be given that the index methodology of any Reference Index will achieve its goals or that such Reference Index will outperform any alternative strategy that might be constructed.

The investment strategy used to construct a Reference Index may involve rebalancing and weighting limitations that are applied to the components comprising such Reference Index

The constituents comprising any Reference Index may be subject to rebalancing and maximum weighting limits. By contract, a synthetic portfolio that does not rebalance and is not subject to any weighting limits could see greater compounded gains over time through exposure to a consistently and rapidly appreciating portfolio consisting of the same constituents comprising such Reference Index.

The policies of the Exchanges on which constituents of one or more Reference Indices principally trade may affect the levels of such Reference Indices

The policies of an Exchange concerning the manner in which the value of a constituent of any Reference Index is calculated may affect the performance of such Reference Index. No Exchange or Related Exchange is an affiliate of us, Société Générale, SGAS or their affiliates, and we, Société Générale, SGAS and their affiliates have no ability to control or predict the actions of any such Exchange or Related Exchange. An Exchange for any constituent of a Reference Index may also from time to time change any rule or bylaw or take emergency action under its rules, any of which may affect the value of such Reference Index. An Exchange for any Reference Index may discontinue or suspend calculation or dissemination of information relating to any constituent of such Reference Index. Any such actions could affect the value of the Notes. See "*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" herein.

Any Index Sponsor may, in its sole discretion, discontinue public disclosure of the levels of the related Reference Index

No Index Sponsor is under any obligation to continue to calculate or publicly disclose the levels of the related Reference Index, or to calculate or publicly disclose similar levels for any Successor Index (as defined herein). If an Index Sponsor discontinues such calculation or public disclosure for a Reference Index, the Calculation Agent will make the relevant adjustment or determination for such Reference Index in accordance with the section "*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" herein. You may, in this event, receive less, perhaps substantially, than you would have received had such discontinuation by such Index Sponsor not occurred.

An Index Sponsor may adjust the related Reference Index in a way that adversely affects its level

Each Index Sponsor is responsible for calculating and maintaining the related Reference Index. Such Index Sponsor can add, delete or substitute the constituents underlying such Reference Index or make other methodological changes that could change the level of such Reference Index. You should realize that the changing of constituents represented in a Reference Index may affect that Reference Index as a newly added constituent may perform significantly better or worse than the constituent or constituents it replaces. Additionally, an Index Sponsor may alter, discontinue or suspend calculation or dissemination of the related Reference Index. Any such actions could adversely affect the value of the Notes. No Index Sponsor has any obligation to consider your interests in calculating or revising the related Reference

Index. See "*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" herein.

The constituents comprising a Reference Index may not be equally weighted

The constituents or securities comprising one or more Reference Indices may have a different weight in determining the value or level of such Reference Index or Reference Indices. One consequence of such unequal weights of the constituents or securities comprising such Reference Index or Reference Indices is that the same percentage change in two or more of the constituents or securities may have different effects on the level of such Reference Index or Reference Indices. This may adversely affect the level of the Reference Index or Reference Indices, and, therefore, the Notes.

Changes in the value of the constituents or securities comprising a Reference Index may offset each other

Because the Notes are linked to one or more Reference Indices, each of which is linked to the performance of the constituents or securities comprising such Reference Index or Reference Indices, price or value movements between such constituents or securities comprising any Reference Index, particularly constituents or securities representing different asset classes, industries or geographic regions, may not correlate with each other. At a time when the value of a constituent or security comprising any Reference Index representing a particular asset class, industry or geographic region increases, the value of other constituents or securities, particularly constituents or securities representing different asset classes, industries or geographic regions, may not increase as much or may decline. Therefore, any increase in the value of some of the constituents or securities comprising a Reference Index may be moderated, or offset, by lesser increases or declines in the value of other constituents or securities comprising such Reference Index, which will impact the level of such Reference Index and, therefore, the value of the Notes.

Correlation of performances among the constituents or securities comprising one or more Reference Indices may reduce the performance of the Notes

Performances amongst the constituents or securities comprising a Reference Index may become highly correlated from time to time during the term of the Notes, including, but not limited to, a period in which there is a substantial decline in a particular sector, industry or asset type represented by the constituents or securities comprising such Reference Index. High correlation during a period of negative returns among constituents or securities comprising a Reference Index representing any one sector, industry or asset type could adversely impact the value of the Notes.

The composition of any Reference Index may change between the Pricing Date and the Final Valuation Date, which could adversely affect the value of the Notes

Under certain circumstances where a Reference Index is not calculated and announced by the Index Sponsor, a Successor Index may replace such Reference Index as described in "*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" herein. That Successor Index will be used as a substitute for the original affected Reference Index (and only such Reference Index) for all purposes, including for purposes of determining the Relevant Level of the Reference Index, the Final Index Level of the Reference Index and whether a Market Disruption Event, a Change in Law Disruption Event or a Hedging Disruption Event exists. As a result, the Relevant Level of such Reference Index as of any Valuation Date may be different than it would have been if the original Reference Index had not been replaced. The Relevant Level, Final Index Level, return on the Notes and/or payment at Redemption may be different than it would have been if the original Reference Index had not been replaced. Therefore, the value of the Notes may be adversely affected by the replacement of any Reference Index.

Neither the Issuer, the Guarantor nor their affiliates are affiliated with any Index Sponsor

Unless otherwise specified in the applicable Pricing Supplement, no Index Sponsor is an affiliate of the Issuer, the Guarantor or any of their affiliates and no Index Sponsor is involved with any offering of Notes in any way. Consequently, unless otherwise specified in the applicable Pricing Supplement, we have no ability to control the actions of any Index Sponsor, including any action that would require the Calculation

Agent to adjust the terms of the Notes. No Index Sponsor has any obligation to consider your interest as an investor in the Notes in taking any actions that might adversely affect the value of your Notes. None of the money you pay for the Notes will go to any Index Sponsor. The obligations represented by the Notes are obligations of us and SGNY, as Guarantor, and not of any Index Sponsor.

The Notes may be subject to risks associated with investments in non-United States securities markets

To the extent securities or constituents underlying a Reference Index have been issued by non-United States companies, investments in the Notes will involve risks associated with investments in non-United States securities markets. For example, non-United States securities markets may be more volatile than United States securities markets, and market developments may affect those markets differently from the United States markets. Additionally, in non-United States securities markets there may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of certain types of investors (including investment funds and other institutional investors) in such securities markets. Direct or indirect government intervention to stabilize securities markets outside the United States, as well as cross-shareholdings in certain companies, may affect trading prices and trading volumes in those markets. Also, the public availability of information concerning the issuers of non-United States securities will vary depending on their home jurisdiction and the reporting requirements imposed by their respective regulators. In addition, such issuers may be subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to United States reporting companies.

The prices of securities in non-United States markets may be affected by political, economic, financial and social factors in such markets. These factors, which could negatively affect foreign securities markets, include the possibility of changes in a foreign government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities and the possibility of fluctuations in the rate of exchange between currencies. Moreover, foreign economies may differ favorably or unfavorably from the United States economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

Therefore, to the extent securities or constituents underlying any Reference Index have been issued by non-United States companies, such Reference Index may be subject to significantly greater risk and volatility than an index that is comprised only of securities of United States companies.

One or more Reference Indices may be highly concentrated in one or more geographic regions, industries or economic sectors

The Notes are subject to the risks associated with a direct investment in the Reference Index or Reference Indices, as applicable, which may be highly concentrated in securities or other instruments representing a particular geographic region, group of geographic regions, industry, group of industries, economic sector or group of economic sectors. These include the risks that the price, value or level of other assets in such geographic region(s), industry or industries, or economic sector(s) or the prices or values of the constituents comprising the Reference Index or Reference Indices, as applicable, may decline, thereby adversely affect the market value of the Notes. If one or more Reference Indices are concentrated in a particular geographic region, group of geographic regions, industry, group of industries, economic sector or group of economic sectors, the Notes also will be concentrated in that geographic region or regions, industry, group of industries or economic sector or sectors.

For example, a financial crisis could erupt in a particular geographic region, industry or economic sector and lead to sharp declines in the currencies, equities markets and other asset prices or values in that geographic region, industry or economic sector, threatening the particular financial systems, disrupting economies and causing political upheaval. A financial crisis or other event in any geographic region, industry or economic sector could have a negative impact on one or more Reference Indices and, consequently, the market value of the Notes may be adversely affected.

Additional risks relating to each Reference Index that is a commodity index

General

To the extent that the Notes are linked to one or more Reference Indices that are commodity indices, the performance of the Notes will be subject to risks similar to those of any investment in commodities, including the risk that the general value of commodities may decline. The following is a list of some of the significant risks associated with each Reference Index that is a commodity index:

- The markets for the futures contracts of the commodities underlying any Reference Index are subject to temporary distortions, extreme price variations or other disruptions due to conditions of illiquidity in the markets, the participation of speculators, government regulation and intervention.
- U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices which may occur during a single business day. Limit prices may have the effect of precluding trading in a particular contract or forcing liquidation of contracts at disadvantageous items or prices. These circumstances could adversely affect the value of any Reference Index and, therefore, the value of the Notes.
- Prices of commodities and commodity futures contracts may be adversely affected by the promulgation of new laws or regulations or by the reinterpretation of existing laws or regulations (including, without limitation, those relating to taxes and duties on commodities or commodity components) by one or more governments, governmental agencies or instrumentalities, courts or other official bodies. Any such event could adversely affect the value of any Reference Index and, thus, the value of the Notes.
- Commodities values, and therefore the value of any Reference Index, are subject to volatile movements over short periods of time and are affected by numerous factors, including, among other things, the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of the U.S. dollar, interest rates and borrowing and lending rates, global and regional economies, global industrial demand, financial, political, regulatory, judicial and other events, war (or the cessation thereof), development of substitute products, terrorism, weather, supply, price levels, global energy levels, production levels, production costs and delivery costs. Such political, economic and other developments may affect the value of any Reference Index and, thus, the value of the Notes.
- The value of any Reference Index or values of the constituents underlying any Reference Index, as the case may be, can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. In particular, recent growth in industrial production and gross domestic product has made certain emerging economies oversized users of commodities and has increased the extent to which the value(s) of the Reference Index or Reference Indices are connected to the foreign markets. Political, economic and other developments that affect such markets may affect the values of any Reference Index and, thus, the value of the Notes. Because the constituents underlying each Reference Index are produced in a limited number of countries and are controlled by a small number of producers, political, economic and supply related events in such countries could have a disproportionate impact on the value of such Reference Index.

One or more of the above factors may cause the value of different commodities underlying the futures contracts comprising a Reference Index or Reference Indices, as applicable, to move in inconsistent directions at inconsistent rates. This, in turn, could adversely affect the level(s) of such Reference Index or Reference Indices, as applicable, and the value of the Notes. It is impossible to predict the aggregate effect of all or any combination of the above factors.

Lack of regulation

The Notes are debt securities that are direct obligations of the Issuer. The net proceeds to be received by us from the sale of the Notes will not be used to purchase or sell interests linked to the constituent(s) underlying any Reference Index or options or futures contracts related thereto for the benefit of the holders of the Notes. An investment in the Notes does not constitute an investment in commodities, futures contracts or options on futures contracts, and you will not benefit from the regulatory protections of the Commodity Futures Trading Commission (the "**CFTC**") afforded to persons who trade in such contracts.

Unlike an investment in the Notes, an investment in a collective investment vehicle that invests in futures contracts on behalf of its participants may be subject to regulation as a commodity pool and its operator may be required to be registered with and regulated by the CFTC as a "commodity pool operator" ("**CPO**"), or qualify for an exemption from the registration requirement. Because the Notes are not interests in a commodity pool, the Notes will not be regulated by the CFTC as a commodity pool, the Issuer will not be registered with the CFTC as a CPO, and you will not benefit from the CFTC's or any non-U.S. regulatory authority's regulatory protections afforded to persons who invest in regulated commodity pools.

Risks relating to the trading of commodities on international futures exchanges

Certain international futures exchanges operate in a manner more closely analogous to the over-the-counter physical commodity markets than to the regulated futures markets, and certain features of U.S. futures markets are not present. For example, there may not be any daily price limits which would otherwise restrict the extent of daily fluctuations in the prices of the respective contracts. In a declining market, therefore, it is possible that prices would continue to decline without limitation within a trading day or over a period of trading days. This may adversely affect the value of any Reference Index and, as a result, the market value of the Notes, the return (if any) on the Notes as well as the payment you would receive at Redemption.

Potential over-concentration in a particular commodity sector

The commodities underlying the futures contracts that may be included in any Reference Index may be concentrated in a specified commodity sector. An investment in the Notes might increase your exposure to fluctuation in any of the commodity sectors associated with one or more Reference Indices.

Furthermore, a Reference Index's methodology may impose limitations on exposure to any of the commodity sectors underlying the futures contracts included in such Reference Index. There can be no assurance that such limitations, if any, will reduce volatility or enhance the performance of such Reference Index, or that such Reference Index would not have performed better without such limitations. In addition, it is likely that the weighting, if any, of commodity sectors comprising any Reference Index will shift periodically, so exposure to any sector cannot be predicated and a fixed exposure to a particular sector is unlikely.

Higher future prices of commodities underlying futures contracts comprising one or more Reference Indices relative to their current prices may lead to a decrease in the value of the Notes as well as the payment at Redemption

The constituents of one or more Reference Indices may be composed of futures contracts on physical commodities. As the contracts that underlie one or more Reference Indices come to expiration, they are replaced by contracts that have a later expiration. For example, a contract purchased and held in September may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November. This is accomplished by selling the October contract and purchasing the November contract. This process is referred to as "rolling". Excluding other considerations, if the market for these contracts is in "backwardation," where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a "roll yield". While the contracts that may be included in one or more Reference Indices could have historically exhibited consistent periods of backwardation, backwardation will most likely not exist at all times. Conversely, some of the commodities reflected in one or more Reference Indices could have historically exhibited "contango" markets rather than backwardation. Contago markets are those in which prices are higher in more distant delivery months than in nearer delivery months. Commodities may also fluctuate between backwardation and contango markets. The presence of contango in the commodity markets could result in negative roll yields, which could adversely affect the value of any constituents underlying one or more Reference Indices and, accordingly, the value and amount payable on the Notes.

DESCRIPTION OF THE NOTES

The following description of the terms of the Notes supplements the description of the general terms of the Notes set forth under the heading "*Description of the Notes*" in the Offering Memorandum. For the purposes of this "*Description of the Notes*", the term "Note" refers to the Notional Amount per Note specified on the cover page hereof and in the applicable Pricing Supplement. The applicable Pricing Supplement describes the terms that apply specifically to the Notes offered, including any changes to the terms specified herein.

A. Description of the Notes

1. General

The Notes are one of a duly authorized series of Notes of the Issuer issued under an Indenture (the "**Indenture**"), dated as of June 21, 2006, among the Issuer, SGNY and The Bank of New York, as Trustee (the "**Trustee**," which term includes any successor trustee under the Indenture). The Indenture sets forth the respective rights, limitations of rights, duties and immunities of the Issuer, SGNY, the Trustee and Holders (as defined herein in the section "*Certain Definitions – Holder*") of each series of Notes and the terms upon which each series of Notes are, and are to be, authenticated and delivered. To the extent not inconsistent herewith, the terms of the Indenture are hereby incorporated by reference herein. All terms used in the Note, which are defined in the Indenture and not otherwise defined herein, will have the meanings assigned to them in the Indenture.

No provision of the Note or of the Indenture will alter or impair the obligation of the Issuer to pay or deliver all amounts under the Note when and as they become due and payable or deliverable at Redemption as prescribed in this Product Supplement and in the applicable Pricing Supplement, unless otherwise agreed between the Issuer and the Holder of the Note.

Subject to the section "*Description of the Notes – General Terms of the Notes*" in the Offering Memorandum, the Notes specified herein will be the Issuer's direct, general, unconditional, unsecured and unsubordinated obligation, will rank *pari passu* without any preference among themselves and will rank *pari passu* among, and be of the same series with, all of the Issuer's other unconditional, unsecured and unsubordinated obligations issued under the Program.

The Guarantee is a direct, general, unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other unconditional, unsecured and unsubordinated obligations of the Guarantor, except those mandatorily preferred by law.

The offering of the Notes is being made by SG Americas Securities, LLC ("**SGAS**") pursuant to FINRA Rule 5121.

No sinking fund is provided for the Note.

Unless otherwise specified in the applicable Pricing Supplement, the Note may not be redeemed by a Holder prior to Redemption.

2. Final Payment

As a final payment on the applicable Redemption Date, the Holder of the Note will receive the amount due and payable or deliverable to it as specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the amounts payable or deliverable as a final payment under the Notes have been specified for the Notional Amount per Note.

3. Coupon Payments

Unless otherwise specified in the applicable Pricing Supplement, no periodic coupon is payable with respect to the Notes.

4. Payment at Redemption and Notice Prior to Payment

The final payment of the amount due to a Holder of a Note at Redemption will be made to the Holder in whose name the Note is registered in the security register of the Issuer on the applicable Redemption Date in immediately available funds. If in certificated form, the final payment will be made upon surrender of the Note at the office or agency of the Paying Agent (as defined in the Offering Memorandum), maintained for that purpose in the Borough of Manhattan, The City of New York, or at such other paying agency as the Issuer may determine.

The Issuer will, or will cause the Calculation Agent to, provide a written notice to the Trustee and to the Depositary (as defined in the Indenture), no later than at 10:30 a.m. (New York time) on the day immediately prior to the applicable Redemption Date (but if such day is not a Business Day, prior to the close of business on the Business Day preceding the applicable Redemption Date), of the amount of cash or securities to be delivered with respect to the stated Notional Amount of each Note, and deliver such cash or securities to the Trustee for delivery to the Holders on the applicable Redemption Date.

All calculations with respect to the payment or delivery, if any, on the applicable Redemption Date to a Holder will be rounded to the nearest hundredth, with five one thousandth rounded upward (*e.g.* 0.465 would be rounded up to 0.47), and all amounts paid or delivered on the Notional Amount of a Note will be rounded to the nearest cent, with one-half cent rounded upward.

5. Calculation Agent

Société Générale will act as the Calculation Agent pursuant to the Calculation Agent and Funding Agreement dated August 22, 2006. All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder and the Issuer. Société Générale is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment. The Issuer may appoint a different Calculation Agent from time to time after the Issue Date of the Note of any issuance without the Holder's consent and without notifying the Holder.

6. Events of Default

Under the Indenture, an Event of Default, wherever used herein with respect to the Notes, means any one of the events (whatever the reason for such Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) as specified in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum.

7. Acceleration

If an Event of Default with respect to the Notes shall have occurred and be continuing (other than an Event of Default specified in clauses (iv) or (v) in the section *"Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults"* in the Offering Memorandum, the Notes may be accelerated by Holders of a majority of the outstanding Notional Amount of the Notes to the Accelerated Maturity Date.

If an Event of Default with respect to the Notes shall have occurred as specified in clauses (iv) or (v) in the section *"Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults"* in the Offering Memorandum, then all payments or deliveries on the Notes, if any, will automatically accelerate to the Accelerated Maturity Date.

In the event of an acceleration, the amount payable or deliverable on the Accelerated Maturity Date will be as provided in *Section 2 (Final Payment),* subject to the terms of the below paragraph; provided that in the event of an acceleration as a result of an Event of Default as specified in clause (ii) in the section *"Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults"* in the Offering Memorandum, the amount payable or deliverable, if any, shall be the amount originally due on the Maturity Date or the Accelerated Maturity Date, as the case may be.

In determining the amount payable or deliverable, if any, on the Accelerated Maturity Date, the accelerated Final Index Level (subject to adjustment as a result of a Market Disruption Event as described in *Section 11 (Market Disruption Event)* herein), will be determined on the Accelerated Final

Valuation Date, and the Accelerated Maturity Date will be the fifth Business Day following the Accelerated Final Valuation Date.

8. Notice of Acceleration

In the event of acceleration, the Issuer will provide a notice of such acceleration to the Trustee as promptly as possible and in no event later than two Scheduled Trading Days after the date of such acceleration.

9. Reference Index Level Correction

In the event that any level published by a Index Sponsor which is utilized for any calculation or determination of the payment or delivery at Redemption under a Note is subsequently corrected, and such correction is published and made available by such Index Sponsor after the original publication, but prior to the applicable Redemption Date, the Calculation Agent may, in its sole discretion, determine the amount that is payable or deliverable in respect of such Redemption Date as a result of that correction, and, to the extent necessary, adjust the terms of such Note to account for such correction.

10. Discontinuance or Modification of the Reference Index; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract

If a Reference Index is (i) not calculated and announced by the related Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Reference Index, then in each case that index will replace such Reference Index. Additionally, if a Reference Index ceases to be the underlying reference asset of any exchange-traded futures or option contract, the Calculation Agent may, but is not obligated to, replace such Reference Index with a new index; *provided* that such new index uses, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the original Reference Index.

In the event that a Reference Index is replaced under any circumstance described in the previous paragraph, that replacement index will be deemed a "**Successor Index**" for such Reference Index. Upon such a replacement, such Successor Index will be used as a substitute for the original Reference Index for all purposes, including, but not limited to, for purposes of determining the Closing Level and the Relevant Level of such Reference Index, all relevant calculations set forth in the applicable Pricing Supplement and whether a Market Disruption Event, Hedging Disruption Event or Change in Law Disruption Event exists with respect to such Reference Index.

If, with respect to a Reference Index:

i. on or prior to the Final Valuation Date, the related Index Sponsor (i) announces that it will make a material change in the formula for or the method of calculating such Reference Index or in any other way materially modifies such Reference Index (other than a modification prescribed in that formula or method to maintain such Reference Index in the event of changes in constituent components and other routine events) or (ii) permanently cancels such Reference Index and no Successor Index exists; or

ii. on or prior to the Final Valuation Date, the related Index Sponsor fails to calculate and announce such Reference Index,

and if the Calculation Agent determines that such event has a material effect on the Notes, then for purposes of determining the amount payable or deliverable to you on any relevant remaining payment date specified in the relevant Pricing Supplement and the applicable Redemption Date, the Calculation Agent shall determine the (or each) Relevant Level or the Final Index Level for such Reference Index using, in lieu of a published level for such Reference Index, the level that would have prevailed had such change, failure or cancellation not been made as calculated by the Calculation Agent in its sole discretion in accordance with the formula for and method of calculating such Reference Index last in effect prior to such change, failure or cancellation, but using only those constituents that comprised such Reference Index prior to such change, failure or cancellation and using the Exchange traded or quoted price of each of such constituents as of the Scheduled Closing Time of the relevant Exchange on the (or each) applicable Valuation Date or the Final Valuation Date, respectively.

However, if the Calculation Agent determines that calculating the level of such Reference Index in the foregoing manner would cause a Hedging Disruption, then the Final Valuation Date for such Reference Index (and only for such Reference Index) will be accelerated to the date on which the change, failure or cancellation of such Reference Index is effective or, if later, the date the Calculation Agent determines that a Hedging Disruption Event would exist. In such a circumstance, the Calculation Agent shall calculate the Final Index Level of such Reference Index using, in lieu of a published level for such Reference Index, the level for such Reference Index as of the Accelerated Final Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating such Reference Index last in effect prior to such change, failure or cancellation, but using only those constituents that comprised such Reference Index prior to such change, failure or cancellation and using the Exchange traded or quoted price of each of such constituents as of the Scheduled Closing Time of the relevant Exchange on the Accelerated Final Valuation Date, and to the extent the Calculation Agent is unable, in its reasonable determination, to calculate such Reference Index in such manner, it will determine the Final Index Level of such Reference Index, in its sole discretion, on such Accelerated Final Valuation Date based on its good faith and commercially reasonable determination of the level for such Reference Index (which may be the level for such Reference Index at which we, the Guarantor or one or more of our affiliates acquire, establish, reestablish, substitute, maintain, unwind or dispose of any hedging transactions with respect to the Notes). ***However, although a Hedging Disruption will lead to an acceleration of the Final Valuation Date for such Reference Index, it shall not cause an acceleration of the Maturity Date.*** See *"Risk Factors – The Determination of the Final Index Level for any Reference Index may be made early upon the occurrence of a Hedging Disruption Event or a Change in Law Disruption Event"* in this Product Supplement.

Upon making any such adjustment or upon replacing a Reference Index with a Successor Index, the Calculation Agent will give notice as soon as practicable to the Trustee, stating the adjustment or replacement made. The Calculation Agent will provide information about any adjustment or replacement it makes upon the written request of the Holder.

11. Market Disruption Event

Market Disruption Event on the Pricing Date

Unless otherwise specified in the applicable Pricing Supplement, if there is no Market Disruption Event with respect to a Reference Index on the Pricing Date, the determination of the Initial Index Level of such Reference Index will be made on the Pricing Date, irrespective of, to the extent to the Notes are linked to more than one Reference Index, the occurrence of a Market Disruption Event on the Pricing Date with respect to one or more of the other Reference Indices.

With respect to a Reference Index that is not a commodity index

Unless otherwise specified in the applicable Pricing Supplement, if, on the Pricing Date, a Market Disruption Event exists with respect to a Reference Index, then the Pricing Date for such Reference Index will be postponed until the immediately succeeding Scheduled Trading Day for such Reference Index on which no Market Disruption Event exists with respect to such Reference Index.

However, unless otherwise specified in the applicable Pricing Supplement, if a Market Disruption Event for a Reference Index exists on eight consecutive Scheduled Trading Days commencing on and including the scheduled Pricing Date, the eighth Scheduled Trading Day will be the Pricing Date for the Reference Index and the Calculation Agent will determine the Initial Index Level for such Reference Index on such date in accordance with the formula for and method of calculating such Reference Index last in effect prior to such Market Disruption Event, but using only those constituents that comprised such Reference Index prior to such Market Disruption Event and using the Exchange traded or quoted price of each of such constituents as of the Scheduled Closing Time of the relevant Exchange on the scheduled Pricing Date (or if a Market Disruption Event has occurred with respect to any constituent of such Reference Index on the scheduled Pricing Date, the Exchange traded or quoted price of such constituent on the immediately succeeding Scheduled Trading Day for such constituent on which no Market Disruption Event occurs with respect to such constituent). Notwithstanding the foregoing sentence, if a Market Disruption Event exists with respect to such constituent on eight consecutive Scheduled Trading Days commencing on and including the scheduled Pricing Date, the Calculation Agent will determine the Initial Index Level using its good faith estimate of the value of such constituent as of the Scheduled Closing Time of the relevant Exchange on such eighth Scheduled Trading Day, which may equal the latest available price or quote for such constituent during the period from the scheduled Pricing Date that was postponed to such eighth Scheduled Trading Day. To the extent the Calculation Agent is unable, in its reasonable determination, to calculate such Reference Index in such manner, it will determine the Initial Index Level for such Reference Index, in its sole discretion, on such date based on its good faith and commercially reasonable determination of the level for such Reference Index (which may be the level for such Reference Index at which we, the Guarantor or one or more of our affiliates acquire, establish, reestablish, substitute, maintain, unwind or dispose of any hedging transactions with respect to the Notes).

With respect to a Reference Index that is a commodity index

Unless otherwise specified in the applicable Pricing Supplement, if a Market Disruption Event exists with respect to one or more futures contracts underlying a Reference Index on the Pricing Date, then the Initial Index Level of such Reference Index shall be determined by the Calculation Agent in good faith in accordance with the formula and calculation method for such Reference Index then in effect, using:

a. with respect to each commodity for which no futures contracts are affected by a Market Disruption Event, the settlement price of such futures contract(s), as determined and made public by the relevant Exchange or Related Exchange on the Pricing Date.

b. with respect to each commodity for which one or more futures contracts are affected by a Market Disruption Event:

   i. the settlement price of all futures contracts related to that commodity as published by the relevant Exchange or Related Exchange for the Pricing Date on the Pricing Date or retrospectively within a period of five consecutive Scheduled Trading Days commencing on, and including, the scheduled Pricing Date, unless the published settlement price of one or more futures contracts related to that commodity is a Limit Price.

   ii. if the settlement price of one or more futures contracts related to that commodity is not published as per paragraph (b)(i) above or is a Limit Price, then the settlement price of all futures contracts for that commodity as determined and made public by the relevant Exchange or Related Exchange for the next Scheduled Trading Day, within a period of five consecutive Scheduled Trading Days commencing on, and including, the scheduled Pricing Date, (X) which is a trading day with respect to all such futures contracts and (Y) on which there is no Trading Limitation or Trading Suspension with respect to such futures contracts.

   iii. if the settlement price of one or more futures contracts related to the commodity is not determined as per paragraph (b)(i) or (ii) above, then (X) with respect to each futures contract not affected by a Trading Limitation or Trading Suspension on the last Scheduled Trading Day within a period of five consecutive Scheduled Trading Days commencing on, and including, the scheduled Pricing Date and for which the relevant Exchange or Related Exchange determines and makes public the settlement price on that day, such published settlement price, and (Y) with respect to any other futures contracts related to that commodity, such futures contract's fair market price as determined by the Calculation Agent on the next following Scheduled Trading Day on the relevant Exchange or Related Exchange.

Notwithstanding the foregoing, with respect to any issuance of Notes, if there is a Market Disruption Event with respect to one or more Reference Indices on the Pricing Date, we reserve the right to cancel or modify such issuance of Notes. If we modify one or more terms of any issuance of Notes due to a Market Disruption Event with respect to one or more Reference Indices on the Pricing Date, we will notify you of such modification and you will be asked to accept such modification in connection with your purchase of the Notes. You may also choose to reject such modification and revoke your offer to purchase the Notes.

Market Disruption Event on any Valuation Date

Unless otherwise specified in the applicable Pricing Supplement, if, on any Valuation Date for a Reference Index, there is no Market Disruption Event with respect to such Reference Index, the determination of the applicable Relevant Level for such Reference Index will be made on such Valuation Date, irrespective of, to the extent the Notes are linked to more than one Reference Index, the occurrence of a Market Disruption Event on such Valuation Date with respect to one or more of the other Reference Indices.

With respect to a Reference Index that is not a commodity index

Unless otherwise specified in the applicable Pricing Supplement, if on any Valuation Date for a Reference Index, a Market Disruption Event occurs with respect to such Reference Index, that Valuation Date for such Reference Index will be postponed until the immediately succeeding Scheduled Trading Day for such Reference Index on which no Market Disruption Event occurs with respect to such Reference Index. However, unless otherwise specified in the applicable Pricing Supplement, if a Market Disruption Event for a Reference Index exists on eight consecutive Scheduled Trading Days beginning on and including that Valuation Date for such Reference Index, the eighth Scheduled Trading Day will be that Valuation Date for such Reference Index and the Calculation Agent will determine the Relevant Level for such Reference Index on such date in accordance with the formula for and method of calculating such Reference Index last in effect prior to such Market Disruption Event, but using only those constituents that comprised such Reference Index prior to such Market Disruption Event and using the Exchange traded or quoted price of each of such constituents as of the Scheduled Closing Time of the relevant Exchange on the scheduled Valuation Date (or if a Market Disruption Event has occurred with respect to any constituent of such Reference Index on the scheduled Valuation Date, the Exchange traded or quoted price of such constituent on the immediately succeeding Scheduled Trading Day on which no Market Disruption Event occurs with respect to such constituent). Notwithstanding the foregoing sentence, if a Market Disruption Event exists with respect to such constituent on eight consecutive Scheduled Trading Days beginning on and including the affected Valuation Date, the Calculation Agent will determine the Relevant Level using its good faith estimate of the value of such constituent as of the Scheduled Closing Time of the relevant Exchange on such eighth Scheduled Trading Day, which may equal the latest available price or quote for such constituent during the period from the affected Valuation Date that was postponed to such eighth Scheduled Trading Day. To the extent the Calculation Agent is unable, in its reasonable determination, to calculate such Reference Index in such manner, it will determine the Relevant Level for such Reference Index, in its sole discretion, on such date based on its good faith and commercially reasonable determination of the level of such Reference Index (which may be the level of such Reference Index at which we, the Guarantor or one or more of our affiliates acquire, establish, reestablish, substitute, maintain, unwind or dispose of any hedging transactions with respect to the Notes). No other payment will be payable or deliverable because of such postponement.

With respect to a Reference Index that is a commodity index

Unless otherwise specified in the applicable Pricing Supplement, if a Market Disruption Event exists with respect to one or more futures contracts underlying a Reference Index on a Valuation Date, then the Relevant Level of such Reference Index shall be determined by the Calculation Agent in good faith in accordance with the formula and calculation method for such Reference Index then in effect, using:

a. with respect to each commodity for which no futures contracts are affected by a Market Disruption Event, the settlement price of such futures contract(s), as determined and made public by the relevant Exchange or Related Exchange on such Valuation Date.

b. with respect to each commodity for which one or more futures contracts are affected by a Market Disruption Event:

   i. the settlement price of all futures contracts related to that commodity as published by the relevant Exchange or Related Exchange for such Valuation Date on such Valuation Date or retrospectively within a period of five consecutive Scheduled Trading Days commencing on, and including, the scheduled Valuation Date, unless the published settlement price of one or more futures contracts related to that commodity is a Limit Price.

ii. if the settlement price of one or more futures contracts related to that commodity is not retrospectively published as per paragraph (b)(i) above or is a Limit Price, then the settlement price of all futures contracts for that commodity as determined and made public by the relevant Exchange or Related Exchange for the next Scheduled Trading Day, within a period of five consecutive Scheduled Trading Days commencing on, and including, the scheduled Valuation Date, (X) which is a trading day with respect to all such futures contracts and (Y) on which there is no Trading Limitation or Trading Suspension with respect to such futures contracts.

iii. if the settlement price of one or more futures contracts related to the commodity is not determined as per paragraph (b)(i) or (ii) above, then (X) with respect to each futures contract not affected by a Trading Limitation or Trading Suspension on the last Scheduled Trading Day within a period of five consecutive Scheduled Trading Days commencing on, and including, the scheduled Valuation Date and for which the relevant Exchange or Related Exchange determines and makes public the settlement price on that day, such published settlement price, and (Y) with respect to any other futures contracts related to that commodity, such futures contract's fair market price as determined by the Calculation Agent on the next following Scheduled Trading Day on the relevant Exchange or Related Exchange.

If a Valuation Date for a Reference Index is not a Scheduled Trading Day for such Reference Index, then that Valuation Date for such Reference Index will be the next day following the scheduled Valuation Date that is a Scheduled Trading Day for such Reference Index. No other payment will be payable because of such postponement.

If a Final Valuation Date for any Reference Index is postponed due to a Market Disruption Event, then the Maturity Date will be postponed until the fifth Business Day following the determination of the Final Index Level for such affected Reference Index. If more than one Reference Index is postponed due to a Marketing Disruption Event, the Maturity Date will be postponed until the fifth Business Day following the last determination of a Final Index Level for any affected Reference Index.

12. Change in Law

If the Calculation Agent determines that a Change in Law Disruption Event (as defined in the section entitled "*Certain Definitions*" herein) has occurred with respect to a Reference Index, then the Final Valuation Date for such Reference Index (and only for such Reference Index) will be accelerated to the date on which such Change in Law Disruption Event occurred. In such a circumstance, the Final Index Level for the affected Reference Index (and only for such Reference Index) will be the Closing Level for such Reference Index as of the Accelerated Final Valuation Date. To the extent the Calculation Agent determines in its sole discretion that it is commercially unreasonable to determine the Final Index Level of such Reference Index in the foregoing manner, it will determine the Final Index Level, in its sole discretion, for such Reference Index (and only for such Reference Index) based on its good faith and commercially reasonable determination of the level for such Reference Index (which may be the level for such Reference Index at which we, the Guarantor or one or more of our affiliates acquire, establish, reestablish, substitute, maintain, unwind or dispose of any hedging transactions with respect to the Notes). However, although a Change in Law Disruption Event with respect to a Reference Index will lead to an acceleration of the Final Valuation Date for such Reference Index, it shall not cause an acceleration of the Maturity Date. See *"Risk Factors – The Determination of the Final Index Level for any Reference Index may be made early upon the occurrence of a Hedging Disruption Event or a Change in Law Disruption Event"* in this Product Supplement.

13. Note Provisions to Control

If the terms described in this Product Supplement are different or inconsistent with those described in the Offering Memorandum, the terms described in this Product Supplement will govern the Notes. If the terms described in the applicable Pricing Supplement are different or inconsistent with those described herein or in the Offering Memorandum, the terms described in the applicable Pricing Supplement will govern the Notes.

14. Defined Terms

All terms used in a Note, which are defined in the Indenture and not otherwise defined herein, have the meanings assigned to them in the Indenture.

Certain Definitions

"**Accelerated Final Valuation Date**" means (subject to postponement pursuant to *Section 11* (*Market Disruption Event*)):

i. in the case of an Event of Default as specified in clauses (i) or (iii) in the section *"Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults"* in the Offering Memorandum, the Scheduled Trading Day preceding the date on which such Event of Default is declared;

ii. in the case of an Event of Default as specified in clause (ii) in the section *"Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults"* in the Offering Memorandum, the Final Valuation Date;

iii. in the case of an Event of Default as specified in clauses (iv) and (v) in the section *"Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults"* in the Offering Memorandum, the date that is four Business Days prior to the date on which such Event of Default occurs; or

iv. with respect to a Reference Index, in the case of a Hedging Disruption Event specified under the section "*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract"* herein, the date on which the change, failure or cancellation of such Reference Index is effective or, if later, the date the Calculation Agent determines that a Hedging Disruption Event occurred; or

v. with respect to a Reference Index, in the case of a Change in Law Disruption Event specified under the section "*Description of the Notes—Change in Law*" herein, the date on which such Change in Law Disruption Event occurred.

"**Accelerated Maturity Date**" means the fifth Business Day that follows the Accelerated Final Valuation Date. For the avoidance of doubt, a Hedging Disruption or a Change in Law Disruption specified under the sections "*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" and "*Description of the Notes—Change in Law*" herein will not cause an Accelerated Maturity Date.

"**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in Paris, France or New York City, USA are authorized or required by law, regulation or executive order to close.

"**Change in Law**" means, with respect to any Reference Index, (i) the adoption, enactment, promulgation, execution or ratification of, or any change in, (A) any applicable law or regulation (including, without limitation, any tax law or regulation or any law or regulation implementing the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act) or (B) any regulation, rule or procedure of any exchange or principal trading market on which any asset underlying such Reference Index trades or (ii) the adoption of or any change in the interpretation by any court, tribunal, regulatory or similar authority with competent jurisdiction or supervisory duty or exchange, of any such law, regulation, rule or procedure (including, without limitation, any action taken by a taxing authority).

"**Change in Law Disruption Event**" means, with respect to any Reference Index, following the occurrence of a Change in Law with respect to such Reference Index, the Calculation Agent determines that, on or before the Final Valuation Date, the Issuer or any of its affiliates would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, expense, fee, cost or regulatory capital charge, or it is or will become impracticable, impossible (in each case, after using commercially reasonable efforts), illegal or contrary to any applicable law, regulation, rule or procedure for the Issuer or any of its affiliates, to (i) hold, acquire, establish, reestablish, substitute, maintain, unwind, dispose of or perform obligations in connection with, any transaction(s) and/or asset(s) relating to such Reference Index it deems necessary to hedge the Issuer's obligations with respect to the Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Closing Level**" means, with respect to any Reference Index and any Scheduled Trading Day for such Reference Index, the official closing level for such Reference Index as published and announced by the related Index Sponsor for such Scheduled Trading Day; subject to the provisions "*Description of the Notes—Market Disruption Event*", "*Description of the Notes—Discontinuance or Modification of the Reference Index; Alteration of Method of Calculation*, *No Longer Underlying Reference Asset of a Futures or Option Contract*" and "*Description of the Notes—Change in Law*" herein.

"**Early Closure**" means, with respect to a Reference Index, the closure on any Exchange Business Day for such Reference Index of any Exchange or Related Exchange for such Reference Index prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day.

"**Event of Default**" means any Event of Default listed in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum.

"**Exchange**" means, with respect to a Reference Index, each principal exchange or quotation system on which the constituents underlying such Reference Index trade, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the constituents underlying such Reference Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such constituents on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means, with respect to a Reference Index, any Scheduled Trading Day for such Reference Index on which each Exchange and each Related Exchange for such Reference Index are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means, with respect to a Reference Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, any security or constituent underlying such Reference Index on any Exchange for such Reference Index or (B) to effect transactions in, or obtain market prices for, any futures or option contract relating to such Reference Index on any Related Exchange for such Reference Index.

"**Final Index Level**" means, with respect to a Reference Index (subject, in the case of a Market Disruption Event, to a possible determination by the Calculation Agent in the manner described in the section "*Description of the Notes—Market Disruption Event"* herein):

(a) with respect to the Maturity Date, the Closing Level of such Reference Index on the Final Valuation Date; or, in the case of a Hedging Disruption Event, the level for such Reference Index determined by the Calculation Agent as described in the Section "*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*" herein or, in the case of a Change in Law Disruption Event, the level for such Reference Index determined by the Calculation Agent as described in the section "*Description of the Notes –Change in Law"* herein; or

(b) with respect to the Accelerated Maturity Date in the case of an Event of Default, the Closing Level of such Reference Index on the Accelerated Final Valuation Date.

"**Final Valuation Date**" means, with respect to a Reference Index, the last Valuation Date prior to the Redemption Date (subject to postponement pursuant the section "*Description of the Notes—Market Disruption Event*" herein) on which the Final Index Level of such Reference Index is determined by the Calculation Agent.

"**Hedging Disruption**" means, with respect to any Reference Index, if the related Index Sponsor permanently cancels, materially modifies or fails to calculate and announce such Reference Index and following the occurrence of such cancellation, change or failure, the Issuer or any of its affiliates would incur a materially increased (as compared with the circumstances existing prior to such event) amount of tax, duty, expense fee or cost, or it would be impracticable for the Issuer or any of its affiliates after using commercially reasonable efforts, to (i) acquire, establish, reestablish, substitute, maintain, unwind or dispose of any transaction(s) or assets(s) relating to such Reference Index it deems necessary to hedge the Issuer's obligations with respect to the Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or assets(s).

"**Hedging Disruption Event**" means, with respect to any Reference Index, the occurrence, as determined by the Calculation Agent, of a Hedging Disruption for such Reference Index.

"**Holder**" means, with respect to any Note, the holder in whose name such Note is registered in the security register of the Issuer.

"**Index Sponsor**" means, with respect to a Reference Index, the corporation or other entity (as specified on the cover page of the applicable Pricing Supplement) that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Reference Index and (ii) announces (directly or through an agent) the level of such Reference Index on a regular basis during each Exchange Business Day.

"**Initial Index Level**" means, with respect to a Reference Index, the Closing Level of such Reference Index on the Pricing Date, as specified on the cover page of the applicable Pricing Supplement.

"**Issue Date**" means the Issue Date specified in the applicable Pricing Supplement on which date each Note is issued.

"**Issue Price**" means the issue price specified in the applicable Pricing Supplement at which the Notional Amount per Note is issued.

"**Limit Price**" means, with respect to a Reference Index that is a commodity index, if the relevant Exchange or Related Exchange establishes limits on the range within which the price of a futures contract comprised in such Reference Index may fluctuate and the price of such futures contract is at the upper or lower limit of such range.

"**Market Disruption Event**" means:

1. with respect to a Reference Index (other than a Reference Index that is a commodity index), any Scheduled Trading Day for such Reference Index on which (A) any Exchange or Related Exchange for such Reference Index fails to open for trading during its regular trading session; (B) a Trading Disruption, an Exchange Disruption or an Early Closure has occurred with respect to such Reference Index, which in any case the Calculation Agent determines is material; or (C) any other event (including, but not limited to, increased cost of hedging) that the Calculation Agent determines, in its sole discretion, materially interferes with the ability of the Issuer or any of its affiliates to establish, reestablish, maintain or unwind all or a material portion of a hedge with respect to the Notes that the Issuer or its affiliates have effected or may effect as described above under "*Risk Factors—Hedging and trading activity could potentially adversely affect the value of the Notes*". Furthermore, for purposes of determining whether a Market Disruption Event has occurred with respect to a Reference Index:

    i. a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an Exchange or Related Exchange for such Reference Index;

    ii. to the extent applicable, as determined by the Calculation Agent, limitations pursuant to New York Stock Exchange ("**NYSE**") Rule 80A (or any applicable rule or regulation enacted or promulgated by the NYSE, any other self-regulatory organization or the Securities and Exchange Commission of scope similar to NYSE Rule 80A as determined by the Calculation Agent) on trading during significant market fluctuations will constitute a Trading Disruption for such Reference Index;

    iii. a suspension of trading in futures or options contracts on such Reference Index by a Related Exchange for such Reference Index by reason of (x) a price change exceeding limits set by such Related Exchange, (y) an imbalance of orders relating to such contracts or (z) a disparity in bid and ask quotes relating to such contracts will constitute a Trading Disruption for such Reference Index; and

iv. any time when an Exchange or a Related Exchange is itself closed for trading under ordinary circumstances will not be considered a Trading Disruption or an Exchange Disruption.

2. with respect to a Reference Index that is a commodity index, any Scheduled Trading Day for such Reference Index on which (A) any Exchange or Related Exchange for such Reference Index fails to open for trading during its regular trading session; (B) the failure by any Exchange or Related Exchange to determine or make public the settlement price of a futures contract comprising such Reference Index; (C) a Trading Disruption, a Trading Limitation, an Exchange Disruption, a Trading Suspension or an Early Closure has occurred with respect to such Reference Index or one or more options or futures contracts comprising such Reference Index, which in any case the Calculation Agent determines is material; or (D) any other event (including, but not limited to, increased cost of hedging) that the Calculation Agent determines, in its sole discretion, materially interferes with the ability of the Issuer or any of its affiliates to establish, reestablish, maintain or unwind all or a material portion of a hedge with respect to the Notes that the Issuer or its affiliates have effected or may effect as described above under "*Risk Factors—Hedging and trading activity could potentially adversely affect the value of the Notes*". Furthermore, for purposes of determining whether a Market Disruption Event has occurred with respect to a Reference Index:

   i. a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an Exchange or Related Exchange for such Reference Index;

   ii. to the extent applicable, as determined by the Calculation Agent, limitations pursuant to NYSE Rule 80A (or any applicable rule or regulation enacted or promulgated by the NYSE, any other self-regulatory organization or the Securities and Exchange Commission of scope similar to NYSE Rule 80A as determined by the Calculation Agent) on trading during significant market fluctuations will constitute a Trading Disruption for such Reference Index;

   iii. a suspension of trading in futures or options contracts on such Reference Index by any Exchange or Related Exchange for such Reference Index by reason of (x) a price change exceeding limits set by such Exchange or Related Exchange, (y) an imbalance of orders relating to such contracts or (z) a disparity in bid and ask quotes relating to such contracts will constitute a Trading Disruption for such Reference Index; and

   iv. any time when an Exchange or a Related Exchange is itself closed for trading under ordinary circumstances will not be considered a Trading Disruption or an Exchange Disruption.

"**Maturity Date**" means the Maturity Date specified on the cover page of the applicable Pricing Supplement, which will be, unless otherwise specified in the applicable Pricing Supplement, the fifth Business Day following the Final Valuation Date.

"**Notional Amount**" means the Notional Amount of each Note specified on the cover page hereof and in the applicable Pricing Supplement.

"**Pricing Date**" means the Pricing Date specified in the applicable Pricing Supplement on which the offering of the Notes is priced.

"**Redemption**" means, for purposes of this Product Supplement, each of the maturity, accelerated maturity and/or Early Redemption, as the case may be.

"**Redemption Date**" means the Redemption Date specified on the cover page hereof and in the applicable Pricing Supplement.

"**Reference Index**" or "**Reference Indices**", as applicable, means each Reference Index defined on the cover page hereof and specified in the applicable Pricing Supplement. See "Annex A: *Descriptions of the Reference Indices*" beginning on page 48 of this Product Supplement to find detailed descriptions of selected Reference Indices.

“**Related Exchange**” means, with respect to a Reference Index, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Reference Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the futures or options contracts relating to such Reference Index has temporarily relocated; *provided* that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Reference Index on such temporary substitute exchange or quotation system as on the original Related Exchange.

“**Scheduled Closing Time**” means, with respect to an Exchange or Related Exchange and any Scheduled Trading Day for a Reference Index, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means, with respect to any Reference Index, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which (i) the related Index Sponsor is scheduled to calculate and announce such Reference Index and (ii) each Exchange and each Related Exchange for such Reference Index are scheduled to be open for trading for their respective regular trading sessions.

“**Successor Index**” means a Successor Index as defined under the section “*Description of the Notes—Reference Index Discontinuation; Alteration of Method of Calculation; No Longer Underlying Reference Asset of a Futures or Option Contract*” in this Product Supplement.

“**Trading Disruption**” means, with respect to a Reference Index, any suspension of or limitation imposed on trading by any Exchange or Related Exchange for such Reference Index or otherwise and whether by reason of movements in price exceeding limits permitted by such Exchange or Related Exchange or otherwise (A) relating to any security or constituent underlying such Reference Index on such Exchange or (B) in futures or option contracts relating to such Reference Index on such Related Exchange.

“**Trading Limitation**” means, with respect to a Reference Index that is a commodity index, if (A) the relevant Exchange or Related Exchange establishes limits on the range within which the price of a futures contract comprised in such Reference Index may fluctuate and (B) the settlement price of such futures contract is a Limit Price.

“**Trading Suspension**” means, with respect to a Reference Index that is a commodity index, if (A) all trading in a futures contract comprised in such Reference Index is suspended for the entire trading day on a relevant Exchange or Related Exchange or (B) trading in such futures contract is suspended during the relevant trading day on the relevant Exchange or Related Exchange, such suspension is announced less than one hour preceding the commencement of such suspension and trading does not recommence prior to the regularly scheduled close of trading in such futures contract.

“**Valuation Date**” means, with respect to a Reference Index (subject to postponement pursuant to the section *“Description of the Notes - Market Disruption Event”* herein), each Valuation Date specified on the cover page hereof and in the applicable Pricing Supplement, on which a Relevant Level for such Reference Index is determined by the Calculation Agent.

SUPPLEMENTAL PLAN OF DISTRIBUTION

As described in the section of the Offering Memorandum entitled "*Plan of Distribution*", we, either ourselves or through SGAS as agent, will enter into one or more arrangements with agents, underwriters, or dealers (each of SGAS and such agents, underwriters, or dealers, a "**Distributor**" and collectively, the "**Distributors**"), whereby each Distributor will distribute the Notes. Such distributions may occur on or subsequent to the Issue Date. Each Distributor will be entitled to receive a commission (the "**Distributor Commission**") for the Notes distributed by such Distributor on or after the Issue Date, as specified in more detail in the applicable Pricing Supplement. Distributor Commission will therefore be embedded in the price you pay for Notes. The Distributors may reoffer the Notes to other dealers who will sell the Notes. Each such dealer engaged by a Distributor, or further engaged by a dealer to whom each such Distributor reoffers the Notes, will be entitled to a portion of the Distributor Commission payable to such Distributor. The Distributor Commission may vary from dealer to dealer and not all dealers will be entitled to the same amount of Distributor Commission, even if such dealers are distributing the same Notes.

The Issuer has agreed to indemnify the Distributors against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "**Securities Act**"), or to contribute to payments that the Distributors may be required to make in respect thereof.

The offering of the Notes will be conducted in compliance with any applicable requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc.

To the extent that the total aggregate Notional Amount of the Notes being offered by this Product Supplement and the applicable Pricing Supplement is not purchased by investors in the offering for the Notes, one or more of our affiliates has agreed to purchase the unsold portion, and to hold such Notes.

Please note that information herein and in the applicable Pricing Supplement about the Pricing Date, Issue Date, Issue Price to the public and net proceeds to the Issuer relates only to the initial sale of the Notes. If you have purchased the Notes in a secondary market transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

No offers, sales or deliveries of Notes, or distribution of this Product Supplement, the applicable Pricing Supplement or the Offering Memorandum or any other offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on us or any Distributor.

For information on selling restrictions in specific jurisdictions in which the Notes will be sold, see the Offering Memorandum.

The Notes are a new issue of securities with no established trading market and will not be listed on any national securities exchange or quoted in any inter-dealer quotation system. Under ordinary market conditions, SGAS (or another broker-dealer affiliated with Société Générale) intends to maintain a secondary market in the Notes; however, neither SGAS nor any of its affiliates has any obligation to provide a secondary market in the Notes and may discontinue doing so at any time. Even if SGAS or any affiliate does maintain a secondary market in the Notes, you may not be able to sell your Notes easily or at prices that will provide a yield comparable to that of similar securities that have a liquid secondary market. Accordingly, we cannot assure you as to the development or liquidity of any market for the Notes.

If SGAS provides such a secondary market, the bid-ask spread will likely be no greater than the percentage of the Notional Amount of a Note set forth in the applicable Pricing Supplement, and the bid and offer prices for the Notes will be displayed on Reuters (under the symbol SGENY0) and on the Bloomberg Financial Service (under the symbol SGNY). SGAS will determine its secondary market prices in its sole discretion. Any market-making price quoted by SGAS will be net of all or a portion of any commission paid or allowance made to the Distributors.

For more information, see *"Description of the Notes — Redemption and Repurchase — Secondary Market Purchases*" and *"Risk Factors — Risks related to the secondary market generally"* in the Offering Memorandum.

Conflicts of Interest

SGAS, one of the potential selling agents in the offerings of Notes, is an affiliate of ours and, as such, has a “conflict of interest” in these offerings within the meaning of FINRA Rule 5121. Consequently, the offerings are being conducted in compliance with the provisions of FINRA Rule 5121. SGAS is not permitted to sell Notes in any offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

CERTAIN ERISA CONSIDERATIONS

For a discussion of the benefit plan investor consequences related to the Notes, see "*Benefit Plan Investor Considerations*" in the Offering Memorandum.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

CIRCULAR 230

ANY DISCUSSIONS OF U.S. FEDERAL INCOME TAX MATTERS SET FORTH IN THIS PRODUCT SUPPLEMENT AND IN ANY ACCOMPANYING PRICING SUPPLEMENT WERE WRITTEN IN CONNECTION WITH THE PROMOTION AND MARKETING BY THE ISSUER, GUARANTOR AND/OR SGAS OF THE NOTES. SUCH DISCUSSIONS WERE NOT INTENDED OR WRITTEN TO BE LEGAL OR TAX ADVICE TO ANY PERSON AND WERE NOT INTENDED OR WRITTEN TO BE USED, AND THEY CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING ANY U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON. EACH INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF EACH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTIONS DESCRIBED IN THIS PRODUCT SUPPLEMENT OR THE APPLICABLE PRICING SUPPLEMENT, AS THE CASE MAY BE, AND ALL MATERIALS OF ANY KIND THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE (AS SUCH TERMS ARE DEFINED IN TREASURY REGULATION SECTION 1.6011-4). THIS AUTHORIZATION OF TAX DISCLOSURE IS RETROACTIVELY EFFECTIVE TO THE COMMENCEMENT OF DISCUSSIONS BETWEEN THE ISSUER, GUARANTOR OR SGAS OR THEIR REPRESENTATIVES AND EACH PROSPECTIVE INVESTOR REGARDING THE TRANSACTIONS CONTEMPLATED HEREIN.

DISCUSSION

The following discussion summarizes certain U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of Notes.

For purposes of this summary, a "**U.S. holder**" is a beneficial owner of a Note that is:

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof (including the District of Columbia);
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons (as defined for U.S. federal income tax purposes) have the authority to control all substantial decisions of the trust or (2) such trust was in existence on August 20, 1996 and such trust has a valid election in effect under the applicable Treasury regulations to be treated as a United States person.

For purposes of this summary, a "**non-U.S. holder**" is a beneficial owner of a Note (other than an entity classified as a partnership for U.S. federal income tax purposes) that is not a U.S. holder.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one third of the days present in the immediately preceding year, and one sixth of the days present in the second preceding year).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the U.S. federal income tax consequences described herein. Except as specifically provided below, this summary addresses only holders that purchase Notes at initial issuance, and own Notes as capital assets (as defined in Section 1221 of the Code) and not as part of a "straddle," "hedge," "synthetic security," or a "conversion transaction" for U.S. federal income tax purposes or as part of some other integrated investment. This summary does not discuss all of the tax consequences that may be relevant to particular investors or to investors subject to special treatment under the U.S. federal income tax laws, such as banks, thrifts or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; regulated investment companies or real estate investment trusts; small business investment companies; S corporations; investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income purposes; investors whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; persons subject to the alternative minimum tax; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; persons that own in the aggregate, directly or indirectly (including by reason of investing in the Notes) more than 5% of any entity included in any Reference Index; or "controlled foreign corporations" or "passive foreign investment companies" ("**PFIC**"), both as defined for U.S. federal income tax purposes. This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes. If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of any Note, the treatment of a partner in the partnership will generally depend upon the status of such partner and the activities of the partnership. Persons considering the purchase of Notes should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Notes arising under the laws of any other taxing jurisdiction.

The applicable Pricing Supplement may contain a further discussion of the special U.S. federal income tax consequences applicable to certain Notes. The summary of the U.S. federal income tax considerations contained in the applicable Pricing Supplement supersedes the following summary to the extent it is inconsistent therewith.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES.

U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes

Unless otherwise indicated in the applicable Pricing Supplement, we intend to treat the Notes as indebtedness for U.S. federal income tax purposes and except as provided below under "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes", the balance of this summary assumes that the Notes are treated as indebtedness for U.S. federal income tax purposes. However, the treatment of a Note as indebtedness for U.S. federal income tax purposes depends on a number of factors, and if the Notes are not properly treated as indebtedness for U.S. federal income tax purposes, the U.S. federal income tax treatment of investors in such Notes may be different than that described below.

Payments of Interest. Payments of interest on a Note generally will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or received (in accordance with the U.S. holder's regular method of tax accounting), provided that the interest is "qualified stated interest" (as defined below).

Original Issue Discount. The following summary is a general discussion of the U.S. federal income tax consequences to U.S. holders of the purchase, ownership and disposition of Notes issued with original issue discount. The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes having been issued with original issue discount.

A Note will have original issue discount for U.S. federal income tax purposes if the Note's "issue price" is less than the Note's "stated redemption price at maturity" by more than a *de minimis* amount, as discussed below, and the Note has a term of more than one year.

The issue price of a Note generally is the first price at which a substantial amount of the "issue" of Notes is sold to the public for money (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), excluding pre-issuance accrued interest (as discussed below under "—Pre-Issuance Accrued Interest").

The "stated redemption price at maturity" of a Note generally is the total amount of all payments provided by the Note other than "qualified stated interest" payments.

Qualified stated interest generally is stated interest that is "unconditionally payable" in cash or property (other than debt instruments of the issuer) at least annually either at a single fixed rate, or a qualifying variable rate (as described below). Qualified stated interest is taxable to a U.S. holder when accrued or received in accordance with the U.S. holder's regular method of tax accounting, as described above under "—Payments of Interest."

Interest is considered unconditionally payable only if reasonable legal remedies exist to compel timely payment or the Note otherwise provides terms and conditions that make the likelihood of late payment (other than a late payment within a reasonable grace period) or non-payment a remote contingency. Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between stated interest payments. Thus, if the interval between payments varies during the term of the instrument, the value of the fixed rate on which payment is based generally must be adjusted to reflect a compounding assumption consistent with the length of the interval preceding the payment.

Notes having "*de minimis* original issue discount" generally will be treated as not having original issue discount unless a U.S. holder elects to treat all interest on the Note as original issue discount. See "—Election to Treat All Interest and Discount as Original Issue Discount (Constant Yield Method)." A Note will be considered to have "*de minimis* original issue discount" if the difference between its stated redemption price at maturity and its issue price is less than the product of ¼ of 1 percent of the stated redemption price at maturity and the number of complete years from the issue date to maturity (or the weighted average maturity in the case of a Note that provides for payment of an amount other than qualified stated interest prior to maturity).

U.S. holders of Notes having original issue discount will be required to include original issue discount in gross income for U.S. federal income tax purposes as it accrues (regardless of the U.S. holder's regular method of tax accounting), which may be in advance of receipt of the cash attributable to such income. Original issue discount accrues under the constant yield method, based on a compounded yield to maturity, as described below. Accordingly, U.S. holders of Notes having original issue discount will generally be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

The annual amount of original issue discount includible in income by the initial U.S. holder of a Note having original issue discount will equal the sum of the "daily portions" of the original issue discount with respect to the Note for each day on which the U.S. holder held the Note during the taxable year. Generally, the daily portions of original issue discount are determined by allocating to each day in an "accrual period" the ratable portion of original issue discount allocable to the accrual period. The term accrual period means an interval of time with respect to which the accrual of original issue discount is measured and which may vary in length over the term of the Note *provided* that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on either the first or last day of an accrual period.

The amount of original issue discount allocable to an accrual period will be the excess of:

- the product of the "adjusted issue price" of the Note at the commencement of the accrual period and its "yield to maturity" over
- the amount of any qualified stated interest payments allocable to the accrual period.

The adjusted issue price of a Note at the beginning of the first accrual period is the Note's issue price and, on any day thereafter, it is the sum of the issue price and the amount of original issue discount previously includible in the gross income of the U.S. holder (without regard to any "acquisition premium" as described below), reduced by the amount of any payment other than a payment of qualified stated interest previously made on the Note. If an interval between payments of qualified stated interest contains more than one accrual period, the amount of qualified stated interest that is payable at the end of the interval (including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval) is allocated on a pro-rata basis to each accrual period in the interval, and the adjusted issue price at the beginning of each accrual period in the interval is increased by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but is not payable until the end of the interval. The yield to maturity of a Note is the yield to maturity computed on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period. If all accrual periods are of equal length except for a shorter initial accrual period or a shorter initial and final accrual period, the amount of original issue discount allocable to the initial period may be computed using any reasonable method; however, the original issue discount allocable to the final accrual period will always be the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price of the Note at the beginning of the final accrual period.

Pre-Issuance Accrued Interest. If (i) a portion of the initial purchase price of a Note is attributable to pre-issuance accrued interest, (ii) the first stated interest payment on the Note is to be made within one year of the Note's issue date, and (iii) the payment will equal or exceed the amount of pre-issuance accrued interest, then the U.S. holder may compute the issue price of the Note by subtracting the amount of the pre-issuance accrued interest. In that event, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the Note.

Notes Subject to Call or Put Options. For purposes of calculating the yield and maturity of a Note subject to an option, in general, a call option held by the issuer is presumed exercised if, upon exercise, the yield on the Note is less than it would have been had the option not been exercised, and a put option held by a U.S. holder is presumed exercised if, upon exercise, the yield on the Note is more than it would have been had the option not been exercised. The effect of this rule generally may accelerate or defer the inclusion of original issue discount in the income of a U.S. holder whose Note is subject to a put option or a call option, as compared to a Note that does not have such an option. If any option that is presumed to be exercised is not in fact exercised, the Note is treated as retired and reissued solely for purposes of the original issue discount rules on the date of presumed exercise for an amount equal to the Note's adjusted issue price on that date. The deemed reissuance will have the effect of redetermining the Note's yield and maturity for original issue discount purposes and any related subsequent accruals of original issue discount.

Variable Rate Debt Instruments. Certain Notes that qualify as "variable rate debt instruments" are subject to the special rules described below. A Note will qualify as a variable rate debt instrument if (a) the Note's issue price does not exceed the total noncontingent principal payments due under the Note by more than a specified *de minimis* amount and (b) the Note provides for stated interest, paid or compounded at least annually, at current values of (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate. The applicable Pricing Supplement will indicate whether we intend to treat a Note as a variable rate debt instrument that is subject to these special rules.

A "qualified floating rate" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated. Although a multiple of a qualified floating rate will generally not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35 will constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Note (*e.g.*, two or more qualified floating rates with values within 25 basis points of each other as determined on the Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (*i.e.*, a cap) or a minimum numerical limitation (*i.e.*, a floor) may, under certain circumstances, fail to be treated as a qualified floating rate, unless such cap or floor is fixed throughout the term of the Note. An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and that is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that is within the control of the issuer (or a related party) or that is unique to the circumstances of the issuer (or a related party) such as dividends, profits, or the value of the issuer's stock (although a rate does not fail to qualify as an objective rate merely because it is based on the credit quality of the issuer). A "qualified inverse floating rate" is any objective rate which is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. Further, if a Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate and if the variable rate on the Note's issue date is intended to approximate the fixed rate (*e.g.*, the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

If a Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", and if the stated interest on such Note is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually, then all stated interest on the Note will constitute qualified stated interest and will be taxed accordingly. Thus, a Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with original issue discount unless the Note is issued at a "true" discount (*i.e.*, at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. The amount of qualified stated interest and the amount of original issue discount, if any, that accrues during an accrual period on such a Note is determined under the rules applicable to fixed rate debt instruments by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Note. The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to the foregoing rules.

In general, any other Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of original issue discount and qualified stated interest on the Note. Treasury regulations generally require that such a Note be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Note. In the case of a Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Note provides for a qualified inverse floating rate). Under such circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Note as of the Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Note is then converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of original issue discount and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general original issue discount rules to the "equivalent" fixed rate debt instrument and a U.S. holder of the Note will account for such original issue discount and qualified stated interest as if the U.S. holder held the "equivalent" fixed rate debt instrument. Each accrual period appropriate adjustments will be made to the amount of qualified stated interest or original issue discount assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that such amounts differ from the actual amount of interest accrued or paid on the Note during the accrual period.

Short-Term Debt Instruments. Certain Notes that are treated as "short-term" debt instruments are subject to special rules. U.S. holders that report income for U.S. federal income tax purposes on the accrual method and certain other holders are required to include original issue discount (equal to the difference between all payments on the Note over its issue price) in income. Original issue discount on Notes that are short-term debt instruments is accrued on a straight-line basis, unless an irrevocable election with respect to the Note is made to accrue the original issue discount under the constant yield method based on daily compounding.

In general, an individual or other cash method U.S. holder of a short-term debt instrument is not required to accrue original issue discount with respect to a Note that is a short-term debt instrument, unless the U.S. holder elects to do so, but may be required to include interest paid on the Note that is a short-term debt instrument in income as the interest is received. An election by a cash basis U.S. holder to accrue original issue discount on a Note that is a short-term debt instrument, applies to all short-term debt instruments acquired by the U.S. holder during the first taxable year for which the election is made, and all subsequent taxable years of the U.S. holder, unless the Internal Revenue Service (the "**IRS**") consents to a revocation. In the case of a U.S. holder that is not required (and does not elect) to include original issue discount in income currently, any gain realized on the sale, exchange, retirement, redemption or other disposition of a Note that is a short-term debt instrument is treated as ordinary income to the extent of the original issue discount that had accrued on a straight-line basis (or, if elected, under the constant yield method based on daily compounding) through the date of sale, exchange, retirement, redemption or other disposition and the U.S. holder will be required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry the Note in an amount not exceeding the accrued original issue discount (determined on a ratable basis, unless the U.S. holder elects to use a constant yield basis) on the Note, until the original issue discount is recognized.

Market Discount and Premium. If a U.S. holder purchases a Note, other than a contingent payment debt instrument or a short-term debt instrument, for an amount that is less than the Note's stated redemption price at maturity or, in the case of a Note having original issue discount, less than the Note's revised issue price (which is the sum of the issue price of the Note increased by the aggregate amount of the original issue discount previously includible in the gross income of any holder (without regard to any acquisition premium) and decreased by the amount of any payments previously made on the Note that were not payments of qualified stated interest), the amount of the difference generally will be treated as market discount for U.S. federal income tax purposes. It is possible that a U.S. holder may purchase a Note at original issuance for an amount that is different than its issue price. The amount of any market discount generally will be treated as *de minimis* and disregarded if the amount is less than the product of ¼ of 1 percent of the stated redemption price at maturity of the Note and the number of complete remaining years to maturity (or weighted average remaining maturity in the case of Notes paying any amount other than qualified stated interest prior to maturity).

Under the market discount rules, a U.S. holder is required to treat any principal payment on, or any gain on the sale, exchange, retirement, redemption or other disposition of a Note as ordinary income to the extent of any accrued market discount that has not previously been included in income. If the Note is disposed of in a nontaxable transaction (other than certain specified nonrecognition transactions), accrued market discount will be includible as ordinary income to the U.S. holder as if the U.S. holder had sold the Note at its then fair market value. In addition, the U.S. holder may be required to defer, until the maturity of the Note or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the Note.

Market discount accrues ratably during the period from the date of acquisition to the maturity of a Note, unless the U.S. holder elects to accrue it under the constant yield method. A U.S. holder of a Note may elect to include market discount in income currently as it accrues (either ratably or under the constant yield method), in which case the rule described above regarding deferral of interest deductions will not apply. The election to include market discount currently applies to all market discount obligations acquired during or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount in income currently, the basis of the Note in the hands of the U.S. holder will be increased by the market discount thereon as it is included in income.

A U.S. holder that purchases a Note having original issue discount, other than a contingent payment debt instrument, for an amount exceeding its "adjusted issue price" (which is described above under "—Original Issue Discount") and less than or equal to the sum of all remaining amounts payable on the Note other than payments of qualified stated interest will be treated as having purchased the Note with acquisition premium. The amount of original issue discount that the U.S. holder must include in gross income with respect to such Note will be reduced in the proportion that the excess bears to the original issue discount remaining to be accrued as of the Note's acquisition date and ending on the stated maturity date. Rather than apply the above fraction, the U.S. holder that, as discussed below, elects to treat all interest as original issue discount would treat the purchase at an acquisition premium as a purchase at original issuance and calculate original issue discount accruals on a constant yield to maturity basis.

A U.S. holder that acquires a Note, other than a contingent payment debt instrument, for an amount that is greater than the sum of all remaining amounts payable on the Note other than payments of qualified stated interest will be treated as having purchased the Note at a bond premium and will not be required to include any original issue discount in income. A U.S. holder generally may elect to amortize bond premium. The election to amortize bond premium must be made with a timely filed U.S. federal income tax return for the first taxable year to which the U.S. holder wishes the election to apply.

If bond premium is amortized, the amount of interest that must be included in the U.S. holder's income for each period ending on an interest payment date or on stated maturity, as the case may be, will be reduced by the portion of bond premium allocable to such period based on the Note's yield to maturity (or, in certain circumstances, until an earlier call date) determined by using the U.S. holder's basis of the Note, compounding at the close of each accrual period. If the bond premium allocable to an accrual period is in excess of qualified stated interest allocable to that period, the excess may be deducted to the extent of prior interest income inclusions and is then carried to the next accrual period and offsets qualified stated interest in such period. If an election to amortize bond premium is not made, a U.S. holder must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing its gain or loss upon the sale, exchange, retirement, redemption or other disposition or payment of the principal amount of the Note.

An election to amortize bond premium will apply to amortizable bond premium on all Notes and other bonds, the interest on which is includible in the U.S. holder's gross income, held at the beginning of the U.S. holder's first taxable year to which the election applies or thereafter acquired, and may be revoked only with the consent of the IRS. The election to treat all interest as original issue discount is treated as an election to amortize premium. Special rules may apply if a Note is subject to call prior to maturity at a price in excess of its stated redemption price at maturity.

Election to Treat All Interest and Discount as Original Issue Discount (Constant Yield Method). A U.S. holder of a Note may elect to include in income all interest and discount (including *de minimis* original issue discount and *de minimis* market discount), as adjusted by any premium with respect to the Note, based on a constant yield method, which is described above under "— Original Issue Discount." The election is made for the taxable year in which the U.S. holder acquired the Note, and it may not be revoked without the consent of the IRS. If such election is made with respect to a Note having market discount, the U.S. holder will be deemed to have elected currently to include market discount on a constant yield basis with respect to all debt instruments having market discount acquired during the year of election or thereafter. If made with respect to a Note having amortizable bond premium, the U.S. holder will be deemed to have made an election to amortize premium generally with respect to all debt instruments having amortizable bond premium held by the U.S. holder during the year of election or thereafter.

Sale, Exchange, Retirement Redemption or Repayment of the Notes. Upon the disposition of a Note by sale, exchange, retirement, redemption, or other disposition or repayment of principal at maturity, a U.S. holder will generally recognize taxable gain or loss equal to the difference between (i) the amount realized on the disposition (other than amounts attributable to accrued but unpaid interest, which will be taxable as such) and (ii) the U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note (net of accrued interest) to the U.S. holder, increased by amounts includible in income as original issue discount or market discount, as described above (if the holder elects to include market discount in income on a current basis) and reduced by any amortized bond premium and any payments (other than payments of qualified stated interest) made on the Note.

Such gain or loss (except to the extent that the market discount rules or the rules relating to short-term debt instruments or contingent payment debt instruments otherwise provide) will generally constitute capital gain or loss, which will be long-term capital gain or loss if the Note was held for more than one year. Long-term capital gains of individual taxpayers may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Contingent Payment Debt Instruments. Certain Notes may be taxed pursuant to the rules applicable to "contingent payment debt instruments." The applicable Pricing Supplement will indicate whether we intend to treat a Note as a debt instrument that must be taxed pursuant to the rules applicable to contingent payment debt instruments. If a contingent payment debt instrument is issued for cash or publicly traded property, original issue discount is determined and accrued under the "noncontingent bond method." Unless otherwise indicated in the applicable Pricing Supplement, we intend to treat all Notes that must be taxed pursuant to the rules applicable to contingent payment debt instruments as subject to the noncontingent bond method.

Under the noncontingent bond method, for each accrual period, U.S. holders of the Notes accrue original issue discount equal to the product of (i) the "comparable yield" (adjusted for the length of the accrual period) and (ii) the "adjusted issue price" of the Notes at the beginning of the accrual period. This amount is ratably allocated to each day in the accrual period and is includible as ordinary interest income by a U.S. holder for each day in the accrual period on which the U.S. holder holds the contingent payment debt instrument, whether or not the amount of any payment is fixed or determinable in the taxable year. Thus, the noncontingent bond method may result in recognition of income prior to the receipt of cash.

In general, the comparable yield of a contingent payment debt instrument is equal to the yield at which the issuer would issue a fixed rate debt instrument with terms and conditions similar to those of the contingent payment debt instrument, including level of subordination, term, timing of payments, and general market conditions. For example, if a hedge of the contingent payment debt instrument is available that, if integrated with the contingent payment debt instrument, would produce a "synthetic debt instrument" with a specific yield to maturity, the comparable yield will be equal to the yield of the synthetic debt instrument. However, if such a hedge is not available, but similar fixed rate debt instruments of the issuer are traded at a price that reflects a spread above a benchmark rate, the comparable yield is the sum of the benchmark rate on the issue date and the spread. The applicable Pricing Supplement will either provide the comparable yield, or investors can obtain the comparable yield of the Notes by contacting SG Structured Products Inc., Olivier Daguet at (as of the date hereof) 1221 Avenue of the Americas, New York, New York 10020. On or about September 1, 2013, the Issuer, the Guarantor, and SGAS will be relocating their New York City location from 1221 Avenue of the Americas, New York, NY 10020 to 245 Park Avenue, New York, NY 10167.

The adjusted issue price at the beginning of each accrual period is generally equal to the issue price of the Note plus the amount of original issue discount previously accrued upon the Note (generally determined without regard to any positive or negative adjustments, as discussed below) less any noncontingent payment and the projected amount of any contingent payment contained in the projected payment schedule (as described below) previously scheduled to have been made on the contingent payment debt instrument.

In addition to the determination of a comparable yield, the noncontingent bond method requires us to construct a projected payment schedule. The projected payment schedule includes all noncontingent payments, and projected amounts for each contingent payment to be made under the contingent payment debt instrument that are adjusted to produce the comparable yield. The applicable Pricing Supplement will either provide such projected payment schedule, or investors can obtain the projected payment schedule by contacting SG Structured Products Inc., Olivier Daguet at (as of the date hereof) 1221 Avenue of the Americas, New York, New York 10020. On or about September 1, 2013, the Issuer, the Guarantor, and SGAS will be relocating their New York City location from 1221 Avenue of the Americas, New York, NY 10020 to 245 Park Avenue, New York, NY 10167.

Except as discussed below, the projected payment schedule remains fixed throughout the term of the contingent payment debt instrument and is not revised to account for changes in circumstances that occur while the Notes are outstanding. A U.S. holder is required to use the issuer's projected payment schedule to determine its interest accruals and adjustments, unless the U.S. holder determines that the issuer's projected payment schedule is unreasonable, in which case the U.S. holder must disclose its own projected payment schedule in connection with its U.S. federal income tax return and the reason(s) why it is not using the issuer's projected payment schedule.

The comparable yield and the projected payment schedule are used to determine accruals of interest FOR U.S. FEDERAL INCOME TAX PURPOSES ONLY and are not assurances or predictions by us with respect to the actual yield of or payments to be made in respect of a Note. The comparable yield and the projected payment schedule do not represent our expectations regarding such yield or the amount of such payments.

If the actual amounts of contingent payments are different from the amounts reflected in the projected payment schedule, a U.S. holder is required to make adjustments in its original issue discount accruals when such amounts are paid. In addition, if a Note has been held until maturity, for purposes of determining the amount realized upon retirement of the Note at maturity, the U.S. holder is generally treated as receiving the projected amount of any contingent payment due at maturity, as provided by the projected payment schedule (subject to adjustment, as described below). Adjustments arising from contingent payments that are greater than the projected amounts of those payments are referred to as "positive adjustments"; adjustments arising from contingent payments that are less than the projected amounts are referred to as "negative adjustments." Positive and negative adjustments are netted for each taxable year with respect to each Note. Any net positive adjustment for a taxable year is treated as additional original issue discount income of the U.S. holder. Any net negative adjustment reduces any original issue discount on the Note for the taxable year that would otherwise accrue. Any excess is then treated as a current-year ordinary loss to the U.S. holder to the extent of original issue discount accrued in prior years. The balance, if any, is treated as a negative adjustment in subsequent taxable years. Finally, to the extent that it has not previously been taken into account, an excess negative adjustment reduces the amount realized upon a sale, exchange, retirement, redemption or other disposition of the Note.

Notwithstanding the foregoing, special rules will apply if a contingent payment on a Note becomes fixed more than six months prior to its scheduled date of payment. Generally, in such a case, a U.S. holder would be required to account for the difference between the present value of the fixed payment and the present value of the projected payment as either a positive adjustment or a negative adjustment (*i.e.*, either as additional original issue discount or as an offset to future original issue discount or as an ordinary loss, as appropriate) on the date the payment becomes fixed. Notwithstanding the preceding sentence, if all remaining contingent payments become fixed substantially contemporaneously, any positive or negative adjustment is taken into account in a reasonable manner over the remaining term of the Note. In addition, the projected payment schedule will generally be modified prospectively to reflect the fixed amount of the payment, and no further adjustment will be made when the payment is actually made. The adjusted issue price of the Note and a U.S. holder's tax basis in the Note and the character of any gain or loss on the sale of the Note could also be affected. U.S. holders should consult their own tax advisors concerning these special rules.

A U.S. holder's basis in a contingent payment debt instrument is increased by the original issue discount previously accrued by the U.S. holder on the contingent payment debt instrument (as determined without regard to adjustments made to reflect differences between actual and projected payments, except as discussed in the preceding paragraph) and reduced by the amount of any non-contingent payments and the projected amount of any contingent payments previously made to the U.S. holder. Gain on the sale, exchange, retirement, redemption or other disposition of a contingent payment debt instrument generally is treated as ordinary income. Loss, on the other hand, is treated as ordinary loss only to the extent of the U.S. holder's prior net original issue discount inclusions (*i.e.*, reduced by the total net negative adjustments previously allowed to the U.S. holder as an ordinary loss) and capital loss to the extent in excess thereof. The deductibility of capital losses is subject to certain limitations.

A U.S. holder that purchases a Note for an amount other than the issue price of the Note will be required to adjust its original issue discount inclusions to account for the difference. These adjustments will affect the U.S. holder's basis in the Note. Reports to U.S. holders may not include these adjustments. U.S. holders that purchase Notes for an amount other than the issue price should consult their tax advisors regarding these adjustments.

Prospective investors should consult their own tax advisors with respect to the application of the contingent payment debt instrument provisions to Notes.

Foreign Currency Notes. Certain Notes that are denominated in or on which interest is payable in a Foreign Currency are subject to special rules. As used herein, "**Foreign Currency**" means a currency other than U.S. dollars. The applicable Pricing Supplement will indicate whether we intend to treat the Notes as subject to these special rules. The following discussion summarizes the principal U.S. federal income tax consequences of owning a Note that is denominated in or on which interest is payable in a Foreign Currency (other than a currency described in this section that is considered "hyperinflationary" for U.S. federal income tax purposes), and is not a contingent payment debt instrument or a dual currency Note. Special U.S. federal income tax considerations applicable to Notes that are denominated in or on which interest is payable in a hyperinflationary currency, are contingent payment debt instruments, or are dual currency Notes, will be discussed in the applicable Pricing Supplement.

Payments of Interest in a Foreign Currency - Cash Method. A U.S. holder who uses the cash method of accounting for U.S. federal income tax purposes and who receives a payment of interest on a Note (other than original issue discount or market discount) will be required to include in income the U.S. dollar value of the Foreign Currency payment (determined at the spot rate on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and such U.S. dollar value will be the U.S. holder's tax basis in such Foreign Currency. No exchange gain or loss will be recognized with respect to the receipt of such payment.

Payments of Interest in a Foreign Currency - Accrual Method. A U.S. holder who uses the accrual method of accounting for U.S. federal income tax purposes, or who otherwise is required to accrue interest prior to receipt, will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount and reduced by amortizable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a Note during an accrual period. The U.S. dollar value of such accrued income will be determined by translating such income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. A U.S. holder may elect, however, to translate such accrued interest income using the rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the spot rate on the last day of the taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. holder may translate such interest using the spot rate on the date of receipt. The above election will apply to other debt obligations held by the U.S. holder and may not be changed without the consent of the IRS. A U.S. holder should consult a tax advisor before making the above election. A U.S. holder will recognize exchange gain or loss (which will be treated as ordinary income or loss) with respect to accrued interest income on the date such income is received. The amount of ordinary income or loss recognized will equal the difference, if any, between the U.S. dollar value of the Foreign Currency payment received (determined at the spot rate on the date such payment is received) in respect of such accrual period and the U.S. dollar value of interest income that has accrued during such accrual period (as determined above).

Purchase, Sale and Retirement of Notes. A U.S. holder who purchases a Note with previously owned Foreign Currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. holder's tax basis in the Foreign Currency and the U.S. dollar fair market value of the Foreign Currency used to purchase the Note, determined on the date of purchase.

For purposes of determining the amount of any gain or loss recognized by a U.S. holder on the sale, exchange, retirement or other disposition of a Note that is denominated in a Foreign Currency, the amount realized will be based on the U.S. dollar value of the Foreign Currency on the date the payment is received or the Note is disposed of. Subject to the discussion below, such gain or loss will generally be capital gain or loss as discussed in "—Sale, Exchange, Retirement Redemption or Repayment of the Notes." To the extent the amount realized upon the disposition of a Note represents accrued but unpaid interest, however, such amounts must be taken into account as interest income, with exchange gain or loss computed as described in "—Foreign Currency Notes—Payments of Interest in a Foreign Currency – Accrual Method" above. In the case of a Note that is denominated in Foreign Currency and is traded on an established securities market as defined in the applicable Treasury regulations, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the U.S. dollar value of the amount realized by translating the Foreign Currency payment at the spot rate of exchange on the settlement date of the sale. Such an election by an accrual basis U.S. holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. holder's adjusted tax basis in a Note will equal the cost of the Note to such U.S. holder, increased by the amounts of any market discount or original issue discount previously included in income by the U.S. holder with respect to such Note and reduced by any amortized premium and any payments other than qualified stated interest received by the U.S. holder. A U.S. holder's tax basis in a Note, and the amount of any subsequent adjustments to such

U.S. holder's tax basis, will be the U.S. dollar value of the Foreign Currency amount paid for such Note, or of the Foreign Currency amount of the adjustment, determined on the date of such purchase or adjustment.

Gain or loss realized upon the sale, exchange or retirement of a Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss, which will not be treated as interest income or expense. Such gain or loss generally will be U.S. source gain or loss. Gain or loss attributable to fluctuations in exchange rates will equal the difference between the U.S. dollar value of the Foreign Currency principal amount of the Note, generally determined on the date such payment is received or the Note is disposed of, and the U.S. dollar value of the Foreign Currency principal amount of the Note, determined on the date the U.S. holder acquired the Note. Such Foreign Currency exchange gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange or retirement of the Note.

Original Issue Discount. In the case of an Note or short-term debt instrument, (i) original issue discount is computed in the Foreign Currency, (ii) accrued original issue discount is translated into U.S. dollars as described in "—Foreign Currency Notes—Payments of Interest in a Foreign Currency - Accrual Method" above and (iii) the amount of Foreign Currency exchange gain or loss on the accrued original issue discount is determined by comparing the amount of income received attributable to the discount (either upon payment, maturity or an earlier disposition), as translated into U.S. dollars at the rate of exchange on the date of such receipt, with the amount of original issue discount accrued, as translated above. For these purposes, all receipts on a Note will be viewed first, as the receipt of any qualified stated interest payments called for under the terms of the Note; second, as receipts of previously accrued original issue discount (to the extent thereof), with payments considered made for the earliest accrual periods first; and third, as the receipt of principal.

Market Discount and Premium. In the case of a Note with market discount, (i) market discount is computed in the Foreign Currency, (ii) accrued market discount taken into account upon the receipt of any partial principal payment or upon the sale, exchange, retirement or other disposition of the Note (other than accrued market discount required to be taken into account currently) is translated into U.S. dollars at the exchange rate on the date of such partial principal payment or disposition date (and no part of such accrued market discount is treated as exchange gain or loss) and (iii) accrued market discount currently includible in income by a U.S. holder for any accrual period is translated into U.S. dollars on the basis of the average exchange rate in effect during such accrual period, and the exchange gain or loss is determined upon the receipt of any partial principal payment or upon the sale, exchange, retirement or other disposition of the Note in the manner described in "—Foreign Currency Notes—Payments of Interest in a Foreign Currency – Accrual Method" above with respect to the computation of exchange gain or loss on accrued interest.

With respect to a Note acquired with amortizable bond premium, if an election is made to amortize the premium, such premium is computed in the relevant Foreign Currency and reduces interest income in units of the Foreign Currency. A U.S. holder should recognize exchange gain or loss equal to the difference between the U.S. dollar value of the bond premium amortized with respect to a period, determined on the date the interest attributable to such period is received, and the U.S. dollar value of the bond premium determined on the date of the acquisition of the Note. A U.S. holder that does not elect to amortize bond premium will translate the bond premium, computed in the applicable Foreign Currency, into U.S. dollars at the spot rate on the maturity date and such bond premium will constitute a capital.

Exchange of Foreign Currencies. A U.S. holder will have a tax basis in any Foreign Currency received as interest or on the sale, exchange or retirement of a Note equal to the U.S. dollar value of such Foreign Currency, determined at the time the interest is received or at the time of the sale, exchange or retirement. As discussed above, if the Notes are traded on an established securities market, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the U.S. dollar value of the Foreign Currency by translating the Foreign Currency received at the spot rate of exchange on the settlement date of the sale, exchange or retirement. Such an election by an accrual basis U.S. holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accordingly, a U.S. holder's basis in the Foreign Currency received would be equal to the U.S. dollar value of the Foreign Currency at the spot rate of exchange on the settlement date. Any gain or loss realized by a U.S. holder on a sale or other disposition of Foreign Currency (including its exchange for U.S. dollars or its use to purchase Notes) will be ordinary income or loss and will generally be U.S. source income or loss.

Certain Other Debt Securities. Certain Notes that we intend to treat as indebtedness for U.S. federal income tax purposes may be subject to special rules. The applicable Pricing Supplement will discuss the principal U.S. federal income tax consequences with respect to Notes that are subject to any special rules not described herein.

U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes

Certain Notes Treated as a Put Option and a Deposit. We may treat certain Notes as consisting of a put option and a deposit for U.S. federal income tax purposes. The applicable Pricing Supplement will indicate whether we intend to treat the Notes as consisting of a put option and a deposit for U.S. federal income tax purposes. This section describes the U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of a Note that we intend to treat as consisting of a put option and a deposit.

There are no Treasury regulations, published rulings or judicial decisions addressing the treatment for U.S. federal income tax purposes of Notes with terms that are substantially the same as the Notes described in this section. We intend to treat each Note described in this section as consisting of a put option written by the holder (the "**Put Option**") that permits us to cash settle the Put Option (*i.e.*, require the holder to pay us at the maturity date the difference between the Deposit and the value of the Reference Index or Reference Indices at such time), and a deposit with us of cash, in an amount equal to the principal amount of the Note (the "**Deposit**") to secure the U.S. holder's potential obligation under the Put Option. Pursuant to the terms of the Notes, each holder agrees to such treatment for all U.S. federal income tax purposes. Except for the possible alternative treatments described below, the balance of this summary assumes that the Notes are so treated.

We intend to treat a portion of the stated interest payments on a Note described in this section as interest or original issue discount on the Deposit, and the remainder as put premium in respect of the Put Option (the "**Put Premium**"). The portion of the stated interest rate on a Note described in this section that constitutes interest or original issue discount on the Deposit and the portion that constitutes Put Premium will be specified in the applicable Pricing Supplement.

If the term of a Note described in this section is more than one year, U.S. holders should include the portion of the stated interest payments on the Note that is treated as interest in income, as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Payments of Interest."

If the term of a Note described in this section is one year or less, the Deposit should be treated as a short-term obligation as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Short-Term Debt Instruments."

The Put Premium should not be taxable to a U.S. holder upon its receipt. If the Put Option expires unexercised, the U.S. holder should recognize the total Put Premium received as short-term capital gain at such time.

If the Put Option is exercised and we cash settle the Put Option, a U.S. holder should generally recognize a short-term capital gain or loss equal to (i) the amount of cash received plus the total Put Premium received less (ii) the amount of the Deposit, plus accrued but unpaid acquisition discount or original issue discount on the Deposit.

Upon the cash settlement of a Put Option, a cash method U.S. holder of a short-term obligation that does not elect to accrue original issue discount in income currently will recognize ordinary income equal to the accrued and unpaid original issue discount.

Upon a sale, or other taxable disposition of a Note described in this section for cash, a U.S. holder should allocate the cash received between the Deposit and the Put Option on the basis of their respective values on the date of sale. The U.S. holder should generally recognize gain or loss with respect to the Deposit in an amount equal to the difference between the amount of the sales proceeds allocable to the Deposit (less accrued and unpaid "qualified stated interest" or accrued original issue discount that the U.S. holder has not included in income, which will be treated as ordinary interest income) and the U.S. holder's adjusted tax basis in the Deposit (which will generally equal the initial purchase price of the Note increased by any accrued original issue discount previously included in income on the Deposit and decreased by the amount of any payment (other than an interest payment that is treated as qualified stated interest) received on the Deposit). Such gain or loss should be capital gain or loss and should be long-term capital gain or loss if the U.S. holder has held the Deposit for more than one year at the time of such disposition. The deductibility of capital losses is subject to certain limitations. If the Put Option has a positive value on the date of a sale of a Note, the U.S. holder should recognize short-term capital gain equal to the portion of the sale proceeds allocable to the Put Option plus any previously received Put Premium. If the Put Option has a negative value on the date of sale, the U.S. holder should be treated as having paid the buyer an amount equal to the negative value in order to assume the U.S. holder's rights and obligations under the Put Option. In such a case, the U.S. holder should recognize a short-term capital gain or loss in an amount equal to the difference between the total Put Premium previously received and the amount of the payment deemed made by the U.S. holder with respect to the assumption of the Put Option. The amount of the deemed payment will be added to the sales price allocated to the Deposit in determining the gain or loss in respect of the Deposit. The deductibility of capital losses is subject to certain limitations.

We will not attempt to ascertain whether any of the entities whose stock is included in a Reference Index would be treated as a PFIC or United States real property holding corporation ("**USRPHC**"), both as defined for U.S. federal income tax purposes. If one or more of the entities whose stock is included in a Reference Index were so treated, certain adverse U.S. federal income tax consequences might apply. You should refer to information filed with the SEC and other authorities by the entities whose stock is included in a Reference Index, and consult your tax advisor regarding the possible consequences to you if one or more of the entities whose stock is included in a Reference Index is or becomes a PFIC or a USRPHC.

Although we intend to treat each Note described in this section as consisting of a Deposit and a Put Option, there are no Treasury regulations, published rulings or judicial decisions addressing the characterization of securities with terms that are substantially the same as those of the Notes described in this section, and therefore the Notes could be subject to some other characterization or treatment for U.S. federal income tax purposes. For example, the Notes could be treated as contingent payment debt instruments for U.S. federal income tax purposes. In such a case, in general, U.S. holders should be treated as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Contingent Payment Debt Instruments."

Other characterizations and treatments of Notes described in this section are possible. Prospective investors in the Notes described in this section should consult their tax advisors as to the tax consequences to them of purchasing Notes described in this section, including any alternative characterizations and treatments.

Certain Notes Treated as Cash-Settled Options. We may treat certain Notes as cash-settled options for U.S. federal income tax purposes. The applicable Pricing Supplement will indicate whether we intend to treat a Note as a cash-settled option for U.S. federal income tax purposes. This section describes the principal U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of a Note that we intend to treat as a cash-settled option.

Upon a sale, exchange, exercise or expiration of a Note, a U.S. holder should be required to recognize taxable gain or loss in an amount equal to the difference between the amount realized upon such sale, exchange, exercise or expiration and the U.S. holder's tax basis in the Note. A U.S. holder's tax basis in a Note generally will equal such U.S. holder's initial investment in the Note. Such gain or loss would generally be treated as long-term capital gain or loss if the Note was held by the U.S. holder for more than one year at the time of such sale, exchange, exercise or expiration. The deductibility of capital loss is subject to certain exceptions.

If the Notes are characterized as cash-settled options for U.S. federal income tax purposes, then Section 1256 of the Code could apply to the Notes. Section 1256 of the Code requires that certain financial contracts, including "non-equity" options, be "marked-to-market" on the last business day of a U.S. holder's taxable year. In addition to certain other requirements, for purposes of Section 1256 of the Code, an option will only be treated as a "non-equity" option if the option is traded on (or subject to the rules of) a qualified board or exchange. Although there is no authority directly addressing the U.S. federal income taxation of instruments with terms identical to the Notes, assuming that the Notes will not be listed on any securities exchange and that it is not expected that a trading market for the Notes will develop, the

Notes should not be treated as "non-equity" options for purposes of Section 1256 of the Code, and as a result Section 1256 of the Code should not apply to the Notes. Accordingly, a U.S. holder of a Note should not be required to mark a Note to market and should be required to recognize taxable gain or loss with respect to a Note only upon the sale, exchange, exercise or expiration of the Note.

If, however, the Notes are not characterized as cash-settled options for U.S. federal income tax purposes, then the U.S. federal income tax treatment of the purchase, ownership and disposition of the Notes could differ from the treatment discussed above, with the result that the timing and character of income, gain or loss recognized by a U.S. holder with respect to a Note could differ from the timing and character of income, gain or loss recognized with respect to a Note had the Notes been treated as cash-settled options for U.S. federal income tax purposes. In light of the uncertainty concerning the proper U.S. federal income tax characterization of the Notes, prospective investors are urged to consult their own tax advisors as to the proper characterization and treatment of the Notes for U.S. federal income tax purposes.

Certain Notes Treated as Forward Contracts or Other Executory Contracts. We may treat certain Notes as a forward contract or other executory contract for U.S. federal income tax purposes. The applicable Pricing Supplement will indicate whether we intend to treat a Note as a forward contract or other executory contract for U.S. federal income tax purposes. This section describes the principal U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of a Note that we intend to treat as a forward contract or other executory contract.

There are no Treasury regulations, published rulings or judicial decisions addressing the treatment for U.S. federal income tax purposes of Notes with terms that are substantially the same as those described in this section. Accordingly, the proper U.S. federal income tax treatment of the Notes described in this section is uncertain. Under one approach, the Notes would be treated as forward contracts or other executory contracts with respect to the Reference Index or Reference Indices. We intend to treat each Note described in this section consistent with this approach, and pursuant to the terms of the Notes, each holder agrees to such treatment for all U.S. federal income tax purposes. Except for the possible alternative treatments described below, the balance of this summary assumes that the Notes described in this section are so treated.

Unless otherwise indicated in the applicable Pricing Supplement, if a Note that is treated as a forward contract or other executory contract provides for current interest payments, we intend to treat that interest as ordinary income at the time it accrues or is received in accordance with the U.S. holder's regular method of accounting for tax purposes.

A U.S. holder's tax basis in a Note described in this section generally will equal the U.S. holder's cost for the Note. Upon receipt of cash upon maturity or redemption and upon the sale, exchange, retirement or other disposition of the Note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized at maturity or on the redemption, sale, exchange, retirement or other disposition and the U.S. holder's tax basis in the Note. Any such gain or loss upon the maturity, redemption, sale, exchange, retirement or other disposition of the Note generally will constitute capital gain or loss, which will be long-term capital gain or loss if the Note was held for more than one year. Long-term capital gain of non-corporate taxpayers may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Although we intend to treat each Note described in this section as a forward contract or other executory contract as described above, there are no Treasury regulations, published rulings or judicial decisions addressing the characterization of securities with terms that are substantially the same as those of the Notes described in this section, and therefore the Notes could be subject to some other characterization or treatment for U.S. federal income tax purposes. For example, the Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this case, in general, U.S. holders should be treated as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Contingent Payment Debt Instruments."

In addition, certain proposed Treasury regulations require the accrual of income on a current basis for contingent payments made under certain "notional principal contracts." The preamble to the proposed Treasury regulations states that the "wait and see" method of accounting does not properly reflect the economic accrual of income on those contracts, and requires current accrual of income for some contracts already in existence. While the proposed Treasury regulations do not apply to forward contracts, the preamble to the proposed Treasury regulations indicates that similar timing issues exist in the case of pre-paid forward contracts. If the IRS or the U.S. Treasury Department publishes future guidance requiring current economic accrual for contingent payments on pre-paid forward contracts, it is possible that a U.S. holder could be required to accrue income over the term of the Notes described in this section.

In addition, it is possible that the Notes could be treated as representing an ownership interest in the Reference Index or Reference Indices for U.S. federal income tax purposes, in which case a U.S. holder's U.S. federal income tax treatment could be different than described above.

Other alternative U.S. federal income tax characterizations or treatments of the Notes described in this section are possible, and if applied could also affect the timing and the character of the income or loss with respect to the Notes.

We will not attempt to ascertain whether any of the entities whose stock is included in a Reference Index would be treated as a PFIC or USRPHC, both as defined for U.S. federal income tax purposes. If one or more of the entities whose stock is included in a Reference Index were so treated, certain adverse U.S. federal income tax consequences might apply. You should refer to information filed with the SEC and other authorities by the entities whose stock is included in a Reference Index, and consult your tax advisor regarding the possible consequences to you if one or more of the entities whose stock is included in a Reference Index is or becomes a PFIC or a USRPHC.

Prospective investors in the Notes described in this section should consult their tax advisors as to the tax consequences to them of purchasing the Notes, including any alternative characterizations and treatments.

Tax Return Disclosure Regulations

Pursuant to Treasury regulations (the "**Disclosure Regulations**"), any taxpayer that has participated in a "reportable transaction" and that is required to file a U.S. federal income tax return must generally attach a disclosure statement disclosing such taxpayer's participation in the reportable transaction to the taxpayer's tax return for each taxable year for which the taxpayer participates in the reportable transaction. A penalty in the amount of $10,000 in the case of a natural person and $50,000 in any other case is imposed on any taxpayer that fails to file a reportable transaction disclosure statement. The Disclosure Regulations provide that, in addition to certain other transactions, a "loss transaction" constitutes a "reportable transaction." A "loss transaction" is any transaction resulting in the taxpayer claiming a loss under Section 165 of the Code in an amount equal to or in excess of certain threshold amounts. The Disclosure Regulations specifically provide that a loss resulting from a "Section 988 transaction" (as defined in Section 988(c)(l) of the Code relating to foreign currency transactions) will constitute a Section 165 loss. In the case of individuals or trusts, whether or not the loss flows through from an S corporation or partnership, if the loss arises with respect to a Section 988 transaction, the applicable threshold amount is $50,000 in any single taxable year. Higher threshold amounts apply depending upon the taxpayer's status as a corporation, partnership, or S corporation, as well as certain other factors. It is important to note, however, that the Disclosure Regulations provide that the fact that a transaction is a reportable transaction shall not affect the legal determination of whether the taxpayer's treatment of the transaction is proper. Holders should consult their own tax advisors concerning the potential application of the Disclosure Regulations to the Notes.

Tax Treatment of Non-U.S. Holders

The following discussion assumes that a particular Note will be treated for U.S. federal income tax purposes consistently with the intended treatment of the Note, as described in "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes", "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes—Certain Notes Treated as a Put Option and a Deposit", "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes—Certain Notes Treated as a Cash-Settled Options" or "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes—Certain Notes Treated as Forward Contracts or Other Executory Contracts." If this assumption proves incorrect, the U.S. federal income tax consequences to the non-U.S. holder with respect to such Note could differ materially from the discussion set forth in this section.

Except as provided below, payments on the Notes to non-U.S. holders will not be subject to U.S. federal withholding tax if the following conditions are satisfied:

- the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

- the non-U.S. holder is not a controlled foreign corporation for U.S. federal income tax purposes that is related to us through actual or constructive ownership;

- the non-U.S. holder is not a bank receiving interest on a loan made in the ordinary course of its trade or business;

- interest payable on the Notes is either (a) not determined by reference to any receipts, sales or other cash flow, income or profits, change in the value of any property of, or any dividend or similar payment made by us or a person related to us, within the meaning of Section 871(h)(4)(A) of the Code or (b) determined by reference to changes in the value of actively traded property or an index of the value of actively traded property, within the meaning of Section 871(h)(4)(C)(v) of the Code; and

- the payments are not effectively connected with a trade or business conducted by the non-U.S. holder in the United States and either (a) the non-U.S. holder provides a correct, complete and executed IRS Form W-8BEN or Form W-8IMY (or successor form) with appropriate attachments, or (b) the non-U.S. holder holds its Note through a qualified intermediary (generally a foreign financial institution or clearing organization or a non-U.S. branch or office of a U.S. financial institution or clearing organization that is a party to a withholding agreement with the IRS) which has provided an IRS Form W-8IMY and has received documentation upon which it can rely to treat the payment as made to a foreign person.

If any of these conditions are not satisfied, interest (including original issue discount) on the Notes may be subject to a 30% withholding tax, unless an income tax treaty reduces or eliminates the tax or the interest is effectively connected with the conduct of a U.S. trade or business and, in either case, certain certification requirements are met. If such non-U.S. holder is a foreign corporation, it may be subject to an additional branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Notwithstanding the foregoing, we will generally withhold tax at a 30% rate on interest payments paid on Notes that we intend to treat as either (1) forward contract or other executory contract, or (2) consisting of a Put Option and a Deposit, unless such rate is reduced or eliminated by an "other income" or similar provision of an applicable income tax treaty, provided the relevant certification requirements are satisfied. Any interest payments that are effectively connected with a non-U.S. holder's conduct of a trade or business within the United States, are not subject to the withholding tax, provided the relevant certification requirements are satisfied, but instead are subject to U.S. federal income tax, as described below. If such non-U.S. holder is a foreign corporation, it may be subject to an additional branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

In general, gain realized on the sale, exchange, retirement, redemption or other disposition of the Notes by a non-U.S. holder will not be subject to U.S. federal income tax, unless:

- the gain with respect to the Notes is effectively connected with a trade or business conducted by the non-U.S. holder in the United States, or

- the non-U.S. holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

If the gain realized on the sale, exchange, retirement, redemption or other disposition of the Notes by the non-U.S. holder is described in either of the two preceding bullet points, the non-U.S. holder may be subject to U.S. federal income tax with respect to the gain except to the extent that an income tax treaty reduces or eliminates the tax and the appropriate documentation is provided.

Notice 2008-2

In Notice 2008-2, the IRS and the Treasury Department requested comments as to whether the purchaser of an exchange traded note or pre-paid forward contract (which may include a Note that we intend (and you agree) to treat as a forward contract or other executory contract, or as consisting of a Put Option and a Deposit, for U.S. federal income tax purposes) should be required to accrue income during its term under a mark-to-market, accrual or other methodology, whether income and gain on such a Note or contract should be ordinary or capital, and whether foreign holders should be subject to withholding tax on any deemed income accrual. Accordingly, it is possible that Treasury regulations or other guidance could provide that a U.S. holder of such a Note is required to accrue income in respect of the Note prior to the receipt of payments under the Note or its earlier sale. Moreover, it is possible that any such Treasury regulations or other guidance could treat all income and gain of a U.S. holder in respect of a Note as ordinary income (including gain on a sale), or that the Notes should be subject to the special constructive ownership rules of Section 1260 of the Code. Finally, it is possible that a non-U.S. holder of the Note could be subject to U.S. withholding tax in respect of a Note. It is unclear whether any Treasury regulations or other guidance would apply to the Notes (possibly on a retroactive basis). Prospective investors are urged to consult with their tax advisors regarding Notice 2008-2 and the possible effect to them of the issuance of Treasury regulations or other guidance that affects the U.S. federal income tax treatment of the Notes.

Information Reporting and Backup Withholding

Distributions made on the Notes and proceeds from the sale of Notes to or through certain brokers may be subject to a backup withholding tax on "reportable payments" unless, in general, the holder complies with certain procedures or is an exempt recipient. Any amounts so withheld from distributions on the Notes generally will be refunded by the IRS or allowed as a credit against the holder's U.S. federal income tax, provided the holder makes a timely filing of an appropriate tax return or refund claim.

Reports will be made to the IRS and to holders that are not excepted from the reporting requirements.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN OF THE TAX IMPLICATIONS OF AN INVESTMENT IN NOTES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS PRIOR TO INVESTING TO DETERMINE THE TAX IMPLICATIONS OF SUCH INVESTMENT IN LIGHT OF EACH SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

ANNEX A

Descriptions of the Reference Indices

Table of Contents

Description of the EURO STOXX 50® Index

All information herein on the EURO STOXX 50® Index (the "EURO STOXX 50 Index") reflects the policies of, and is subject to change by, STOXX Limited ("STOXX"), a company owned by Deutsche Börse AG and SIX Group AG. The EURO STOXX 50 Index is calculated, maintained and published by STOXX.

The EURO STOXX 50 Index is reported by Bloomberg under the ticker symbol "SX5E <Index>". It is also published in The Wall Street Journal and disseminated on the STOXX website, www.stoxx.com.

Composition and Maintenance of the EURO STOXX 50 Index

The EURO STOXX 50 Index is composed of 50 European companies from within the Eurozone portion of the STOXX 600 Supersector indices. The 50 stocks included in the EURO STOXX 50 Index trade in Euros, and are incorporated in, and have a primary listing (as determined by STOXX) on an exchange in, one of the following countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The STOXX 600 Supersector indices contain the 600 largest stocks traded on the major exchanges of 19 European countries and are organized into the following 19 Supersectors: automobiles & parts; banks; basic resources; chemicals; construction & materials; financial services; food & beverage; health care; industrial goods & services; insurance; media; oil & gas; personal & household goods; real estate; retail; technology; telecommunications; travel & leisure; and utilities.

Publication of the EURO STOXX 50 Index was introduced on February 26, 1998, with a base value of 1,000 as of December 31, 1991.

Deletion and Replacement of Component Stocks

The component stocks of the EURO STOXX 50 Index are monitored on an ongoing monthly and quarterly basis. Corporate actions (including initial public offerings, mergers and takeovers, spin–offs, delistings and bankruptcy) that affect the EURO STOXX 50 Index composition are immediately reviewed. Any changes are announced, implemented and made effective in line with the type of corporate action and the magnitude of the effect.

The component stocks of the EURO STOXX 50 Index are subject to a "fast exit" rule. A component stock is deleted if it ranks 75 or below on the monthly selection list and it has been ranked 75 or below for a consecutive period of two months in the monthly selection list. The highest-ranked non-component stock will replace the existing component stock. The EURO STOXX 50 Index is also subject to a "fast entry" rule. All stocks on the monthly selection lists and initial public offering ("**IPO**") stocks are reviewed for fast-track addition on a quarterly basis. A stock is added if it qualifies for the latest blue chip selection list generated at the end of February, May, August or November and if it ranks within the lower buffer on the selection list. If added, the stock replaces the smallest component stock.

A deleted stock is replaced immediately to maintain the fixed number of stocks. Usually, the replacement is based on the latest monthly selection list. In the case of a merger and acquisition where a component stock is involved, the original component stock is replaced by the new component stock. In the case of a spin-off, if the original stock was a component stock, then each spin-off stock qualifies for addition if it lies within the upper buffer on the selection list. The largest qualifying spin-off stock replaces the original component stock, while the next qualifying spin-off stock replaces the lowest ranked component stock, provided such next qualifying spin-off stock is larger, and likewise for other qualifying spin-off stocks.

Computation of the EURO STOXX 50 Index

The EURO STOXX 50 Index is weighted by free float market capitalization. Each component's weight is capped at 10.00% of the EURO STOXX 50 Index's total free float market capitalization. Free float weights are reviewed quarterly and the EURO STOXX 50 Index composition is reviewed annually in September.

Within each of the 19 EURO STOXX Supersector indices, the component stocks are ranked by free float market capitalization. The largest stocks are added to the selection list until the coverage is close to, but still less than, 60.00% of the free float market capitalization of the corresponding EURO STOXX Regional Total Market Index (“**TMI**”) Supersector Index. If the next-ranked stock brings the coverage closer to 60.00% in absolute terms, then it is also added to the selection list. Any remaining stocks that are current EURO STOXX 50 Index stocks are added to the selection list. The stocks on the selection list are then ranked by free float market capitalization to produce the final index selection list.

The 40 largest stocks on the selection list are chosen as components. The remaining 10 stocks are selected from the largest remaining current components of the EURO STOXX 50 Index ranked between 41 and 60. If the component number is still below 50, then the largest remaining stocks on the selection list are added until the EURO STOXX 50 Index contains 50 stocks.

In exceptional cases, the STOXX Limited Supervisory Board may make additions and deletions to the selection list.

The EURO STOXX 50 Index is calculated with the “Laspeyres formula,” which measures aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the EURO STOXX 50 Index can be expressed as follows:

$$\text{Index} = \frac{\text{free float market capitalization of the EURO STOXX 50® Index}}{\text{divisor}}$$

The free float market capitalization of the EURO STOXX 50 Index is equal to the sum of the products of the closing price, market capitalization and free float factor for each component stock as of the time the EURO STOXX 50 Index is being calculated.

The EURO STOXX 50 Index is also subject to a divisor, which is adjusted to maintain the continuity of EURO STOXX 50 Index values despite changes due to corporate actions. The following is a summary of the adjustments to any component stock made for corporate actions and the effect of such adjustment on the divisor, where shareholders of the component stock will receive “B” number of shares for every “A” share held (where applicable).

(1) *Cash dividend (applied to total return indices only):*
Adjusted price = closing price – announced dividend * (1 – withholding tax)
Divisor: decreases

(2) *Special cash dividend (applied to price and total return indices):*
Adjusted price = closing price – announced dividend * (1 – withholding tax)
Divisor: decreases

(3) *Split and reverse split:*
Adjusted price = closing price * A/B
New number of shares = old number of shares * B / A
Divisor: no change

(4) *Rights offering:*
Adjusted price = (closing price * A + subscription price * B) / (A + B)
New number of shares = old number of shares * (A + B) / A
Divisor: increases

(5) *Stock dividend:*
Adjusted price = closing price * A / (A + B)
New number of shares = old number of shares * (A + B) / A
Divisor: no change

(6) *Stock dividend (from treasury stock if treated as extraordinary dividend):*
Adjusted close = closing price – closing price * B / (A + B)
Divisor: decreases

(7) *Stock dividend of another company:*
Adjusted price = (closing price * A - price of other company * B) / A
Divisor: decreases

(8) *Return of capital and share consideration:*
Adjusted price = (closing price - dividend announced by company * (1-withholding tax)) * A / B
New number of shares = old number of shares * B / A
Divisor: decreases

(9) *Repurchase shares / self tender:*
Adjusted price = ((price before tender * old number of shares) - (tender price * number of tendered shares)) / (old number of shares – number of tendered shares)
New number of shares = old number of shares – number of tendered shares
Divisor: decreases

(10) *Spin-off:*
Adjusted price = (closing price * A - price of spun-off shares * B) / A
Divisor: decreases

(11) *Combination stock distribution (dividend or split) and rights offering:*
For this corporate action, the following additional assumptions apply:
• Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A shares held
• If A is not equal to one share, all the following "new number of shares" formulae need to be divided by A:
- *If rights are applicable after stock distribution (one action applicable to other):*
Adjusted price = (closing price * A + subscription price * C * (1 + B / A)) / ((A + B) * (1 + C / A))
New number of shares = old number of shares * ((A + B) * (1 + C / A)) / A
Divisor: increases
- *If stock distribution is applicable after rights (one action applicable to other):*
Adjusted price = (closing price * A + subscription price * C) / ((A + C) * (1 + B / A))
New number of shares = old number of shares * ((A + C) * (1 + B / A))
Divisor: increases
- *Stock distribution and rights (neither action is applicable to the other):*
Adjusted price = (closing price * A + subscription price * C) / (A + B + C)
New number of shares = old number of shares * (A + B +C) / A
Divisor: increases

Additional information on the EURO STOXX 50 Index is available on the following website: http://www.stoxx.com.

License Agreement

Société Générale has entered into a non-exclusive license agreement with STOXX whereby, in exchange for a fee, Société Générale and its affiliates are permitted to use the EURO STOXX 50 Index in connection with certain securities, including the Notes. We are not affiliated with STOXX; the only relationship between STOXX and us is any licensing of the use of STOXX's indices and trademarks relating to them.

The license agreement between STOXX and us provides that the following language must be set forth herein:

"STOXX and its licensors (the "**Licensors**") have no relationship to the Issuer, other than the licensing of the EURO STOXX 50® Index and the related trademarks for use in connection with the securities. STOXX and its Licensors do not:

- Sponsor, endorse, sell or promote the securities.
- Recommend that any person invest in the securities or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of securities.
- Have any responsibility or liability for the administration, management or marketing of the securities.
- Consider the needs of the securities or the owners of the securities in determining, composing or calculating the EURO STOXX 50® Index or have any obligation to do so. STOXX and its Licensors will not have any liability in connection with the securities. Specifically, STOXX and its Licensors do not make any warranty, express or implied and disclaim any and all warranty about:
    - The results to be obtained by the securities, the owner of the securities or any other person in connection with the use of the EURO STOXX 50® Index and the data included in the EURO STOXX 50® Index;
    - The accuracy or completeness of the EURO STOXX 50® Index and its data;
    - The merchantability and the fitness for a particular purpose or use of the EURO STOXX 50® Index and its data;
- STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the EURO STOXX 50® Index or its data;
- Under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur."

The licensing agreement between us and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or any other third parties.

Description of the FTSE™ 100 Index

All information herein on the FTSE™ 100 Index, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. We have not independently verified such information. Such information reflects the policies of, and is subject to change by, FTSE International Limited ("**FTSE**"). FTSE has no obligation to continue to publish, and may discontinue publication of, the FTSE™ 100 Index.

The FTSE™ 100 Index is reported by Bloomberg L.P. under the ticker symbol "UKX."

The FTSE™100 Index is calculated, published and disseminated by FTSE, a company owned equally by the London Stock Exchange (the "**LSE**") and the Financial Times. The FTSE™ 100 Index measures the composite price performance of stocks of the largest 100 companies (determined on the basis of market capitalization) traded on the LSE. Publication of the FTSE™ 100 Index began in January 1984.

The FTSE™ 100 Index is calculated by (i) multiplying the per share price of each stock included in the FTSE™ 100 Index by the number of outstanding shares, (ii) calculating the sum of all these products (such sum being hereinafter the "**FTSE Aggregate Market Value**") as of the starting date of the FTSE™ 100 Index, (iii) dividing the FTSE Aggregate Market Value by a divisor which represents the FTSE Aggregate Market Value on the base date of the FTSE™ 100 Index and which can be adjusted to allow changes in the issued share capital of individual underlying stocks including the deletion and addition of stocks, the substitution of stocks, stock dividends and stock splits to be made without distorting the FTSE™ 100 Index and (iv) multiplying the result by 1,000. Because of such capitalization weighting, movements in share prices of companies with relatively larger market capitalization will have a greater effect on the level of the entire FTSE™ 100 Index than will movements in share prices of companies with relatively smaller market capitalization.

Effective June 2012, FTSE began to use actual free float (rounded up to the next 1.00%) in the FTSE UK Index Series, which includes the FTSE™ 100 Index.

The 100 stocks included in the FTSE™ 100 Index (the "**FTSE Underlying Stocks**") were selected from a reference group of stocks trading on the LSE that were selected by excluding certain stocks that have low liquidity based on public float, accuracy and reliability of prices, size and number of trading days. The FTSE Underlying Stocks were selected from this reference group by selecting 100 stocks with the largest market value. A list of the issuers of the FTSE Underlying Stocks is available from FTSE.

The FTSE™ 100 Index is reviewed quarterly by the FTSE European/Middle East/Africa Regional Committee (the "**Index Steering Committee**") in order to maintain continuity in the level. The Index Steering Committee undertakes the reviews of the FTSE™ 100 Index and ensures that constituent changes and index calculations are made in accordance with the ground rules of the FTSE™ 100 Index. The meetings to review the constituents will be held on the Wednesday after the first Friday in March, June, September and December. Any constituent changes will be implemented on the next trading day following the expiry of the LIFFE futures and options contracts, which normally takes place on the third Friday of the same month.

Reasons for changes to constituent companies include:

- Removal and Replacement
- Mergers, Restructuring and Complex Takeovers
- New Issues
- Suspension of Dealing
- Relisting of Suspended Constituents

FTSE prepares information regarding possible companies to be included or excluded from the FTSE Index using the close of business figures from the Tuesday before a review. The review is then presented to the Index Steering Committee for approval.

The FTSE Underlying Stocks may be replaced, if necessary, in accordance with deletion/addition rules that provide generally for the removal and replacement of a stock from the FTSE™ 100 Index if such stock is delisted or its issuer is subject to a takeover offer that has been declared unconditional or it has ceased, in the opinion of the Index Steering Committee, to be a viable component of the FTSE™ 100

Index. To maintain continuity, a stock will be added at the quarterly review if it has risen to 90th place or above and a stock will be deleted if at the quarterly review it has fallen to 111th place or below, in each case ranked on the basis of market capitalization. A constant number of constituents will be maintained for the FTSE 100 Index. Where a greater number of companies qualify to be inserted in the index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

Additional information on the FTSE® 100 Index is available on the following website: http://www.ftse.com. The information on this website is not part of or incorporated by reference in this Pricing Supplement, the Product Supplement or the Offering Memorandum.

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Société Générale has entered into a non-exclusive license agreement with FTSE® whereby, in exchange for a fee, Société Générale and its affiliates are permitted to use the FTSE® 100 Index in connection with certain securities, including the Notes. We are not affiliated with FTSE®; the only relationship between FTSE® and us is any licensing of the use of FTSE's® indices and trademarks relating to them. Société Générale and its affiliates disclaim all responsibility for the calculation or other maintenance of or any adjustments to the FTSE™ 100 Index. In addition, none of the LSE, the Financial Times or the FTSE sponsors, endorses, authorizes, sells or promotes the securities, or has any obligation or liability in connection with the administration, marketing or trading of the Notes.

The license agreement between FTSE® and us provides that the following language must be set forth herein:

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Description of the Hang Seng® Index

All information herein on the Hang Seng® Index (the "**HSI**"), including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. We have not independently verified such information. Such information reflects the policies of, and is subject to change by, Hang Seng Indexes Company Limited ("**HSICL**"), a wholly owned subsidiary of Hang Seng Bank. The HSI is calculated, maintained and published by HSICL. HSICL has no obligation to continue to publish, and may discontinue publication of, the HSI.

The HSI is reported by Bloomberg L.P. under the ticker symbol "**HSI**."

The HSI was first calculated and published on November 24, 1969. The HSI is a free float adjusted market capitalization weighted stock market index and measures the performance of the largest and most liquid companies listed in Hong Kong. The constituent stocks are grouped under finance, utilities, properties and commerce and industry sub-indices. The HSI includes no more than 50 constituent stocks. The HSI is calculated and disseminated real-time at 15-second intervals during the trading hours of the Stock Exchange of Hong Kong Ltd. ("**SEHK**").

Index Composition

Defining the Eligible Companies

Only companies with a primary listing on the main board of the SEHK are eligible to be included in the HIS, excluding stocks that are secondary listings, preference shares, REITs, debt securities, mutual funds and other derivatives (note that companies which are classified by SEHK as foreign companies are currently not included, as an interim policy announced in June 2010 and extended after a study and survey undertaken in the 2nd half of 2010 (report released in January 2011)). Mainland China enterprises that have an H-share listing in Hong Kong are eligible for inclusion in the HSI if they meet any one of the following conditions: (1) the H-share company has 100% of its ordinary share capital in the form of H-shares that are listed on the SEHK; (2) the H-share company has completed the process of share reform, with the result that there is no unlisted share capital in the company; or (3) for new H-share initial public offerings, the company has no unlisted share capital. H-shares are shares of mainland China companies listed on SEHK.

In addition, to be eligible for selection in the HSI , a company: (1) must be among those that constitute the top 90.00% of the total market capitalization of all primary listed shares listed on the SEHK (market capitalization is expressed as an average of the past 12 months); (2) must be among those that constitute the top 90.00% of the total turnover of all primary listed shares on the SEHK (turnover is aggregated and individually assessed for eight quarterly sub-periods for the past 24 months); and (3) should normally have a listing history of 24 months on the SEHK. For newly listed large-cap stocks, the minimum listing history may be shorter than 24 months (and can be as short as 3 months) if certain market capitalization requirements are satisfied.

Selecting the Index Companies

From the eligible companies, final selections are based on the following: (1) the market capitalization and turnover rankings of the companies; (2) the representation of the sub-sectors within the HSI directly reflecting that of the market; and (3) the financial performance of the companies. The HSI is reviewed quarterly with data cut-off dates as of the end of March, June, September and December each year. The final selection will be decided by the advisory committee after the above criteria have been taken into consideration.

Before September 2006, HSI was managed with a fixed number of constituents (33). In September 2006, it was decided that in order to ensure that the HSI remains representative of the SEHK, the number of constituents would be permitted to gradually increase to a maximum of 50. There is no fixed schedule for reaching 50 constituents. Before reaching 50, the number of outgoing constituents will not exceed the number of incoming ones. After reaching 50, new additions and deletions of the HSI will be of equal number and the number of constituents will remain fixed.

Effective Date

Effective dates of constituent changes will be the next trading day after the first Friday of March, June, September and December. If that Friday falls on a public holiday, it will be postponed to the next Friday, subject to the final decision made by HSICL. Under normal circumstances, at least seven trading days' notice will be given for any constituent changes before the effective dates.

Index Calculation

The calculation methodology of the HSI is a free float-adjusted market capitalization weighting methodology with a 15.00% cap on each constituent weighting. The HSI is a price index without adjustment for cash dividends or warrant bonuses.

The formula for the index calculation is shown below:

$$\text{Current Index} = \frac{\text{Current Aggregate Free Float-adjusted Market Capitalization of Constituents}}{\text{Yesterday's Aggregate Free Float-adjusted Market Capitalization of Constituents}} \times \text{Yesterday's Closing Index}$$

$$\frac{\sum (P_t \times IS \times FAF \times CF)}{\sum (P_{t-1} \times IS \times FAF \times CF)} \text{ x Yesterday's Closing Index}$$

where:

P_t : current price at day t;

P_{t-1} : closing price at day t-1;

IS number of issued shares (in the case of H-share constituents, only the H-share portion is taken into calculation);

FAF free float-adjusted factor, which is between 0 and 1; and

CF capping factor, which is between 0 and 1.

Free Float Adjustments

The free float-adjusted factor targets to remove "illiquid" shares from index calculation. These shares might be held for strategic long-term purpose and thus not readily available for trading in the market. Shares held by any entities (excluding custodians, trustees, mutual funds and investment companies) that control more than 5.00% of the shareholdings are considered as non-free float and are excluded from the index calculation. These include strategic holdings (holdings by governments and affiliated entities or any other entities that hold substantial shares in the company would be considered as non-free float unless otherwise proved), directors' and management holdings (holdings by directors, members of the board committee, principal officers or founding members), corporate cross holdings (holdings by publicly traded companies or private firms or institutions) and lock-up shares (shareholdings with a publicly disclosed lock-up arrangement). Lock-up shares with trading restrictions are classified as non-free float, regardless of the shareholding percentage.

The free float-adjusted factor represents the proportion of shares that is free floated as a percentage of the issued shares. The free float-adjusted factor is rounded up to the nearest 1.00% if it is less than 10.00%; otherwise, it is rounded to the nearest 5.00. For companies with more than one class of shares, the free float-adjusted factor is calculated separately for each class of shares.

Cap Factor

A cap factor ("**CF**") is calculated quarterly, such that no individual constituent in an Index will have a weighting exceeding a cap level of 15.00% on the index capping date.

Index Rebalancing

The update of the issued shares, adjustment of the free float-adjusted factor and calculation of the cap factor are undertaken quarterly. In addition, the issued shares will be updated simultaneously with the index adjustment for corporate actions, such as bonus issues, rights issues, stock splits and stock consolidations. Ad hoc rebalancing will be conducted if a constituent's issued shares and/or free float-adjusted factor is substantially different from the production data. The HSI will also be recapped in the event of constituent changes if the newly added component weighs higher than the index cap level.

The Stock Exchange of Hong Kong Ltd.

Trading on the SEHK is fully electronic through an Automatic Order Matching and Execution System ("**AMS**"). The system is an electronic order book in which orders are matched and executed instantaneously if there are matching orders in the book, and on the basis of time/price priority. Trading takes place through trading terminals on the trading floor or through the off-floor trading devices at Exchange Participants' offices. Continuous trading is undertaken from 9:30 a.m. to 4:00 p.m. (Hong Kong time) every Hong Kong day except Saturdays, Sundays and other days on which the SEHK is closed. In addition, there is a pre-opening (auction) session from 9.00 a.m. to 9.30 a.m.

The SEHK has adopted certain measures intended to prevent any extreme short-term price fluctuations resulting from order imbalances or market volatility. Where the SEHK considers it necessary for the protection of the investor or the maintenance of an orderly market, it may at any time suspend dealings in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the listed issuer or not. The SEHK may also do so where: (1) an issuer fails, in a manner which the SEHK considers material, to comply with the SEHK Listing Rules or its Listing Agreements; (2) the SEHK considers there are insufficient securities in the hands of the public; (3) the SEHK considers that the listed issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the issuer's securities; or (4) the SEHK considers that the issuer or its business is no longer suitable for listing. Investors should also be aware that the SEHK may suspend the trading of individual stocks in certain limited and extraordinary circumstances, until certain price-sensitive information has been disclosed to the public. Trading will not be resumed until a formal announcement has been made. Trading of a company's shares may also be suspended if there is unusual trading activity in such shares.

License Agreement with HSICL

We have entered into a non-exclusive license agreement HSICL whereby we, in exchange for a fee, are permitted to use the HSCI Index in connection with certain securities, including Notes. We are not affiliated with HSICL. The only relationship between HSICL and us is the licensing of the use of its indices and trademarks relating to those indices.

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Description of the Hang Seng China Enterprises Index

All information herein on the Hang Seng China Enterprises Index (the "**HSCE Index**"), including, without limitation, its make-up, method of calculation and changes in its component securities, is derived from publicly available information. We have not participated in the preparation of, or verified, such publicly available information. Such information reflects the policies of, and is subject to change by, HSI Company Limited ("**HSICL**"), a wholly owned subsidiary of Hang Seng Bank. The HSCE Index are calculated, maintained and published by HSICL. HSICL has no obligation to continue to publish, and may discontinue publication of, the HSCE Index.

The HSCE Index is reported by Bloomberg L.P. under the ticker symbol "HSCEI."

Composition of the HSCE Index

The HSCE Index was first calculated and published on August 8, 1994, one year after the first H-share company was listed on The Stock Exchange of Hong Kong Ltd. ("**SEHK**"). H-shares are Hong Kong listed shares, traded in Hong Kong dollars, of a company incorporated in the Chinese mainland. The HSCE Index is a free float adjusted market capitalization weighted stock market index and measures the performance of certain H-share companies that have their primary listing on the main board of the SEHK. The HSCE Index is comprised of the 40 stocks. The HSCE Index is calculated and disseminated real-time every 15 seconds during the trading hours on each trading day of SEHK, based on the calendar of the SEHK.

Standards for Listing and Maintenance

Defining the Eligible Stocks

Only H-share companies with a primary listing on the main board of SEKH are eligible to be included in the HSCE Index. In addition, to be eligible for selection in the HSCE Index, a stock: (1) should be listed for at least one month by the review cut-off date; and (2) must satisfy the turnover screening requirements. Stocks that are already included in the HSCE Index must have a turnover velocity of at least 0.10% for at least 10 out of the past 12 months. To be added to the HSCE Index, a stock must have a turnover velocity of at least 0.10% for at least 10 out of the past 12 months and for each of the most recent three months. Turnover velocity is calculated by dividing the median of the daily trades shares during a specific calendar month by the free float-adjusted issued shares at the end of that month.

Selecting the Index Companies

The HSCE Index is reviewed quarterly with data cut-off dates as of the end of March, June, September and December each year. From the eligible stocks, final selections are made using the following methodology:

(1) all eligible stocks are ranked by (i) full market capitalization, in terms of average month-end market capitalization in the past 12 months and (ii) free float-adjusted market capitalization, in terms of 12-month average market capitalization after free float adjustment. The average of the past month-end market capitalization will be used for stocks with a listing history of less than 12 months;

(2) the combined market capitalization ranking for each eligible stock is determined as the weighted average of the full market capitalization ranking and the free float-adjusted market capitalization ranking, where each rank has a 50.00% weight; and

(3) the 40 stocks that have the highest combined market capitalization ranking are selected as the constituents of HSCE Index, subject to the buffer zone rule as described below.

Buffer Zone and Effective Date

Existing constituents ranked 49th or lower will be removed from the HSCE Index while non-constituent stocks ranked 32nd or above will be included. In case the number of incoming stocks is greater than the number of outgoing constituents, constituents with the lowest combined market capitalization rank will be removed from the HSCE Index in order to maintain the number of constituents at 40. If the number of incoming stocks is smaller than the number of outgoing constituents, stocks with the highest combined market capitalization rank will be added to the HSCE Index in order to maintain the number of constituents at 40.

Effective dates of constituent changes will be the next trading day after the first Friday of March, June, September and December. If that Friday falls on a public holiday, it will be postponed to the next Friday, subject to the final decision made by HSI. Under normal circumstances, at least seven trading days' notice will be given for any constituent changes before the effective dates.

Index Calculation

The calculation methodology of the HSCE Index is a free float-adjusted market capitalization weighting methodology with a 10.00% cap on individual stocks. The HSCE Index is a price index without adjustment for cash dividends or warrant bonuses.

The formula for the index calculation is shown below:

$$\text{Current Index} = \frac{\text{Current Aggregate Free Float-adjusted Market Capitalization of Constituents}}{\text{Yesterday's Aggregate Free Float-adjusted Market Capitalization of Constituents}} \times \text{Yesterday's Closing Index}$$

$$\text{Current Index} = \frac{\sum(P_t \text{ x } IS \text{ x } FAF \text{ x } CF)}{\sum(P_{t-1} \text{ x } IS \text{ x } FAF \text{ x } CF)} \times \text{Yesterday's Closing Index}$$

where:

P_t	:	current price at day t;
P_{t-1}	:	closing price at day t-1;
IS	:	number of issued shares (in the case of H-share constituents, only the H-share portion is taken into calculation);
FAF	:	free float-adjusted factor, which is between 0 and 1; and
CF	:	capping factor, which is between 0 and 1.

Free Float Adjustments

The free float-adjusted factor targets to remove "illiquid" shares from index calculation. These shares might be held for strategic long-term purpose and thus not readily available for trading in the market. Shares held by any entities (excluding custodians, trustees, mutual funds and investment companies) that control more than 5.00% of the shareholdings are considered as non-free float and are excluded from the index calculation. These include strategic holdings (holdings by governments and affiliated entities or any other entities that hold substantial shares in the company would be considered as non-free float unless otherwise proved), directors' and management holdings (holdings by directors, members of the board committee, principal officers or founding members), corporate cross holdings (holdings by publicly traded companies or private firms or institutions) and lock-up shares (shareholdings with a publicly disclosed lock-up arrangement). Lock-up shares with trading restrictions are classified as non-free float, regardless of the shareholding percentage.

The free float-adjusted factor represents the proportion of shares that is free floated as a percentage of the issued shares. The free float-adjusted factor is rounded up to the nearest 1.00% if it is less than 10.00%; otherwise, it is rounded to the nearest 5. For companies with more than one class of shares, the free float-adjusted factor is calculated separately for each class of shares.

Cap Factor

A cap factor ("**CF**") is calculated quarterly, such that no individual constituent in an Index will have a weighting exceeding a cap level of 10.00% on the index capping date.

Index Rebalancing

The update of the issued shares, adjustment of the free float-adjusted factor and calculation of the cap factor are undertaken quarterly. In addition, the issued shares will be updated simultaneously with the index adjustment for corporate actions, such as bonus issues, rights issues, stock splits and stock consolidations. Ad hoc rebalancing will be conducted if a constituent's issued shares and/or free float-adjusted factor is substantially different from the production data. The HSCE Index will also be recapped in the event of constituent changes if the newly added component weighs higher than the index cap level.

Additional information on the China Enterprises Index is available on the following website: http://www.hsi.com.hk/. The information on this website is not part of or incorporated by reference in this Pricing Supplement, the Product Supplement or the Offering Memorandum.

The Stock Exchange of Hong Kong Ltd.

Trading on the SEHK is fully electronic through an Automatic Order Matching and Execution System ("**AMS**"). The system is an electronic order book in which orders are matched and executed instantaneously if there are matching orders in the book, and on the basis of time/price priority. Trading takes place through trading terminals on the trading floor or through the off-floor trading devices at Exchange Participants' offices. Continuous trading is undertaken from 9:30 a.m. to 4:00 p.m. (Hong Kong time) every Hong Kong day except Saturdays, Sundays and other days on which the SEHK is closed. In addition, there is a pre-opening (auction) session from 9.00 a.m. to 9.30 a.m.

The SEHK has adopted certain measures intended to prevent any extreme short-term price fluctuations resulting from order imbalances or market volatility. Where the SEHK considers it necessary for the protection of the investor or the maintenance of an orderly market, it may at any time suspend dealings in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the listed issuer or not. The SEHK may also do so where: (1) an issuer fails, in a manner which the SEHK considers material, to comply with the SEHK Listing Rules or its Listing Agreements; (2) the SEHK considers there are insufficient securities in the hands of the public; (3) the SEHK considers that the listed issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the issuer's securities; or (4) the SEHK considers that the issuer or its business is no longer suitable for listing. Investors should also be aware that the SEHK may suspend the trading of individual stocks in certain limited and extraordinary circumstances, until certain price-sensitive information has been disclosed to the public. Trading will not be resumed until a formal announcement has been made. Trading of a company's shares may also be suspended if there is unusual trading activity in such shares.

License Agreement with HSICL

We have entered into a non-exclusive license agreement HSICL whereby we, in exchange for a fee, are permitted to use the HSCE Index in connection with certain securities, including Notes. We are not affiliated with HSICL. The only relationship between HSICL and us is the licensing of the use of its indices and trademarks relating to those indices.

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Description of the Korea Stock Price Index 200 (KOSPI 200)

All information herein on the Korea Stock Price Index 200 (the "**KOSPI 200**"), including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. We have not independently verified such information. Such information reflects the policies of, and is subject to change by, Korea Exchange ("**KRX**"), the publisher of the KOSPI 200. The KOSPI 200 is calculated, maintained and published by KRX. KRX has no obligation to continue to publish, and may discontinue publication of, the KOSPI 200.

The KOSPI 200 is reported by Bloomberg L.P. under the ticker symbol "KOSPI2."

The KOSPI 200 is a market capitalization-weighted index of 200 Korean blue-chip stocks that make up a large majority of the total market value of the Korea Stock Exchange ("**KSE**"). The KOSPI 200 is the underlying index for stock index futures and options trading. The constituent stocks are selected on a basis of the market value of the individual stocks, liquidity and their relative positions in their respective industry groups.

Selection Criteria

All common stocks listed on the KSE as of the periodic realignment date will be included in the selection process, except for the stocks which fall into one of the following categories:

- stocks with administrative issues;
- stocks with liquidation issues;
- stocks issued by securities investment companies;
- stocks that have been listed less than one year as of the last trading in April of the year in which the periodic review and selection process occurs;
- stocks belonging to the industry groups other than those industry groups listed below;
- a constituent stock merged into a non-constituent stock;
- a company established as a result of a merger between two constituent stocks; and
- any other stocks that are deemed unsuitable to be included in the constituents of the KOSPI 200.

The companies listed on the KOSPI 200 are classified into the following industry groups: (i) fisheries, (ii) mining, (iii) manufacturing, (iv) electricity and gas, (v) construction, (vi) services, (vii) post and communication and (viii) finance. The constituents of the KOSPI 200 are selected first from the non-manufacturing industry cluster, and then from the manufacturing industry cluster.

The constituents from the non-manufacturing industry cluster are selected in accordance with the following:

- Selection is made in descending order of market capitalization, from large to small, in the same industry group, until the accumulated market capitalization of the selected stocks reaches 70.00% of the total market capitalization of the concerned industry sector. After making selection from the non-manufacturing sectors, the remaining constituents are selected from the manufacturing industry sectors.
- Notwithstanding the above, the stocks whose ranking of trading volume in descending order is below 85.00% of the stocks included in deliberation within the same industry group are excluded. In such case, the excluded stock is replaced by a stock that is next in ranking in market capitalization, but satisfies the trading volume criteria.

The constituents from the manufacturing industry cluster are selected in descending order of market capitalization, while excluding stocks whose ranking of trading volume in descending order is below

85.00% of the stocks included in the process within the same industry group. The excluded stock is replaced by a stock that is next in ranking in market capitalization, but satisfies the trading volume criteria.

Notwithstanding anything above, if a stock whose market capitalization is within the top 50 in terms of market capitalization, such stock may be included in the constituents of the KOSPI 200, by taking into consideration the influence that the industry group has on the KOSPI 200, as well as the liquidity of the concerned stock. Stocks to be placed on the replacement list are selected from the stocks included for deliberation, excluding those already selected as constituents of the KOSPI 200.

Calculation of the KOSPI 200

The KOSPI 200 is computed by multiplying (i) the quotient of (a) the market capitalization as of the calculation time divided by (b) the market capitalization as of the base date, by (ii) 100. The base date of the KOSPI 200 is January 3, 1990 with a base index of 100. Market capitalization is obtained by multiplying the number of listed common shares of the constituents by the price of the concerned common share.

If the number of listed shares increases due to rights offering, bonus offering and stock dividend, which accompany ex-right or ex-dividend, such increase is included in the number of listed shares on the ex-right date or ex-dividend date.

Share prices refer to the market price established during the regular trading session. If no trading took place on such day, quotation price is used and if no quotation price is available, the closing price of the most recent trading day is used.

Stock Revision

The constituents of the KOSPI 200 are realigned once a year while observing each of the following:

- An existing constituent will not be removed if the ranking of the market capitalization of such stock is within 100/110 of the ranking of the KOSPI 200 constituents of the same industry group;

- In order to be included in the constituents of the KOSPI 200, the ranking of the market capitalization of a stock must be within 90/100 of the ranking of the KOSPI 200 constituents of the same industry group;

- If the ranking of the market capitalization of an existing constituent falls below 100/110 of the ranking of the KOSPI 200 constituents of the same industry group, but there is no stock satisfying the requirement specified in the preceding clause, the existing constituent will not be removed; and

- When removing the existing constituents, a constituent whose ranking of market capitalization within the same industry group is the lowest will be removed first.

The periodic realignment date is the trading day following the day, which is the last trading day of June contracts of both the index futures and index options. In the event where a constituent of the KOSPI 200 falls under any of the following cases, such constituent shall be removed from the constituents and the removal date is as follows:

- Delisting: the trading day following the delisting date;

- Designation as administrative issue: the designation date;

- Merger: the day of trading halt; and

- It is determined that the stock is unsuitable as a constituent of the KOSPI 200: the trading day following the day of such determination, which is the last trading day of the nearest month contracts of both the index futures and index options, after the date of such decision.

When realigning the constituents of the KOSPI 200, the replacement stocks are chosen from the replacement list in accordance with the rank order. In the case of an industry group that has no stock listed on the replacement list, a replacement stock is chosen from the replacement list of manufacturing industry cluster.

The Korea Stock Exchange

The KSE's predecessor, the Daehan Stock Exchange, was established in 1956. The KSE is a typical order-driven market, where buy and sell orders compete for best prices. The KSE seeks to maintain a fair and orderly market for trading and regulates and supervises its member firms.

Throughout the trading hours, orders are matched at a price satisfactory to both buy and sell sides, according to price and time priorities. The opening and closing prices, however, are determined by call auctions: at the market opening and closing, orders received for a certain period of time are pooled and matched at the price at which the most number of shares can be executed. The KSE uses electronic trading procedures, from order placement to trade confirmation. The KSE is open from 9:00 a.m. to 3:00 p.m., Korean time, during weekdays. Investors can submit their orders from 8:00 a.m., one hour before the market opening. Orders delivered to the market during the period from 8:00 a.m. to 9:00 a.m. are queued in the order book and matched by call auction method at 9:00 a.m. to determine opening prices. After opening prices are determined, the trades are conducted by continuous auctions until 2:50 p.m. (10 minutes before the market closing). Besides the regular session, the KSE conducts pre-hours and after-hours sessions for block trading and basket trading. During pre-hours sessions from 7:30 to 8:30 a.m., orders are matched at the previous day's respective closing prices. After-hours sessions are open for 50 minutes from 3:10 p.m. to 4:00 p.m. During after-hours sessions, orders are matched at the closing prices of the day.

On January 26, 2004, the KSE introduced the random-end system at the opening and closing call auctions. The stated purpose of the random-end system is to prevent any distortion in the price discovery function of the KSE caused by "fake" orders placed with an intention of misleading other investors. In cases where the highest or lowest indicative price of a stock set during the last 5 minutes before the closing time of the opening (or closing) call session, 8:55-9:00 a.m. (or 2:55-3:00 p.m.), deviates from the provisional opening (or closing) price by 5.00% or more, the KSE delays the determination of the opening (or closing) price of the stock up to five minutes. The official opening (or closing) price of such stock is determined at a randomly chosen time within five minutes after the regular opening (or closing) time. The KSE makes public the indicative prices during the opening (or closing) call trading sessions. Pooling together all bids and offers placed during the order receiving hours for the opening (or closing) session, 8:10-9:00 a.m. (or 2:50-3:00 p.m.), the indicative opening (or closing) prices of all stocks are released to the public on a real-time basis.

The KSE sets a limit on the range that the price of individual stocks can change during a day. As of June 2004, that limit was set at 15.00%, which meant that the price of each stock could neither fall nor rise by more than 15.00% from the previous day's closing price. In addition, when the price and/or trading activities of a stock are expected to show an abnormal movement in response to an unidentified rumor or news, or when an abnormal movement is observed in the market, the KSE may halt the trading of the stock. In such cases, the KSE requests the company concerned to make a disclosure regarding the matter. Once the company makes an official announcement regarding the matter, trading can resume within an hour; however, if the KSE deems that the situation was not fully resolved by the disclosure, trading resumption may be delayed.

The KSE introduced circuit breakers in December 1998. The trading in the equity markets is halted for 20 minutes when the KOSPI 200 falls by 10.00% or more from the previous day's closing and the situation lasts for one minute or longer. The trading resumes by call auction where the orders submitted during the 10 minutes after the trading halt ended are matched at a single price.

License Agreement with the Korea Exchange

Société Générale or one of its affiliates has entered into a non-exclusive license agreement with KRX, whereby Société Générale or one of its affiliates and subsidiary companies, in exchange for a fee, will be permitted to use the KOSPI 200, which is owned and published by KRX, in connection with certain products, including the Notes.

The Notes are not sponsored, endorsed, sold or promoted by KRX, the successor of the Korea Stock Exchange who calculates the KOSPI 200 and owns the intellectual property rights over it. KRX makes no representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the KOSPI 200 to track general stock market performance. KRX's only relationship to Société Générale and its affiliates is the licensing of certain trademarks and trade names of KRX and of the KOSPI 200 which is determined, composed and calculated by KRX without regard to Société Générale, its affiliates or the Notes. KRX has no obligation to take the needs of Société Générale, its affiliates or the owners of the Notes into consideration in determining, composing or calculating the KOSPI 200. KRX is not responsible for and has not participated in the determination of the prices and amount of the Notes or the timing of the issuance or sale of the Notes or in the determination or calculation of the equation by which the Notes is to be converted into cash. KRX has no obligation or liability in connection with the administration, marketing or trading of the Notes.

KRX DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE KOSPI 200 OR ANY DATA INCLUDED THEREIN AND KRX SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. KRX MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY SOCIÉTÉ GÉNÉRALE, ITS AFFILIATES, OWNERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE KOSPI 200 OR ANY DATA INCLUDED THEREIN. KRX MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE KOSPI 200 OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL KRX HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Description of the MSCI Indices

All information herein on the MSCI Brazil Index, the MSCI EAFE® Index, the MSCI Emerging Markets Index, the MSCI Europe Index, the MSCI Pacific Ex-Japan Index, the MSCI Singapore Index, the MSCI Taiwan Index, and the MSCI World Index℠ (each, an "**MSCI Index**" and together, the "**MSCI Indices**"), including, without limitation, the make-up, method of calculation and changes in the MSCI Indices' components, is derived from publicly available information. We have not participated in the preparation of, or verified, such publicly available information. Such information reflects the policies of, and is subject to change by, MSCI Inc. ("**MSCI**"). The MSCI Indices are calculated, maintained and published by MSCI. MSCI has no obligation to continue to publish, and may discontinue publication of, any of the MSCI Indices.

The MSCI Brazil Index

The MSCI Brazil Index is a free float-adjusted, capitalization-weighted index of securities traded primarily on the Bolsa de Valores de São Paolo. Component companies must meet objective criteria for inclusion in the MSCI Brazil Index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. The MSCI Brazil Index has a base date of December 31, 1987.

The MSCI Brazil Index is reported by Bloomberg L.P. under the ticker symbol "MXBR."

The MSCI EAFE® Index

The MSCI EAFE® (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index intended to measure the equity market performance across 22 out of 24 developed markets countries (excluding the US and Canada). The MSCI EAFE® Index is calculated daily in U.S. dollars and published in real time every 60 seconds during market trading hours. The MSCI EAFE® Index includes components from all countries in Europe, Australasia and the Far East that are designated by MSCI as Developed Markets ("**DMs**"). As of November 30, 2012, the MSCI EAFE® Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. Effective May 2010, Israel has been reclassified as a developed market and is included in the MSCI EAFE® Index. The MSCI EAFE® Index has a base date of December 31, 1969.

The MSCI EAFE® Index is reported by Bloomberg L.P. under the ticker symbol "MXEA."

The current index calculation methodology used to formulate the MSCI Indices including the MSCI EAFE® Index (the "**MSCI Global Investable Market Indices Methodology**") was implemented as of June 1, 2008.

The MSCI Emerging Markets Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to capture large- and mid-cap equity market performance across 21 global emerging markets countries. The MSCI Emerging Markets Index is calculated daily in U.S. dollars on a real time basis and disseminated every 60 seconds during market trading hours. As of November 30, 2012, the MSCI Emerging Markets Index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. Effective May 2010, Israel has been reclassified as a developed market and is no longer included in the MSCI Emerging Markets Index. The MSCI Korea Index and MSCI Taiwan Index are currently under review for a potential reclassification to developed markets as part of the 2012 annual market classification review.

The MSCI Emerging Markets Index is reported by Bloomberg L.P. under the ticker symbol "MXEF."

The MSCI Europe Index

The MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of November 30, 2012, the MSCI Europe Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The MSCI Europe Index has a base date of December 31, 1969.

The MSCI Europe Index is reported by Bloomberg Financial Markets under ticker symbol "MXEU."

The MSCI Pacific ex-Japan Index

The MSCI Pacific ex-Japan Index is a free float-adjusted market capitalization index that captures large and mid-cap representation across 4 of 5 developed market countries in the Pacific region, excluding Japan. As of November 30, 2012, it had 148 constituents and covered approximately 85.00% of the free float-adjusted market capitalization in each such country. The MSCI Pacific ex-Japan Index has a base date of December 31, 1969.

The MSCI Pacific ex-Japan Index is reported by Bloomberg L.P. under the ticker symbol "MSDUPXJ."

The MSCI Singapore Free Index

The MSCI Singapore Free Index is a free float-adjusted market capitalization index of securities listed on the Singapore Stock Exchange. The MSCI Singapore Free Index is calculated daily in the local currencies on a real time basis and disseminated every 15 seconds during market trading hours.

The MSCI Singapore Free Index is reported by Bloomberg L.P. under the ticker symbol "SIMSCI."

The MSCI Taiwan Index

The MSCI Taiwan Index is a free float-adjusted market capitalization index of securities listed on the Taiwan Stock Exchange. The MSCI Taiwan Index is calculated daily in the local currencies on a real time basis and disseminated every 15 seconds during market trading hours.

The MSCI Taiwan Index is reported by Bloomberg L.P. under the ticker symbol "TAMSCI."

The MSCI World Index℠

The MSCI World Index℠ is a free float-adjusted market capitalization index intended to measure the large- and mid-cap equity market performance across 24 developed market countries. The MSCI World Index℠ is calculated daily in U.S. dollars on a real time basis and disseminated every 15 seconds during market trading hours. As of November 30, 2012, the MSCI World Index℠ consisted of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. Effective May 2010, Israel has been reclassified as a developed market and has been included in the MSCI World Index℠.

The MSCI World Index℠ is reported by Bloomberg L.P. under the ticker symbol "MXWO."

Constructing the MSCI Indices

MSCI undertakes an index construction process, which involves: (i) defining the Equity Universe; (ii) determining the Market Investable Equity Universe for each market; (iii) determining market capitalization size segments for each market; (iv) applying Index Continuity Rules for the MSCI Standard Index; (v) creating style segments within each size segment within each market; and (vi) classifying securities under the Global Industry Classification Standard (the "**GICS®**").

Defining the Equity Universe

The Equity Universe is defined by:

- Identifying eligible equity securities: The Equity Universe initially looks at securities listed in any of the countries in the MSCI Global Index Series, which will be classified as either Developed Markets ("**DM**") or Emerging Markets ("**EM**"). All listed equity securities, or listed securities that exhibit characteristics of equity securities, are eligible for inclusion in the Equity Universe. Mutual funds, ETFs, equity derivatives, limited partnerships and most investment trusts are not eligible for inclusion in the Equity Universe. Real Estate Investment Trusts ("**REITs**") in some countries and certain income trusts in Canada are also eligible for inclusion.

- Classifying the eligible equity securities into the appropriate country: Each company and its securities (i.e., share classes) are classified in one and only one country, which allows for a distinctive sorting of each company by its respective country.

Determining the Market Investable Equity Universes

A Market Investable Equity Universe for a market is derived by applying investability screens to individual companies and securities in the Equity Universe that are classified in that market. A market is equivalent to a single country, except in DM Europe, where all DM countries in Europe are aggregated into a single market for index construction purposes. Subsequently, individual DM Europe country indices within the MSCI Europe Index are derived from the constituents of the MSCI Europe Index under the Global Investable Market Indices methodology.

The investability screens used to determine the Investable Equity Universe in each market are as follows:

- Equity Universe Minimum Size Requirement: This investability screen is applied at the company level. In order to be included in a Market Investable Equity Universe, a company must have the required minimum full market capitalization. The Equity Universe Minimum Size Requirement applies to companies in all markets, Developed and Emerging. A company will meet this requirement if its cumulative free float-adjusted market capitalization is within the top 99.00% of the sorted Equity Universe.

- Equity Universe Minimum Free Float-Adjusted Market Capitalization Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security must have a free float-adjusted market capitalization equal to or higher than 50.00% of the Equity Universe Minimum Size Requirement.

- DM and EM Minimum Liquidity Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security must have adequate liquidity measured by 12-month and 3-month Annual Traded Value Ratio ("**ATVR**"), and 3-month frequency of trading. The ATVR screens out extreme daily trading volumes, taking into account the free float-adjusted market capitalization size of securities. The aim of the 12-month and 3-month ATVR together with 3-month frequency of trading is to select securities with a sound long and short-term liquidity.

  A minimum liquidity level of 20.00% of 3-month ATVR and 90.00% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 20.00% of 12-month ATVR, are required for the inclusion of a security in a Market Investable Equity Universe of a Developed Market. This rule is referred to as the "DM Minimum Liquidity Requirement."

  A minimum liquidity level of 15.00% of 3-month ATVR and 80.00% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 15.00% of 12-month ATVR are required for the inclusion of a security in a Market Investable Equity Universe of an Emerging Market. This rule is referred to as the "EM Minimum Liquidity Requirement."

  In instances when a security does not meet the above criteria, the security will be represented by a relevant liquid eligible depository receipt if it is trading in the same geographical region.

Depository receipts are deemed liquid if they meet all the above mentioned criteria for 12-month ATVR, 3-month ATVR and 3-month frequency of trading.

Concerning the level of a stock price, there may be liquidity issues for securities trading at a very high stock price. Hence, a limit of USD 10,000 has been set and securities with stock prices above USD 10,000 fail the liquidity screening. This rule applies only for non-constituents of the MSCI Global Investable Market Indices. Consequently, current constituents of the MSCI Global Investable Market Indices would remain in the index if the stock price passes the USD 10,000 threshold.

- Global Minimum Foreign Inclusion Factor Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security's Foreign Inclusion Factor ("**FIF**") must reach a certain threshold. The FIF of a security is defined as the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company). In general, a security must have an FIF equal to or larger than 0.15 to be eligible for inclusion in a Market Investable Equity Universe. Exceptions to this general rule are made only in the limited cases where the exclusion of securities of a very large company would compromise the MSCI Standard Index's ability to fully and fairly represent the characteristics of the underlying market.

- Minimum Length of Trading Requirement: This investability screen is applied at the individual security level. For an initial public offering ("**IPO**") to be eligible for inclusion in a Market Investable Equity Universe, the new issue must have started trading at least four months before the implementation of the initial construction of the index or at least three months before the implementation of a semi-annual index review (as defined herein). This requirement is applicable to small new issues in all markets. Large IPOs are not subject to the Minimum Length of Trading Requirement and may be included in a Market Investable Equity Universe and the Standard Index outside of a Quarterly Index Review (as defined herein) or Semi-Annual Index Review.

Defining Market Capitalization Size Segments for Each Market

Once a Market Investable Equity Universe is defined, it is segmented into the following size-based indices:

- Investable Market Index (Large + Mid + Small)
- Standard Index (Large + Mid)
- Large Cap Index
- Mid Cap Index
- Small Cap Index

Creating the size segment indices in each market involves the following steps:

- defining the market coverage target range for each size segment;
- determining the global minimum size range for each size segment;
- determining the market size-segment cutoffs and associated segment number of companies;
- assigning companies to the size segments; and
- applying final size-segment investability requirements and index continuity rules.

Index Continuity Rules for the Standard Indices

Index continuity is a desirable feature of an index as it avoids the temporary inclusion or exclusion of market indices in composite indices at different times. In order to achieve index continuity, as well as provide some basic level of diversification within a market index, notwithstanding the effect of other index construction rules, a minimum number of five constituents will be maintained for a DM Standard Index and a minimum number of three constituents will be maintained for an EM Standard Index. The application of this requirement involves the following steps:

- If after the application of the index construction methodology, a Standard Index contains fewer than five securities in a Developed Market or three securities in an Emerging Market, then the largest securities by free float-adjusted market capitalization are added to the Standard Index in order to reach five constituents in that Developed Market or three in that Emerging Market.

- At subsequent Index Reviews, if the free float-adjusted market capitalization of a non-index constituent is at least 1.50 times the free float-adjusted market capitalization of the smallest existing constituent after rebalancing, the larger free float-adjusted market capitalization security replaces the smaller one.

When the Index Continuity Rule is in effect, the market size-segment cutoff is set at 0.50 times the global minimum size reference for the Standard Index rather than the full market capitalization of the smallest company in that market's Standard Index.

Creating Style Indices within Each Size Segment

All securities in the Global Investable Equity Universe are assigned to the industry that best describes their business activities. To this end, MSCI has designed, in conjunction with Standard & Poor's, the Global Industry Classification Standard ("**GICS®**"). The GICS® currently consists of 10 sectors, 24 industry groups, 68 industries and 154 sub-industries. Under the GICS®, each company is assigned uniquely to one sub-industry according to its principal business activity. Therefore, a company can only belong to one industry grouping at each of the four levels of the GICS®.

Classifying securities into their respective sub-industries can be complex, especially in an evolving and dynamic environment. The GICS® guidelines used to determine the appropriate industry classification are as follows:

- A security is classified in a sub-industry according to the business activities that generate approximately 60.00% or more of the company's revenues.

- A company engaged in two or more substantially different business activities, none of which contributes 60.00% or more of revenues, is classified in the sub-industry that provides the majority of both the company's revenues and earnings.

- Where the above guidelines cannot be applied, or are considered inappropriate, further analysis is conducted, and other factors are analyzed to determine an appropriate classification.

Maintaining the MSCI Global Investable Market Indices

Index Maintenance

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve index continuity, continuous investability of constituents and replicability of the indices, and index stability and low index turnover.

In particular, index maintenance involves:

(i) Semi-Annual Index Reviews ("**SAIRs**") in May and November of the size segment and global value and growth indices which include:

- updating the indices on the basis of a fully refreshed Equity Universe;

- taking buffer rules into consideration for migration of securities across size and style segments; and

- updating FIFs and Number of Shares ("**NOS**").

The objective of the SAIRs is to systematically reassess the various dimensions of the Equity Universe for all markets on a fixed semi-annual timetable. A SAIR involves a comprehensive review of the size segment and global value and growth indices.

During each SAIR, the Equity Universe is updated and the Global Minimum Size Range is recalculated for each size segment. Then, the following index maintenance activities are undertaken for each market:

- Updating the market Investable Equity Universe.
- Reassessing the segment number of companies and the market size-segment cutoffs.
- Assigning companies to the size segments taking into account buffer zones.
- Assessing conformity with final size-segment investability requirements.

(ii) Quarterly Index Reviews ("**QIRs**") in February and August of the Size Segment Indices aimed at:

- including significant new eligible securities (such as IPOs that were not eligible for earlier inclusion) in the index;
- allowing for significant moves of companies within the Size Segment Indices, using wider buffers than in the SAIR;
- and reflecting the impact of significant market events on FIFs and updating NOS.

QIRs are designed to ensure that the indices continue to be an accurate reflection of the evolving equity marketplace. This is achieved by a timely reflection of significant market driven changes that were not captured in the index at the time of their actual occurrence but are significant enough to be reflected before the next SAIR. QIRs may result in additions or deletions due to migration to another Size Segment Index, and changes in FIFs and in NOS. Only additions of significant new investable companies are considered, and only for the Standard Index. The buffer zones used to manage the migration of companies from one segment to another are wider than those used in the SAIR. The style classification is reviewed only for companies that are reassigned to a different size segment.

(iii) Ongoing event-related changes. Ongoing event-related changes to the indices are the result of mergers, acquisitions, spin-offs, bankruptcies, reorganizations and other similar corporate events. They can also result from capital reorganizations in the form of rights issues, bonus issues, public placements and other similar corporate actions that take place on a continuing basis. These changes generally are reflected in the indices at the time of the event. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Announcement Policy

Semi-Annual Index Review. The results of the SAIRs are announced at least two weeks in advance of their effective implementation dates as of the close of the last business day of May and November.

Quarterly Index Review. The results of the QIRs are announced at least two weeks in advance of their effective implementation dates as of the close of the last business day of February and August.

Ongoing Event-Related Changes. All changes resulting from corporate events are announced prior to their implementation. The changes are typically announced at least ten business days prior to the changes becoming effective in the indices as an "expected" announcement, or as an "undetermined" announcement, when the effective dates are not known yet or when aspects of the event are uncertain. MSCI sends "confirmed" announcements at least two business days prior to events becoming effective in the indices, provided that all necessary public information concerning the event is available. The full list of all new and pending changes is delivered to clients on a daily basis, between 5:30 p.m. and 6:00 PM US Eastern Time (EST) through the Advanced Corporate Events ("**ACE**") File.

In exceptional cases, events are announced during market hours for same or next day implementation. Announcements made by MSCI during market hours are usually linked to late company disclosure of corporate events or unexpected changes to previously announced corporate events.

In the case of secondary offerings representing more than 5.00% of a security's number of shares for existing constituents, these changes will be announced prior to the end of the subscription period when possible and a subsequent announcement confirming the details of the event (including the date of implementation) will be made as soon as the results are available.

Both primary equity offerings and secondary offerings for U.S. securities, representing at least 5.00% of the security's number of shares, will be confirmed through an announcement during market hours for next day or shortly after implementation, as the completion of the events cannot be confirmed prior to the notification of the pricing.

Early deletions of constituents due to bankruptcy or other significant cases are announced as soon as practicable prior to their implementation.

For MSCI Global Standard Index constituents, a more descriptive text announcement is sent to clients for significant events that meet any of the following criteria:

- Additions and deletions of constituents.
- Changes in free float-adjusted market capitalization equal to or larger than USD 5 billion, or with an impact of at least 1.00% of the constituent's underlying country index.

However, if warranted, MSCI may make descriptive text announcements for events that are complex in nature and for which additional clarification could be beneficial for any Standard, Small Cap and Micro Cap Indices.

IPOs and Other Early Inclusions. Early inclusions of large IPOs in the MSCI Standard Index Series are announced no earlier than the first day of trading and no later than before the opening of the third day of trading in the market where the company has its primary listing.

Early inclusions of already listed securities following large secondary offerings of new and/or existing shares are announced no earlier than shortly after the end of the offer period.

It is MSCI policy not to comment on the potential inclusion of equity securities to be listed in the future, including their industry classification under the GICS®, their country classification and their potential inclusion in an MSCI index. The same applies to non-index constituents that are already listed which have pending large events.

GICS®. Non-event related changes in industry classification at the sub-industry level are announced at least two weeks prior to their implementation as of the close of the last US business day of each month. MSCI announces GICS® changes twice a month, the first announcement being made on the first US business day of the month and the second one being made at least ten US business days prior to the last US business day of the month. All GICS® changes announced in a given month will be implemented as of the close of the last US business day of the month.

Calculation of MSCI Equity Indices

The MSCI Indices are calculated using the Laspeyres' concept of a weighted arithmetic average together with the concept of chain-linking. As a general principle, today's index level is obtained by applying the change in the market performance to the previous period index level.

Price Index Level

$$PriceIndexLevelUSD_t = PriceIndexLevelUSD_{t-1} \times \frac{IndexAdjustedMarketCapUSD_t}{IndexInitialMarketCapUSD_t}$$

$$PriceIndexLevelLocal_t = PriceIndexLevelLocal_{t-1} \times \frac{IndexAdjustedMarketCapForLocal_t}{IndexInitialMarketCapUSD_t}$$

Where:

- $PriceIndexLevelUSD_{t-1}$ is the Price Index level in USD at time t-1.
- $IndexAdjustedMarketCapUSD_t$ is the Adjusted Market Capitalization of the index in USD at time t.
- $IndexInitialMarketCapUSD_t$ is the Initial Market Capitalization of the index in USD at time t.
- $PriceIndexLevelLocal_{t-1}$ is the Price Index level in local currency at time t-1.
- $IndexAdjustedMarketCapForLocal_t$ is the Adjusted Market Capitalization of the index in USD converted using FX rate as of t-1 and used for local currency index at time t.

Note: IndexInitialMarketCapUSD was previously called IndexUnadjustedMarketCapPreviousUSD

Security Price Index Level

$$SecurityPriceIndexLevel_t = SecurityPriceIndexLevel_{t-1} \times \frac{SecurityAdjustedMarketCapForLocal_t}{SecurityInitialMarketCapUSD_t}$$

$$SecurityAdjustedMarketCapForLocal_t = \frac{ICI_t}{ICI_{t-1}} \times \frac{EndOfDayNumberOfShares_{t-1} \times PricePerShare \times InclusionFactor \times PAF_t}{FXrate_{t-1}}$$

$$SecurityInitialMarketCapUSD_t = \frac{EndOfDayNumberOfShares_{t-1} \times PricePerShare_{t-1} \times Inclusion\ Factor_t}{FXrate_{t-1}}$$

Where:

- $SecurityPriceIndexLevel_{t-1}$ is Security Price Index level at time t-1.
- $SecurityAdjustedMarketCapForLocal_t$ is the Adjusted Market Capitalization of security s in USD converted using FX rate as of t-1.
- $SecurityInitialMarketCapUSD_t$ is the Initial Market Capitalization of security s in USD at time t.
- $EndOfDayNumberOfShares_{t-1}$ is the number of shares of security s at the end of day t-1.
- $PricePerShare_t$ is the price per share of security s at time t.
- $PricePerShare_{t-1}$ is the price per share of security s at time t-1.
- $InclusionFactor_t$ is the inclusion factor of security s at time t. The inclusion factor can be one or the combination of the following factors: Foreign Inclusion Factor, Domestic Inclusion Factor, Growth Inclusion Factor, Value Inclusion Factor, Index Inclusion Factor.
- PAF_t is the Price Adjustment Factor of security s at time t.
- $FXrate_{t-1}$ is the FX rate of the price currency of security s vs. USD at time t-1. It is the value of 1 USD in foreign currency.

- ICI_t is the Internal Currency Index of price currency at time t. The ICI is different than 1 when a country changes the internal value of its currency (e.g., from Turkish Lira to New Turkish Lira – ICI = 1,000,000).

- ICI_{t-1} is the Internal Currency Index of price currency at time t-1.

Index Market Capitalization

$$IndexAdjustedMarketCapUSD_t = \sum_{s \in I,t} \frac{EndOfDayNumberOfShares_{t-1} \times PricePerShare_t \times InclusionFactor_t \times PAF_t}{FXrate_t}$$

$$IndexAdjustedMarketCapForLocal_t = \sum_{s \in I,t} \frac{EndOfDayNumberOfShares_{t-1} \times PricePerShare_t \times InclusionFactor_t \times PAF_t}{FXrate_t} \times \frac{ICI_t}{ICI_{t-1}}$$

$$IndexInitialMarketCapUSD_t = \sum_{s \in I,t} \frac{EndOfDayNumberOfShares_{t-1} \times PricePerShare_t \times InclusionFactor_t}{FXrate_t}$$

Where:

- $EndOfDayNumberOfShares_{t-1}$ is the number of shares of security s at the end of day t-1.

- $PricePerShare_t$ is the price per share of security s at time t.

- $PricePerShare_{t-1}$ is the price per share of security s at time t-1.

- $InclusionFactor_t$ is the inclusion factor of security s at time t. The inclusion factor can be one or the combination of the following factors: Foreign Inclusion Factor, Domestic Inclusion Factor Growth Inclusion Factor, Value Inclusion Factor, Index Inclusion Factor.

- PAF_t is the Price Adjustment Factor of security s at time t.

- $FXrate_t$ is the FX rate of the price currency of security s vs. USD at time t. It is the value of 1 USD in foreign currency.

- $FXrate_{t-1}$ is the FX rate of the price currency of security s vs. USD at time t-1. It is the value of 1 USD in foreign currency.

- ICI_t is the Internal Currency Index of price currency at time t. The ICI is different than 1 when a country changes the internal value of its currency (e.g., from Turkish Lira to New Turkish Lira – ICI = 1,000,000).

- ICI_{t-1} is the Internal Currency Index of price currency at time t-1.

Corporate Events

Mergers and Acquisitions

As a general principle, MSCI implements mergers and acquisitions ("**M&A's**") as of the close of the last trading day of the acquired entity or merging entities (last offer day for tender offers), regardless of the status of the securities (index constituents or non-index constituents) involved in the event. MSCI uses market prices for implementation. This principle applies if all necessary information is available prior to the completion of the event and if the liquidity of the relevant constituent(s) is not expected to be significantly diminished on the day of implementation. Otherwise, MSCI will determine the most appropriate implementation method and announce it prior to the changes becoming effective in the indices.

Tender Offers

In tender offers, the acquired or merging security is generally deleted from an index at the end of the initial offer period, when the offer is likely to be successful and/or if the free float of the security is likely to be substantially reduced (this rule is applicable even if the offer is extended), or once the results of the offer have been officially communicated and the offer has been successful and the security's free float has been substantially reduced, if all required information is not available in advance or if the offer's outcome is uncertain.

The main factors considered by MSCI when assessing the outcome of a tender offer (not in order of importance) are: the announcement of the offer as friendly or hostile, a comparison of the offer price to the acquired security's market price, the recommendation by the acquired company's board of directors, the major shareholders' stated intention whether to tender their shares, the required level of acceptance, the existence of pending regulatory approvals, market perception of the transaction, official preliminary results if any, and other additional conditions for the offer.

In certain cases, securities may be deleted earlier or use a different date than the last offer day. For example, in the case of tender offers in the United Kingdom, a security is typically deleted two business days after the offer is declared unconditional in all respects.

If a security is deleted from an index, the security will not be reinstated immediately after its deletion even when the tender offer is subsequently declared unsuccessful and/or the free float of the security is not substantially reduced. It may be reconsidered for index inclusion at the following regularly scheduled semi-annual index review.

Late Announcements of Completion of M&A's

When the completion of an event is announced too late to be reflected as of the close of the last trading day of the acquired or merging entities, implementation occurs as of the close of the following day or as soon as practicable thereafter. In these cases, MSCI uses a calculated price for the acquired or merging entities. The calculated price is determined using the terms of the transaction and the price of the acquiring or merged entity, or, if not appropriate, using the last trading day's market price of the acquired or merging entities.

Conversions of Share Classes

Conversions of a share class into another share class resulting in the deletion and/or addition of one or more classes of shares are implemented as of the close of the last trading day of the share class to be converted.

Spin-Offs

A spin-off is the distribution of shares in a wholly-owned or a partially-owned company to the parent company's existing shareholders. In some countries, spin-offs are referred to as demergers or unbundlings.

On the ex-date of a spin-off, a price adjustment factor ("**PAF**") is applied to the price of the security of the parent company. The PAF is calculated based on the terms of the transaction and the market price of the spun-off security. If the spun-off entity qualifies for inclusion, it is included as of the close of its first trading day.

In cases of spin-offs of partially-owned companies, the post-event free float of the spun-off entity is calculated using a weighted average of the existing shares and the spun-off shares, each at their corresponding free float. Any resulting changes to FIFs and/or domestic inclusion factors are implemented as of the close of the ex-date.

When the spun-off security does not trade on the ex-date, a "detached" security is created to avoid a drop in the free float-adjusted market capitalization of the parent entity, regardless of whether the spun-off security is added or not. The detached security is included in the index until the spun-off security begins trading, and is deleted thereafter. Generally, the value of the detached security is equal to the difference between the cum price and the ex price of the parent security.

Corporate Actions

Corporate actions such as splits, stock dividends and rights issues, which affect the price of a security, require a price adjustment. In general, the PAF is applied on the ex-date of the event to ensure that security prices are comparable between the ex-date and the cum date. To do so, MSCI adjusts for the value of the right and/or the value of the special assets that are distributed and the changes in number of shares and FIF, if any, are reflected as of the close of the ex-date. In general, corporate actions do not impact the free float of the securities because the distribution of new shares is carried out on a pro rata basis to all existing shareholders. Therefore, MSCI will generally not implement any pending number of shares and/or free float updates simultaneously with the event.

If a security does not trade for any reason on the ex-date of the corporate action, the event will be generally implemented on the day the security resumes trading.

Share Placements and Offerings

Changes in number of shares and FIF resulting from primary equity offerings representing at least 5.00% of the security's number of shares are generally implemented as of the close of the first trading day of the new shares, if all necessary information is available at that time. Otherwise, the event is implemented as soon as practicable after the relevant information is made available.

Changes in number of shares and FIF resulting from primary equity offerings representing less than 5.00% of the security's number of shares are implemented at the next regularly scheduled Index Review following the completion of the event.

Block sales or large market transactions involving changes in strategic ownership, which are publicly announced, made by way of immediate book-building and/or in the absence of an offer prospectus, that result in significant changes in free float estimates and corresponding FIFs will generally be reflected at the following regularly scheduled Index Review. Please refer to section 3.2.3 of the MSCI Global Investable Market Indices Methodology for more details on changes in the FIF done at Index Reviews.
For public secondary offerings of existing constituents representing at least 5.00% of the security's number of shares, where possible, MSCI will announce these changes and reflect them shortly after the results of the subscription are known. Secondary offerings that, given lack of sufficient notice, were not reflected immediately will be implemented at the following regularly scheduled Index Review.

For non-US securities included in the MSCI Micro Cap Indices only, changes in number of shares and FIF resulting from primary equity offerings only representing at least 25.00% of the security's number of shares are generally implemented as of the close of the first trading day of the new shares, if all necessary information is available at that time. Otherwise, these offerings are implemented as soon as practicable after the relevant information is made available.

For the changes in number of shares and FIF resulting from primary equity offerings representing less than 25.00% of the security's number of shares, they are generally implemented at the next regularly scheduled Index Review following the completion of the offering.

Debt-to-Equity Swaps

In general, large debt-to-equity swaps involve the conversion of debt into equity originally not convertible at the time of issue. In this case, changes in numbers of shares and subsequent FIF and/or DIF changes are implemented as of the close of the first trading day of the newly issued shares, or shortly thereafter if all necessary information is available at the time of the swap. In general, shares issued in debt-to-equity swaps are assumed to be issued to strategic investors. As such, the post event free float is calculated on a pro forma basis assuming that all these shares are non-free float.

Changes in numbers of shares and subsequent FIF and/or DIF changes due to conversions of convertible bonds or other convertible instruments, including periodical conversions of preferred stocks and small debt-to-equity swaps are implemented at a following regularly scheduled Index Review.

Suspensions and Bankruptcies

MSCI will remove from the MSCI Equity Indices as soon as practicable companies that file for bankruptcy or protection from their creditors and/or are suspended and for which a return to normal business activity and trading is unlikely in the near future. MSCI will treat in the same way companies that fail stock exchanges listing requirements with announcements of delisting from the stock exchanges. MSCI will delete from an index after 40 business days of suspension securities of companies facing financial difficulties (e.g., liquidity issues, debt repayment issues, companies under legal investigation, etc.) with at least two business days advance notice. Subsequently, if and when these securities resume normal trading, they may be considered as a potential addition to an index at the next scheduled semi-annual Index Review. Securities of companies suspended due to pending corporate events (e.g., merger, acquisition, etc.) will continue to be maintained in an index until they resume trading regardless of the duration of the suspension period. When the primary exchange price is not available, MSCI will delete securities at an over the counter or equivalent market price when such a price is available and deemed relevant. If no over the counter or equivalent price is available, the security will be deleted at the smallest price (unit or fraction of the currency) at which a security can trade on a given exchange. For securities that are suspended, MSCI will carry forward the market price prior to the suspension during the suspension period.

License Agreement with MSCI

MSCI and Société Générale have agreed to enter into a non-exclusive license agreement providing for the license to Société Générale, and certain of its affiliates, (collectively, the "**Licensee**") in exchange for a fee, of the right to use the MSCI Indices in connection with certain products, including the Notes. The MSCI Indices are owned and published by MSCI.

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DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

No purchaser, seller or holder of the Notes, or any other person or entity, should use or refer to MSCI's trade name, trade mark or service mark rights to sponsor, endorse, market or promote the Notes without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim affiliation with MSCI without the prior written permission of MSCI.

Description of the NASDAQ-100 Index®

All information herein on the NASDAQ-100 Index®, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. We have not independently verified such information. Such information reflects the policies of, and is subject to change by, The NASDAQ Stock Market, Inc. ("**Nasdaq**"). The NASDAQ-100 Index® was developed by Nasdaq and is calculated, maintained and published by The NASDAQ OMX Group, Inc. ("**NASDAQ OMX**"). Neither Nasdaq nor NASDAQ OMX has any obligation to continue to publish, and may discontinue publication of, the NASDAQ-100 Index®.

The NASDAQ-100 Index® is a modified market capitalization-weighted index of 100 of the largest stocks of non-financial companies listed on The Nasdaq Global Market tier of The NASDAQ Stock Market. The NASDAQ-100 Index®, which includes companies across a variety of major industry groups, was launched on January 31, 1985, with a base index value of 250.00. On January 1, 1994, the base index value was reset to 125.00. Current information regarding the market value of the NASDAQ-100 Index® is available from Nasdaq as well as numerous market information services.

The NASDAQ-100 Index® is reported by Bloomberg L.P. under the ticker symbol "NDX."

The NASDAQ-100 Index® share weights of the component securities of the NASDAQ-100 Index® at any time are based upon the total shares outstanding in each of those securities and are additionally subject, in certain cases, to rebalancing. Accordingly, each underlying stock's influence on the level of the NASDAQ-100 Index® is directly proportional to the value of its NASDAQ-100 Index® share weight.

Calculation of the NASDAQ-100 Index®

At any moment in time, the value of the NASDAQ-100 Index® equals the aggregate value of the then-current NASDAQ-100 Index® share weights of each of the NASDAQ-100 Index® component securities, which are based on the total shares outstanding of each such NASDAQ-100 Index® component security, multiplied by each such security's respective last sale price on The NASDAQ Stock Market (which may be the official closing price published by The NASDAQ Stock Market), and divided by a scaling factor (the "**divisor**"), which becomes the basis for the reported NASDAQ-100 Index® value. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude, which is more desirable for NASDAQ-100 Index® reporting purposes.

Underlying Stock Eligibility Criteria

Initial Eligibility Criteria

To be eligible for initial inclusion in the NASDAQ-100 Index®, a security must be listed on The NASDAQ Stock Market and meet the following criteria:

- the security's U.S. listing must be exclusively on the NASDAQ Global Select Market (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);

- the security must be issued by a non-financial company;

- the security may not be issued by an issuer currently in bankruptcy proceedings;

- the security must have an average daily trading volume of at least 200,000 shares;

- if the security is of an issuer under the laws of a jurisdiction outside the U.S., it must have listed options on a recognized options market in the United States or be eligible for listed-options trading on a recognized options market in the United States;

- only one class of security per issuer is allowed;

- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being NASDAQ-100 Index®

eligible;

- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn; and

- the security must have "seasoned" on the NASDAQ, NYSE or NYSE Amex (generally, a company is considered to be seasoned if it has been listed on a market for at least two years; in the case of spin-offs, the operating history of the parent will be considered).

Continued Eligibility Criteria

In addition, to be eligible for continued inclusion in the NASDAQ-100 Index® the following criteria apply:

- the security's U.S. listing must be exclusively on the NASDAQ Global Select Market (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);

- the security must be issued by a non-financial company;

- the security may not be issued by an issuer currently in bankruptcy proceedings;

- the security must have an average daily trading volume of at least 200,000 shares as measured annually during the ranking review process described below;

- if the security is of an issuer under the laws of a jurisdiction outside the U.S., it must have listed options on a recognized options market in the United States or be eligible for listed-options trading on a recognized options market in the United States, as measured annually during the ranking review process;

- the security must have an adjusted market capitalization equal to or exceeding 0.10% of the aggregate adjusted market capitalization of the NASDAQ-100 Index® at each month-end. In the event a company does not meet this criterion for two consecutive month-ends, it will be removed from the NASDAQ-100 Index® effective after the close of trading on the third Friday of the following month; and

- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn.

These NASDAQ-100 Index® eligibility criteria may be revised from time to time by Nasdaq without regard to the securities.

For the purposes of NASDAQ-100 Index® eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.

Annual Ranking Review

The composition of the NASDAQ-100 Index® is evaluated on an annual basis, except under extraordinary circumstances that may result in an interim evaluation, as follows (this evaluation is referred to herein as the "**Ranking Review**"). Securities listed on The NASDAQ Stock Market that meet the applicable eligibility criteria above are ranked by market value. NASDAQ-100 Index®-eligible securities which are already in the NASDAQ-100 Index® and which are ranked in the top 100 eligible securities (based on market capitalization) are retained in the NASDAQ-100 Index®. A security that is ranked 101 to 125 is also retained, *provided* that such security was ranked in the top 100 eligible securities as of the previous Ranking Review or was added to the NASDAQ-100 Index® subsequent to the previous Ranking Review. Securities not meeting such criteria are replaced. The replacement securities chosen are those NASDAQ-100 Index®-eligible securities not currently in the NASDAQ-100 Index® that have the largest market capitalization. The data used in the ranking includes end of October market data from The NASDAQ Stock Market and is updated for total shares outstanding submitted in a publicly filed SEC document via EDGAR through the end of November.

Generally, the list of annual additions and deletions is publicly announced via a press release in the early part of December. Replacements are made effective after the close of trading on the third Friday in December. Moreover, if at any time during the year other than the Ranking Review, a NASDAQ-100 Index® security no longer meets the continued eligibility criteria or is otherwise determined by Nasdaq to become ineligible for continued inclusion in the NASDAQ-100 Index®, the security will be replaced with the largest market capitalization security not currently in the NASDAQ-100 Index® and meeting the NASDAQ-100 Index® initial eligibility criteria listed above. Ordinarily, a security will be removed from the NASDAQ-100 Index® at its last sale price. If, however, at the time of its removal the security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the security may, in Nasdaq's discretion, be removed at a zero price. The zero price will be applied to the security after the close of the market but prior to the time the official closing value of the NASDAQ-100 Index® is disseminated.

Index Maintenance

Changes in the price and/or the aggregate value of the then-current NASDAQ-100 Index® share weights of each of the NASDAQ-100 Index® component securities driven by corporate events such as stock dividends, stock splits and certain spin-offs and rights issuances are adjusted on the ex-date. If the change in total shares outstanding arising from other corporate actions is greater than or equal to 10.00%, the change will be made to the NASDAQ-100 Index® as soon as practicable. Otherwise, if the change in total shares outstanding is less than 10.00%, then all such changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September and December. The NASDAQ-100 Index® share weights for those underlying stocks are derived from each security's total shares outstanding. The NASDAQ-100 Index® share weights for those underlying stocks are adjusted by the same percentage amount by which the total shares outstanding have changed in those NASDAQ-100 Index® securities. In the case of a special cash dividend, a determination is made on an individual basis whether to make an adjustment to the last sale price of a NASDAQ-100 Index® component security in accordance with its dividend policy. If it is determined that an adjustment will be made, it will be reflected in the last sale price prior to the market open on the ex-date. Ordinarily, whenever there is a change in the NASDAQ-100 Index® share weights, a change in a component security included in the NASDAQ-100 Index®, or a change to the price of a component security due to spin-off, rights issuances or special cash dividends, Nasdaq adjusts the divisor to ensure that there is no discontinuity in the level of the NASDAQ-100 Index® that might otherwise be caused by any such change. All changes will be announced in advance and will be reflected in the NASDAQ-100 Index® prior to market open on the effective date of such changes.

Index Rebalancing

The NASDAQ-100 Index® is calculated under a "modified capitalization-weighted" methodology, which is a hybrid between equal weighting and conventional capitalization weighting. This methodology is expected to: (1) retain in general the economic attributes of capitalization weighting; (2) promote portfolio weight diversification (thereby limiting domination of the NASDAQ-100 Index® by a few large stocks); (3) reduce NASDAQ-100 Index® performance distortion by preserving the capitalization ranking of companies; and (4) reduce market impact on the smallest NASDAQ-100 Index® securities from necessary weight rebalancings.

Under the methodology employed, on a quarterly basis coinciding with Nasdaq's quarterly scheduled weight adjustment procedures, the NASDAQ-100 Index® securities are categorized as either "Large Stocks" or "Small Stocks" depending on whether their current percentage weights (after taking into account scheduled weight adjustments due to stock repurchases, secondary offerings or other corporate actions) are greater than, or less than or equal to, the average percentage weight in the NASDAQ-100 Index® (*i.e.*, as a 100-stock index, the average percentage weight in the NASDAQ-100 Index® is 1.00%). This quarterly examination will result in a NASDAQ-100 Index® rebalancing if either one or both of the following two weight distribution requirements are not met: (1) the current weight of the single largest market capitalization component security must be less than or equal to 24.00% and (2) the "collective weight" of those component securities the individual current weights of which are in excess of 4.50%, when added together, must be less than or equal to 48.00%. In addition, Nasdaq may conduct a special rebalancing if it is determined necessary to maintain the integrity of the NASDAQ-100 Index®.

If either one or both of these weight distribution requirements are not met upon quarterly review, or Nasdaq determines that a special rebalancing is required, a weight rebalancing will be performed. First, relating to weight distribution requirement (1) above, if the current weight of the single largest component security exceeds 24.00%, then the weights of all Large Stocks (those greater than 1.00%) will be scaled down proportionately towards 1.00% by enough for the adjusted weight of the single largest component security to be set to 20.00%. Second, relating to weight distribution requirement (2) above, for those component securities the individual current weights or adjusted weights in accordance with the preceding step of which are in excess of 4.50%, if their "collective weight" exceeds 48.00%, then the weights of all Large Stocks will be scaled down proportionately towards 1.00% by just enough for the "collective weight," so adjusted, to be set to 40.00%.

The aggregate weight reduction among the Large Stocks resulting from either or both of the above rescalings will then be redistributed to the Small Stocks in the following iterative manner. In the first iteration, the weight of the largest Small Stock will be scaled upwards by a factor which sets it equal to the average Index weight of 1.00%. The weights of each of the smaller remaining Small Stocks will be scaled up by the same factor reduced in relation to each stock's relative ranking among the Small Stocks such that the smaller the component security in the ranking, the less the scale-up of its weight. This is intended to reduce the market impact of the weight rebalancing on the smallest component securities in the NASDAQ-100 Index®.

In the second iteration, the weight of the second largest Small Stock, already adjusted in the first iteration, will be scaled upwards by a factor which sets it equal to the average index weight of 1.00%. The weights of each of the smaller remaining Small Stocks will be scaled up by this same factor reduced in relation to each stock's relative ranking among the Small Stocks such that, once again, the smaller the component stock in the ranking, the less the scale-up of its weight.

Additional iterations will be performed until the accumulated increase in weight among the Small Stocks exactly equals the aggregate weight reduction among the Large Stocks from rebalancing in accordance with weight distribution requirement (1) and/or weight distribution requirement (2).

Then, to complete the rebalancing procedure, once the final percent weights of each of the component securities are set, the NASDAQ-100 Index® share weights will be determined anew based upon the last sale prices and aggregate capitalization of the NASDAQ-100 Index® at the close of trading on the last day in February, May, August and November. Changes to the share weights will be made effective after the closing of trading on the third Friday in March, June, September and December. Changes to the NASDAQ-100 Index® share weights will be made effective after the close of trading on the third Friday in March, June, September and December, and an adjustment to the NASDAQ-100 Index® divisor will be made to ensure continuity of the NASDAQ-100 Index®.

Ordinarily, new rebalanced weights will be determined by applying the above procedures to the current NASDAQ-100 Index® share weights. However, NASDAQ OMX may from time to time determine rebalanced weights, if necessary, by instead applying the above procedure to the actual current market capitalization of the component securities. In such instances, NASDAQ OMX would announce the different basis for rebalancing prior to its implementation.

NASDAQ OMX may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure the integrity of the NASDAQ-100 Index®.

License Agreement with NASDAQ OMX

Société Générale has entered into a non-exclusive license agreement with NASDAQ OMX providing for the license to Société Générale and its affiliates, in exchange for a fee, of the right to use the NASDAQ-100 Index® in connection with certain securities, including the Notes.

The license agreement between NASDAQ OMX and Société Générale provides that the following language must be stated in this underlying Pricing Supplement:

The Notes are not sponsored, endorsed, sold or promoted by The NASDAQ OMX Group, Inc. or its affiliates (NASDAQ OMX, with its affiliates, are referred to as the "**Corporations**"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Notes. The Corporations make no representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly, or the ability of the NASDAQ-100 Index® to track general stock market performance. The Corporations' only relationship to Société Générale and its affiliates is in the licensing of the Nasdaq®, NASDAQ OMX®, OMX® and NASDAQ-100 Index® registered trademarks, service marks and certain trade names of the Corporations and the use of the NASDAQ-100 Index® which is determined, composed and calculated by NASDAQ OMX without regard to Société Générale, its affiliates or the Notes. NASDAQ OMX has no obligation to take the needs of Société Générale, its affiliates or the owners of the Notes into consideration in determining, composing or calculating the NASDAQ-100 Index®. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Notes.

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Description of the Nikkei Stock Average (Nikkei 225)

All information herein on the Nikkei Stock Average (the "**Nikkei 225**"), including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. We have not independently verified such information. Such information reflects the policies of, and is subject to change by, Nikkei Inc. The Nikkei 225 was developed by Nikkei Inc. and is calculated, maintained and published by Nikkei Inc. Nikkei Inc. has no obligation to continue to publish, and may discontinue the publication of, the Nikkei 225 at any time in its sole discretion.

The Nikkei 225 is reported by Bloomberg L.P. under the ticker symbol "NKY."

The Nikkei 225 is a stock index that measures the composite price performance of selected Japanese stocks. The Nikkei 225 is based on 225 underlying stocks (the "**Nikkei Underlying Stocks**") trading on the Tokyo Stock Exchange ("**TSE**") representing a broad cross-section of Japanese industries. All 225 Nikkei Underlying Stocks are stocks listed in the First Section of the TSE. Stocks listed in the First Section of the TSE are among the most actively traded stocks on the TSE. Nikkei Inc. rules require that the 75 most liquid issues (one-third of the component count of the Nikkei 225) be included in the Nikkei 225. Nikkei Inc. was first calculated and published the Nikkei 225 in 1970; prior to 1970, the TSE calculated the Nikkei 225.

Component stocks of the Nikkei 225 are balanced among six sector categories which are broken into the 36 underlying industry classifications identified below. The sector-based breakdown and underlying industry classifications may be modified to reflect changes in the industrial structure.

- Technology -- Pharmaceuticals, Electrical Machinery, Automobiles, Precision Machinery, Telecommunications
- Financials -- Banks, Miscellaneous Finance, Securities, Insurance
- Consumer Goods -- Marine products, Food, Retail, Services
- Materials -- Mining, Textiles, Paper & Pulp, Chemicals, Oil, Rubber, Ceramics, Steel, Nonferrous metals, Trading House
- Capital Goods/Others -- Construction, Machinery, Shipbuilding, Transportation Equipment, Miscellaneous Manufacturing, Real Estate
- Transportation and Utilities -- Railroads & Buses, Trucking, Shipping, Airlines, Warehousing, Electric Power, Gas

Standards for Listing and Maintenance

The Nikkei 225 is reviewed annually at the beginning of October. Stocks with high market liquidity are added and those with low liquidity are deleted. At the same time, to take changes in the industry structure into account, the balance of the sectors, in terms of the number of constituents, is considered. Liquidity of a stock is assessed by the two measures: "trading value" and "magnitude of price fluctuation by volume," which is calculated as (High price/Low price) / Volume. Among stocks on the TSE First Section, the top 450 stocks in terms of the liquidity are selected to form the "high liquidity group". Those constituents not in the high liquidity group are deleted. Those non-constituent stocks which are in the top 75 of the high liquidity group are added. After examining the result of the liquidity deletions and additions, constituents are also deleted and added to balance the number of constituents among the six sectors described above, and to make the total number of the constituents equal to 225. Among the 450 "high liquidity" stocks, half of those that belong to any sector are designated as the "appropriate number of stocks" for that sector. The actual number of constituents in a sector is then compared with its "appropriate number," and if the actual number is larger or smaller than the appropriate number, then components are delete or added, as necessary. Stocks to be deleted are selected from stocks with lower liquidity and stocks to be added are selected from stocks with higher liquidity. Stocks selected according the foregoing procedures are candidates for addition or deletion, as applicable, and the final determinations will be made by Nikkei Inc.

The Nikkei 225 is also reviewed on an ongoing basis in response to extraordinary developments, such as bankruptcies or mergers. A Nikkei Underlying Stock may be deleted or added by Nikkei Inc. Any stock becoming ineligible for listing in the TSE First Section due to any of the following reasons will be removed from the Nikkei 225: (i) designated to "securities to be delisted", *i.e.* "Seiri Meigara" or delisted due to bankruptcy, including filing for Corporate Reorganization Act, Civil Rehabilitation Act, or liquidation; (ii) delisted due to corporate restructuring such as merger, share exchange or share transfer, (iii) designated to "securities to be delisted" or delisted due to excel debt or other reasons; or (iv) transfer to the TSE Second Section. In addition, a component stock designated to "securities under supervision", *i.e.* "Kanri Meigara" become deletion candidates. However, decision to delete such candidates will be made by examining the sustainability and the probability of delisting for each individual case. Upon deletion of a stock from the Nikkei Underlying Stocks, Nikkei Inc. will select a replacement for such deleted Nikkei Underlying Stock in accordance with certain criteria. In an exceptional case, a newly listed stock in the TSE First Section that is recognized by Nikkei Inc. to be representative of a market may be added to the Nikkei Underlying Stocks. In such a case, an existing Nikkei Underlying Stock with low trading volume and deemed not to be representative of a market will be deleted by Nikkei Inc.

Calculation of the Nikkei 225

The Nikkei 225 is a modified, price-weighted index (*i.e.*, a Nikkei Underlying Stock's weight in the index is based on its price per share rather than the total market capitalization of the issuer) where the sum of the constituent stock prices, adjusted by the presumed par value, is divided by a divisor. It is calculated by (i) converting the Nikkei Underlying Stocks that do not have a par value of 50 yen to 50 yen par value, as described below, (ii) calculating the sum of the share prices of each Nikkei Underlying Stock and (iii) dividing such sum by a divisor (the "**Divisor**"). The Divisor was initially set at 225 for the date of May 16, 1949 using historical numbers from May 16, 1949, the date on which the TSE was reopened. The Divisor was 24.966 as of September 28, 2011, and is subject to periodic adjustments as set forth below. Most listed companies in Japan have a par value of 50 yen. All companies included in the Nikkei 225 are given an equal weighting based on a par value of 50 yen. Stocks with irregular par values are modified to reflect a 50 yen par value. For example, a stock with a 500 yen par value will have its share price divided by 10 to give a 50 yen par value price. The stock prices used in the calculation of the Nikkei 225 are those reported by a primary market for the Nikkei Underlying Stocks (currently the TSE). Since January 5, 2010, the level of the Nikkei 225 is calculated every 15 seconds during TSE trading hours.

In order to maintain continuity in the Nikkei 225 in the event of certain changes due to non-market factors affecting the Nikkei Underlying Stocks, such as the addition or deletion of stocks, substitution of stocks, stock splits or distributions of assets to stockholders, the Divisor used in calculating the Nikkei 225 is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Nikkei 225. Thereafter, the Divisor remains at the new value until a further adjustment is necessary as the result of another change. As a result of such change affecting any Nikkei Underlying Stock, the Divisor is adjusted in such a way that the sum of all share prices immediately after such change multiplied by the applicable Weight Factor and divided by the new Divisor (*i.e.*, the level of the Nikkei 225 immediately after such change) will equal the level of the Nikkei 225 immediately prior to the change.

License Agreement with Nikkei Inc. and Disclaimers

Société Générale has entered into an agreement with Nikkei Inc. that provides Société Générale and certain of its affiliates or subsidiaries identified in that agreement with a non-exclusive license and, for a fee, with the right to use the Nikkei 225, which is owned and published by Nikkei Inc., in connection with certain securities, including the Notes.

The license agreement with Nikkei Inc. provides that Nikkei Inc. will assume no obligation or responsibility for use of the Nikkei 225 by Société Générale or its affiliates.

The Nikkei 225 is an intellectual property of Nikkei Inc. Nikkei Inc. was formerly known as Nihon Keizai Shimbun, Inc. The name was changed on January 1, 2007. "Nikkei," "Nikkei Stock Average," and "Nikkei 225" are the service marks of Nikkei Inc. Nikkei Inc. reserves all the rights, including copyright, to the index. Nikkei Digital Media, Inc., a wholly owned subsidiary of Nikkei Inc., calculates and disseminates the Nikkei 225 under exclusive agreement with Nikkei Inc. Nikkei Inc. and Nikkei Digital Media Inc. are collectively referred to as the "Nikkei 225 Sponsor."

THE NOTES ARE NOT IN ANY WAY SPONSORED, ENDORSED OR PROMOTED BY THE NIKKEI 225 SPONSOR. THE NIKKEI 225 SPONSOR DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, EITHER AS TO THE RESULTS TO BE OBTAINED AS TO THE USE OF THE NIKKEI 225 OR THE FIGURE AT WHICH THE NIKKEI 225 STANDS AT ANY PARTICULAR DAY OR OTHERWISE. THE NIKKEI 225 IS COMPILED AND CALCULATED SOLELY BY THE NIKKEI 225 SPONSOR. HOWEVER, THE NIKKEI 225 SPONSOR SHALL NOT BE LIABLE TO ANY PERSON FOR ANY ERROR IN THE NIKKEI 225 AND THE NIKKEI 225 SPONSOR SHALL NOT BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON, INCLUDING A PURCHASER OR VENDOR OF THE NOTES, OF ANY ERROR THEREIN.

In addition, the Nikkei 225 Sponsor gives no assurance regarding any modification or change in any methodology used in calculating the Nikkei 225 and is under no obligation to continue the calculation, publication and dissemination of the Nikkei 225.

Description of the Russell 2000® Index

Russell Investments ("**Russell**"), a subsidiary of The Northwestern Mutual Life Insurance Company, publishes the Russell 2000® Index. We have derived all information relating to the Russell 2000® Index, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available sources. That information reflects the policies of, and is subject to change by, Russell. We make no representation or warranty as to the accuracy or completeness of such information. Russell is under no obligation to continue to publish, and may discontinue or suspend the publication of the Russell 2000® Index at any time. Additional information on the Russell 2000® Index is available at the following website: http://www.russell.com.

The Russell 2000® Index is intended to measure the composite price performance of stocks of 2,000 companies incorporated and domiciled in the United States and its territories. All 2,000 stocks are traded on a major United States exchange and form a part of the Russell 3000® Index. The Russell 2000® Index measures the capitalization-weighted performance of the small cap stocks included in the Russell 2000® Index and is designed to track the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10.00% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market capitalization and current index membership. The Russell 2000® Index is reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The Russell 3000® Index is composed of the 3,000 largest United States companies as determined by market capitalization and represents approximately 98.00% of the United States equity market. The Russell 2000® Index consists of the smallest 2,000 companies included in the Russell 3000® Index. Only stocks belonging to companies domiciled in the U.S. are allowed into the Russell 2000® Index.

In general, only one class of securities of a company (typically common stock) is allowed in the Russell 2000® Index. If multiple share classes of common stock exist, they are combined. In cases where the common stock share classes act independently of each other (e.g., tracking stocks), each class is considered separately. Stocks must have a closing price at or above $1.00 on their primary exchange on the last trading day in May of each year to be eligible for inclusion in the Russell 2000® Index. However, to reduce unnecessary turnover, if the closing price of a stock included in the Russell 2000® Index is less than $1.00 on the last day of May, it will be considered eligible if the average of the daily closing prices from such stock's primary exchange during the month of May is equal or greater than $1.00. If a stock does not have a closing price at or above $1.00 on its primary exchange on the last trading day in May, but does have a closing price at or above $1.00 on another major United States exchange, the stock will be eligible for inclusion but the lowest price from a non-primary exchange will be used to calculate market capitalization and index membership. The primary criterion used to determine the initial list of securities eligible for the Russell 2000® Index is total market capitalization, which is defined as the price of a company's shares on the last trading day in May times the total number of available shares, as described below.

The Russell 2000® Index is reconstituted annually by Russell to reflect changes in the marketplace. Reconstitution is a vital part of the creation of a benchmark which accurately represents a particular market segment. Companies may get bigger or smaller over time, or change in style characteristics. Reconstitution ensures that the correct companies are represented in the Russell 2000® Index. The list of companies is based on total market capitalization on the last trading day in May, with the actual reconstitution effective on the first trading day following the final Friday in June of each year, unless the final Friday in June is the 28th, 29th or 30th, in which case the reconstitution will be effective on the preceding Friday. Changes to the constituents are pre-announced and subject to change if any corporate activity occurs or if any new information is received prior to release.

Russell specifically excludes the following companies and securities from the Russell 2000 Index: (i) preferred and convertible preferred stock, redeemable shares, participating preferred stock, warrants, rights and trust receipts; (ii) royalty trusts, limited liability companies, closed-end investment companies (business development companies are eligible), blank check companies, special purpose acquisition companies and limited partnerships; (iii) companies with a total market capitalization less than $30 million; (iv) companies with only a small portion of their shares available in the marketplace (companies with 5.00% or less float); (v) bulletin board, pink sheets or over-the-counter traded securities; and (vi) real estate investment trusts and publicly traded partnerships that generate, or have historically generated, unrelated business taxable income and have not taken steps to block their unrelated business taxable income to equity holders. Real Estate Investment Trusts and Beneficial Trusts however, are eligible for inclusion.

Computation of the Russell 2000® Index

The Russell 2000® Index is a capitalization-weighted index. The Russell 2000® Index reflects changes in the market value (i.e., capitalization) of the component stocks relevant to their market value on a base date. The Russell 2000® Index is determined by adding the market values of the component stocks, which are derived by multiplying the price of each stock by the number of available shares, to arrive at the total market capitalization of the 2,000 stocks. The total market capitalization is then divided by a divisor, which gives the adjusted capitalization of the Russell 2000® Index on the base date of December 31, 1986. The most recently traded price for a security will be used in determining the Russell 2000® Index. If a component security is not open for trading, the most recently traded price for that security will be used. The divisor is adjusted periodically to reflect certain events in order to provide consistency for the Russell 2000® Index. The events include changes in the number of common shares outstanding for component securities, company additions or deletions, corporate restructurings and other changes. Available shares are considered to be available for trading. Exclusion of market value held by other listed companies and large holdings by private investors (10.00% or more) is based on information recorded in Securities and Exchange Commission filings.

Available shares are assumed to be shares available for trading. Exclusion of capitalization held by other listed companies and large holdings of private investors (10.00% or more) is based on information recorded in Securities and Exchange Commission filings. Other sources are used in cases of missing or questionable data.

The following types of shares considered unavailable for the purposes of capitalization determinations:

- *ESOP or LESOP shares* – shares of corporations that have Employee Stock Ownership Plans that comprise 10.00% or more of the shares outstanding are adjusted;

- *Corporate cross-owned shares* – when shares of a company in the Russell 2000® Index are held by another company also in the Russell 2000® Index, this is considered corporate cross-ownership. Any percentage held in this class will be adjusted;

- *Large private and corporate shares* – when an individual, a group of individuals acting together, or a corporation not in the Russell 2000® Index owns 10.00% or more of the shares outstanding, such shares will be adjusted; however, institutional holdings (investment companies, partnerships, insurance companies, mutual funds, banks or venture capital companies) are not included in this class unless such institutions have a direct relationship to the company issuing the shares, such as board representation;

- *Unlisted share classes* – classes of common stock that are not traded on a United States securities exchange or NASDAQ;

- *IPO lock-ups* – shares locked up during an initial public offering are not available to the public and will be excluded from the market value at the time the IPO enters the Russell 2000® Index; and

- *Government holdings* – shares listed as "government of" are considered unavailable and will be removed entirely from available shares; shares held by government investment boards and/or investment arms will be treated similar to large private holdings and removed if the holding is greater than 10.00%; however, shares held by a government pension plan are considered institutional holdings and will not be removed from available shares.

Corporate Actions Affecting the Russell 2000® Index

Russell adjusts the Russell 2000® Index on a daily basis in response to certain corporate actions and events. Therefore, a company's membership and weight in the Russell 2000® Index can be impacted by these corporate actions. The adjustment is applied based on sources of public information, including press releases and Securities and Exchange Commission filings. Prior to the completion of a corporate action or event, Russell estimates the effective date. Russell will then adjust the anticipated effective date based on public information until the date is considered final. Depending on the time on a given day that an action is determined to be final, Russell will generally either (1) apply the action before the open on the ex-date or (2) apply the action after providing appropriate notice to its clients regarding the impact of the action and the effective date. Russell applies the following methodology guidelines when adjusting the Russell 2000® Index in response to corporate actions and events:

- *"No Replacement" Rule* – Securities that are deleted from the Russell 2000® Index for any reason (e.g., mergers, acquisitions or other similar corporate activity) are not replaced. Therefore, the number of securities in the Russell 2000® Index will fluctuate according to corporate activity.

- *Mergers and Acquisitions* – Mergers and acquisitions activity may result in changes to Russell 2000® Index membership as well as to the shares included in the Russell 2000® Index and a company's style probabilities. Adjustments due to mergers and acquisitions are applied to the Russell 2000® Index after the action is determined to be final, providing appropriate notice.

- *Mergers or acquisitions between members of the Russell 3000® Index* – In the event a merger or acquisition occurs between members of the Russell 3000® Index, which includes the Russell 2000® Index, or the Russell Global Index, the acquired company is deleted and its market capitalization moves to the acquiring company's stock according to the terms of the transaction. Shares are updated for the acquiring stock at the time the transaction is determined to be final. If an action is determined to be final prior to 1:00 p.m. Eastern, the action will be applied after the close of the current day. If an action is determined to be final after 1:00 p.m. Eastern time, the action will be delayed and applied the following day.

- *Mergers or acquisitions between a member and a non-member* – A non-member is defined as a company that is not a member of the Russell 3000® Index or the Russell Global Index. Mergers and acquisitions between a member and non-member can take two forms: (1) If the acquiring company is a member of the Russell 3000® Index, but the acquired company is not, the shares for the acquiring stock are adjusted at month-end; (2) If the acquiring company is not a member of the Russell 3000® Index, but the acquired company is a member of the Russell 3000® Index, the action can fall into the category of a reverse merger or a standard acquisition.

- *Rules of Deletions* – When a stock is delisted or moves to the pink sheets or bulletin boards on the floor of a United States securities exchange, the stock is deleted from the Russell 2000® Index (1) after the close of the current day at the last traded primary exchange price, if the relevant action is determined to be final prior to 1:00 p.m. Eastern, or (2) after the close of the following day, if the relevant action is determined to be final after 1:00 p.m. Eastern, using (i) the closing OTC price in the event of a delisting or movement to the pink sheets or bulletin boards, or (ii) a synthetic price based on the last traded primary exchange price of the acquiring company in the event of a merger or acquisition.

- *Halted Stocks* – Halted securities are not removed from the Russell 2000® Index until the time they are actually delisted from the exchange. If a security is halted, it remains in the Russell 2000® Index at the most recent closing price until the security resumes trading or is officially delisted. If, however, a stock is (i) halted due to financial difficulty/debt or cash flow issues for a period longer than 40 calendar days or (ii) suspended due to exchange listing rules or legal regulatory issues longer than one calendar quarter, Russell will review for removal on a case-by-case basis. Determinations will be made based upon reasonable likelihood of trade resumption and likelihood of residual value returned to equity holders. If removal is deemed appropriate, Russell will remove the stock at zero value at the end of the month. Stocks that are scheduled for removal but suspended or not trading through reconstitution due to low liquidity or those suspended by the exchange or other governing body due to liquidity issues will be monitored for trade resumption. Once trading resumes, the securities will be removed from the Russell 2000® Index using the closing price on the primary exchange of the securities.

- *Bankruptcy and Voluntary Liquidations* – Companies that file for a Chapter 7 liquidation bankruptcy or have filed a liquidation plan will be removed from the Russell 2000® Index at the time of the bankruptcy filing; whereas companies filing for a Chapter 11 reorganization bankruptcy will remain a member of the Russell 2000® Index, unless the company is delisted from the primary exchange, in which case normal delisting rules apply. If a company filed for bankruptcy, is delisted and it can be confirmed that it will not trade OTC, Russell may remove the stock at a nominal price of $0.0001.

- *Change of Company Structure* – In the event a company changes its corporate designation from that of a Business Development Company, Russell will remove the member as ineligible for index inclusion and provide two days' notice of its removal.

- *Stock Distributions* – A price adjustment for stock distributions is applied on the ex-date of the distribution. When the number of shares for the distribution is fixed, Russell increases the number of shares on the ex-date. When the number of shares is an undetermined amount based on future earnings and profits, Russell increases the number of shares on the pay-date.

- *Dividends* – Russell includes gross dividends in the daily total return calculation of the Russell 2000® Index on the basis of their ex-dates. If a dividend is payable in stock and cash and the stock rate cannot be determined by the ex-date, the dividend is treated as all cash. Regular cash dividends are reinvested across the Russell 2000® Index at the close on the dividend ex-date, while special cash dividends are subtracted from the price of the stock before the open on the ex-date.

- *Updates to Share Capital* – Changes to shares outstanding due to buybacks (including Dutch auctions), secondary offerings, merger activity with a non-index member and other potential changes are generally updated at the end of the month in which the change is reflected in vendor-supplied updates. Russell verifies this information using publicly available information filed with the Securities and Exchange Commission. Russell only applies such changes if the aggregate change in the number of shares outstanding is greater than 5.00%. The float factor determined during the most recent annual reconstitution is applied to this figure, and only the available shares will be added to the Russell 2000® Index. No such changes are made in June due to the most recent annual reconstitution. Month-end changes in November and December will be processed as one event after the close on the third Friday of each December due to low liquidity in the financial markets at the end of the year.

- *Additions for Spin-Offs* – Spun-off companies are added to the parent company's Russell index if the spun-off company meets all the eligibility requirements of that index and its total market capitalization is greater than the market-adjusted total market capitalization of the smallest security in the Russell 3000® Index at the latest reconstitution. Spun-off companies are added to the Russell 2000® Index at the same time as they are spun-off from their parent company, which is on the completion date of the spin-off. The parent company's market value will be reduced simultaneously on the Russell effective date.

- *Quarterly IPO Additions* – Eligible companies that have recently completed an initial public offering are added to the Russell 2000® Index at the end of each calendar quarter (except that fourth quarter IPO additions will be processed after the close on the third Friday of each December) based on total market capitalization ranking within the market-adjusted capitalization breaks established during the most recent reconstitution. Market adjustments will be made using the returns of the Russell 3000® Index. Eligible companies will be added to the Russell 2000® Index using their industry's average style probability established at the latest constitution.

License Agreement with Russell

Société Générale has entered into an agreement with Russell providing Société Générale and its affiliates with a non-exclusive license and, for a fee, with the right to use the Russell 2000® Index, which is owned and published by Russell Investments, in connection with certain securities, including the Notes.

The Notes are not in any way sponsored, endorsed, sold or promoted by Russell Investments, and Russell Investments makes no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell 2000® Index and/or the figure at which the Russell 2000® Index stands at any particular time or any particular day otherwise. There is no affiliation between Société Générale and Russell Investments, as the Russell 2000® Index is compiled and calculated solely by Russell Investments without regard to Société Générale. However, Russell Investments shall not be liable (whether in negligence or otherwise) to any person for any error in the Russell 2000® Index, and Russell Investments shall not be under any obligation to advise any person of any error therein.

Description of the S&P 500® Index

All information herein on the S&P 500® Index, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. Such information reflects the policies of, and is subject to change by, Standard & Poor's Financial Services LLC ("**S&P**"). We make no representation or warranty as to the accuracy or completeness of such information. The S&P 500® Index was developed by S&P and is calculated, maintained and published by S&P. S&P has no obligation to continue to publish, and may discontinue the publication of, the S&P 500® Index.

The S&P 500® Index is reported by Bloomberg L.P. under the ticker symbol "SPX."

On November 4, 2011, The McGraw-Hill Companies, Inc. ("**McGraw-Hill**"), the owner of the S&P Indices business, and CME Group Inc. ("**CME Group**"), the 90% owner of the CME Group and Dow Jones & Company, Inc. joint venture that owns the Dow Jones Indexes business, announced a new joint venture, S&P/Dow Jones Indices, which will own the S&P Indices business and the Dow Jones Indexes business, including the S&P 500® Index.

Calculation of the S&P 500®

The S&P 500® Index is intended to provide a performance benchmark for the large capitalization segment of the U.S. equity markets. The calculation of the level of the S&P 500® Index (discussed below in further detail) is based on the relative value of the aggregate Market Value (as defined below) of the common stocks of 500 companies (the "**S&P Component Stocks**") as of a particular time as compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. Historically, the "Market Value" of any S&P Component Stock was calculated as the product of the market price per share and the number of the then-outstanding shares of such S&P Component Stock. As discussed below, on March 21, 2005, S&P began to use a new methodology to calculate the Market Value of the S&P Component Stocks and on September 16, 2005, S&P completed its transition to the new calculation methodology. The 500 companies are not the 500 largest companies listed on the New York Stock Exchange (the "**NYSE**") and not all 500 companies are listed on such exchange. S&P chooses companies for inclusion in the S&P 500® Index with the objective of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the U.S. equity market. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500® Index to achieve the objectives stated above. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the company's common stock is widely-held and the Market Value and trading activity of the common stock of that company.

On March 21, 2005, S&P began to calculate the S&P 500® Index based on a half float-adjusted formula, and on September 16, 2005, the S&P 500® Index became fully float-adjusted. S&P's criteria for selecting stocks for the S&P 500® Index was not changed by the shift to float adjustment. However, the adjustment affects each company's weight in the S&P 500® Index (i.e., its Market Value).

Under float adjustment, the share counts used in calculating the S&P 500® Index reflect only those shares that are available to investors, not all of a company's outstanding shares. S&P defines three groups of shareholders whose holdings are subject to float adjustment:

- holdings by other publicly traded corporations, venture capital firms, private equity firms, strategic partners, or leveraged buyout groups;
- holdings by government entities, including all levels of government in the United States or foreign countries; and
- holdings by current or former officers and directors of the company, founders of the company or family trusts of officers, directors or founders, as well as holdings of trusts, foundations, pension funds, employee stock ownership plans, or other investment vehicles associated with and controlled by the company.

However, treasury stock, stock options, equity participation units, warrants, preferred stock, convertible stock and rights are not part of the float. In cases where holdings in a group exceed 10.00% of the outstanding shares of a company, the holdings of that group will be excluded from the float-adjusted count of shares to be used in the S&P 500® Index calculation. Mutual funds, investment advisory firms, pension funds or foundations not associated with the company and investment funds in insurance companies, shares that trust beneficiaries may buy or sell without difficulty or significant additional expense beyond typical brokerage fees, and, if a company has multiple classes of stock outstanding, shares in an unlisted or non-traded class if such shares are convertible by shareholders without undue delay and cost, are also part of the float. Shares held in a trust to allow investors in countries outside the country of domicile (e.g., ADRs, CDIs and Canadian exchangeable shares) are normally part of the float.

For each stock, an investable weight factor ("**IWF**") is calculated by dividing the available float shares, defined as the total shares outstanding less shares held in one or more of the three groups listed above where the group holdings exceed 10.00% of the outstanding shares, by the total shares outstanding. (On March 21, 2005, the S&P 500® Index moved halfway to float adjustment, meaning that if a stock has an IWF of 0.80, the IWF used to calculate the S&P 500® Index between March 21, 2005 and September 16, 2005 was 0.90. On September 16, 2005, S&P began to calculate the S&P 500® Index on a fully float-adjusted basis, meaning that if a stock has an IWF of 0.80, the IWF used to calculate the S&P 500® Index on and after September 16, 2005 is 0.80.) The float-adjusted Index is calculated by dividing the sum of the IWF multiplied by both the price and the total shares outstanding for each stock by the Index Divisor. For companies with multiple classes of stock, S&P calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights.

As of the date of this underlying supplement, the S&P 500® Index is calculated using a base-weighted aggregate methodology: the level of the S&P 500® Index reflects the total Market Value of all 500 S&P Component Stocks relative to the S&P 500® Index's base period of 1941–43 (the "**Base Period**").

An indexed number is used to represent the results of this calculation in order to make the value easier to work with and track over time.

The actual total Market Value of the S&P Component Stocks during the Base Period has been set equal to an indexed value of 10. This is often indicated by the notation 1941–43=10. In practice, the daily calculation of the S&P 500® Index is computed by dividing the total Market Value of the S&P Component Stocks by a number called the Index Divisor. By itself, the Index Divisor is an arbitrary number. However, in the context of the calculation of the S&P 500® Index, it is the only link to the original Base Period level of the S&P 500® Index. The Index Divisor keeps the S&P 500® Index comparable over time and is the manipulation point for all adjustments to the S&P 500® Index ("**Index Maintenance**").

Index Maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends and stock price adjustments due to company restructurings or spin-offs.

Index Maintenance

To prevent the level of the S&P 500® Index from changing due to corporate actions, all corporate actions which affect the total Market Value of the S&P 500® Index require an Index Divisor adjustment. By adjusting the Index Divisor for the change in total Market Value, the level of the S&P 500® Index remains constant. This helps maintain the level of the S&P 500® Index as an accurate barometer of stock market performance and ensures that the movement of the S&P 500® Index does not reflect the corporate actions of individual companies in the S&P 500® Index. All Index Divisor adjustments are made after the close of trading and after the calculation of the closing level of the S&P 500® Index. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the S&P 500® Index and do not require Index Divisor adjustments. The table below summarizes the types of Index Maintenance adjustments and indicates whether or not an Index Divisor adjustment is required.

Type of Corporate Action	Comment	Divisor Adjustment Required
Company Added/Deleted	Net change in market value determines the divisor adjustment	Yes
Change in Shares Outstanding	Any combination of secondary issuance, share repurchase or buy back – share counts revised to reflect change.	Yes
Stock Split	Share count revised to reflect new count. Divisor adjustment is not required since the share count and price changes are offsetting.	No
Spin-off	If the spun-off company is not being added to the index, the divisor adjustment reflects the decline in index market value (*i.e.*, the value of the spun-off unit).	Yes
Spin-off	Spun-off company added to the index, no company removed from the index.	No
Spin-off	Spun-off company added to the index, another company removed to keep number of names fixed. Divisor adjustment reflects deletion.	Yes
Change in Investable Weight Factor (IWF)	Increasing (decreasing) the IWF increases (decreases) the total market value of the index. The divisor change reflects the change in market value caused by the change to an IWF.	Yes
Special Dividends	When a company pays a special dividend the share price is assumed to drop by the amount of the dividend; the divisor adjustment reflects this drop in index market value.	Yes
Rights Offering	Each shareholder receives the right to buy a proportional number of additional shares at a set (often discounted) price. The calculation assumes that the offering is fully subscribed. Divisor adjustment reflects increase in market cap measured as the shares issued multiplied by the price paid.	Yes

Stock splits and stock dividends do not affect the Index Divisor, because following a split or dividend, both the stock price and number of shares outstanding are adjusted by S&P so that there is no change in the Market Value of the S&P Component Stock. All stock split and dividend adjustments are made after the close of trading on the day before the ex-date.

Each of the corporate events exemplified in the table requiring an adjustment to the Index Divisor has the effect of altering the Market Value of the S&P Component Stock and consequently of altering the aggregate Market Value of the S&P Component Stocks (the "**Post-Event Aggregate Market Value**"). In order that the level of the S&P 500® Index (the "**Pre-Event Index Value**") is not affected by the altered

Market Value (whether increase or decrease) of the affected Component Stock, a new Index Divisor ("**New Divisor**") is derived as follows:

$$\frac{\text{Post-Event Aggregate Market Value}}{\text{New Divisor}} = \text{Pre-Event Index Value}$$

$$\text{New Divisor} = \frac{\text{Post-Event Aggregate Market Value}}{\text{Pre-Event Index Value}}$$

A large part of the Index Maintenance process involves tracking the changes in the number of shares outstanding of each of the S&P 500® Index companies. Four times a year, on a Friday close to the end of each calendar quarter, the share totals of companies in the S&P 500® Index are updated as required by any changes in the number of shares outstanding. After the totals are updated, the Index Divisor is adjusted to compensate for the net change in the total Market Value of the S&P 500® Index. In addition, any changes over 5.00% in the current common shares outstanding for the S&P 500® Index companies are carefully reviewed on a weekly basis, and when appropriate, an immediate adjustment is made to the Index Divisor.

License Agreement

Société Générale (the "**Licensee**") has entered into an agreement providing Société Générale and its affiliates with a non-exclusive license and, for a fee, with the right to use the S&P 500® Index, which is owned and published by S&P, in connection with certain securities, including the Notes. "Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500", and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Société Générale**.**

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S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Description of the S&P GSCI Indices

All information herein on the S&P GSCI Indices (as defined below), including, without limitation, their make-up, method of calculation and changes in their components, is derived from publicly available information. Such information reflects the policies of, and is subject to change by, Standard & Poor's Financial Services LLC ("**S&P**"), the publisher of the S&P GSCI Indices. We make no representation or warranty as to the accuracy or completeness of such information. The S&P GSCI Indices are determined, composed and calculated by S&P, without regard to the Notes. S&P acquired the rights to the S&P GSCI™ from Goldman, Sachs & Co. in 2007. Goldman, Sachs & Co. established and began calculating the S&P GSCI™ in May 1991. The former name of the S&P GSCI™ was the Goldman Sachs Commodity Index, or GSCI®. S&P has no obligation to continue to publish, and may discontinue publication of, any S&P GSCI Index.

On November 4, 2011, The McGraw-Hill Companies, Inc. ("**McGraw-Hill**"), the owner of the S&P Indices business, and CME Group Inc. ("**CME Group**"), the 90% owner of the CME Group and Dow Jones & Company, Inc. joint venture that owns the Dow Jones Indexes business, announced a new joint venture, S&P/Dow Jones Indices, which will own the S&P Indices business and the Dow Jones Indexes business. The ownership of the S&P GSCI Indices may change as a result. McGraw-Hill and CME Group expect the S&P/Dow Jones Indices to be operational in the first half of 2012, subject to regulatory approval and other conditions.

S&P publishes excess return and total return versions of each of the S&P GSCI Indices. The relevant terms supplement will specify whether the Notes are linked to the excess return or total return version of the S&P GSCI Indices. The excess return versions of the S&P GSCI Indices is based on price levels of the futures contracts included in such S&P GSCI Index as well as the discount or premium obtained by "rolling" hypothetical positions in such contracts forward as they approach delivery. The total return versions of the S&P GSCI Indices incorporate the returns of the excess return versions, except that the total return indices also reflect interest earned on hypothetical, fully collateralized contract positions on the included commodities.

The S&P GSCI™ is an index on a world production-weighted basket of principal non-financial commodities (i.e., physical commodities) that satisfy specified criteria. The S&P GSCI™ is designed to be a measure of the performance over time of the markets for these commodities. The only commodities represented in the S&P GSCI™ are those physical commodities on which active and liquid contracts are traded on trading facilities in major industrialized countries. The commodities included in the S&P GSCI™ are weighted, on a production basis, to reflect the relative significance (in the view of S&P, as described below) of such commodities to the world economy. The fluctuations in the value of the S&P GSCI™ are intended generally to correlate with changes in the prices of such physical commodities in global markets. The S&P GSCI™ has been normalized such that its hypothetical level on January 2, 1970 was 100. Futures contracts on the S&P GSCI™, and options on such futures contracts, are currently listed for trading on the Chicago Mercantile Exchange.

Set forth below is a summary of the methodology used to calculate the S&P GSCI Indices. Since the S&P GSCI™ is the parent index of the S&P GSCI Component Indices, the methodology for compiling the S&P GSCI™ relates as well to the methodology of compiling the S&P GSCI Component Indices. Each of the S&P GSCI Component Indices reflecting portions of the S&P GSCI™ is calculated in the same manner as the S&P GSCI™, except that (i) the daily contract reference price, CPWs and roll weights (each as discussed below) used in performing such calculations are limited to those of the commodities included in the relevant sub-index and (ii) each sub-index has a separate normalizing constant (discussed below). The methodology for determining the composition and weighting of the S&P GSCI™ and for calculating its value is subject to modification in a manner consistent with the purposes of the S&P GSCI™, as described below. S&P makes the official calculations of the S&P GSCI Indices.

The Index Committee and the Index Advisory Panel

S&P has established an index committee (the "**Index Committee**") to oversee the daily management and operations of the S&P GSCI™, and is responsible for all analytical methods and calculation of the S&P GSCI Indices. The Index Committee consists of full-time professional members of S&P's staff. At each meeting, the Index Committee reviews any issues that may affect index constituents, statistics comparing the composition of the indices to the market, commodities that are being considered as candidates for an addition to an index and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting commodities or other matters.

S&P considers information about changes to its indices and related matters to be potentially market-moving and material. Therefore, all Index Committee discussions are confidential.

S&P has established an index advisory panel (the "**Advisory Panel**") to assist it in connection with the operation of the S&P GSCI™. The Advisory Panel meets on an annual basis and at other times at the request of the Index Committee. The principal purpose of the Advisory Panel is to advise S&P with respect to, among other things, the calculation of the S&P GSCI™, the effectiveness of the S&P GSCI™ as a measure of commodity futures market performance, and the need for changes in the composition or in the methodology of the S&P GSCI™. The Advisory Panel acts solely in an advisory and consultative capacity; the Index Committee makes all decisions with respect to the composition, calculation and operation of the S&P GSCI™.

Composition of the S&P GSCI™

In order to be included in the S&P GSCI™, a contract must satisfy the following eligibility criteria:

- the contract must be in respect of a physical commodity and not a financial commodity;

- the contract must have a specified expiration or term or provide in some other manner for delivery or settlement at a specified time, or within a specified period, in the future;

- the contract must, at any given point in time, be available for trading at least five months prior to its expiration or such other date or time period specified for delivery or settlement;

- the contract must be traded on an exchange, facility or other platform (referred to as a "**trading facility**") that allows market participants to execute spread transactions, through a single order entry, between the pairs of contract expirations included in the S&P GSCI™ that, at any given point in time, will be involved in the rolls to be effected in the next three roll periods (defined below);

- the contract must be denominated in U.S. dollars; and

- the contract must be traded on or through a trading facility that has its principal place of business or operations in a country that is a member of the Organization for Economic Cooperation and Development and that:

    - makes price quotations generally available to its members or participants (and to S&P) in a manner and with a frequency that is sufficient to provide reasonably reliable indications of the level of the relevant market at any given point in time;

    - makes reliable trading volume information available to S&P with at least the frequency required by S&P to make the monthly determinations;

    - accepts bids and offers from multiple participants or price providers; and

    - is accessible by a sufficiently broad range of participants.

The price of the relevant contract that is used as a reference or benchmark by market participants (referred to as the "**daily contract reference price**") generally must have been available on a continuous basis for at least two years prior to the proposed date of inclusion in the S&P GSCI™. In appropriate circumstances, S&P may determine that a shorter time period is sufficient or that historical daily contract reference prices for such contract may be derived from daily contract reference prices for a similar or related contract. The daily contract reference price may be (but is not required to be) the settlement price or other similar price published by the relevant trading facility for purposes of margining transactions or for other purposes.

At and after the time a contract is included in the S&P GSCI™, the daily contract reference price for such contract must be published between 10:00 a.m. and 4:00 p.m., New York City time, on each business day relating to such contract by the trading facility on or through which it is traded and must generally be available to all members of, or participants in, such facility (and to S&P) on the same day from the trading facility or through a recognized third-party data vendor. Such publication must include, at all times, daily contract reference prices for at least one expiration or settlement date that is five months or more from the date the determination is made, as well as for all expiration or settlement dates during such five-month period.

For a contract to be eligible for inclusion in the S&P GSCI™, volume data with respect to such contract must be available for at least the three months immediately preceding the date on which the determination is made. The following eligibility criteria apply:

- In order to be added to the S&P GSCI™, a contract that is not included in the S&P GSCI™ at the time of determination and that is based on a commodity that is not represented in the S&P GSCI™ at such time must have an annualized total dollar value traded over the relevant period of at least U.S. $15 billion. The total dollar value traded is the dollar value of the total quantity of the commodity underlying transactions in the relevant contract over the period for which the calculation is made, based on the average of the daily contract reference prices on the last day of each month during the period.

- In order to continue to be included in the S&P GSCI™, a contract that is already included in the S&P GSCI™ at the time of determination and that is the only contract on the relevant commodity included in the S&P GSCI™ must have an annualized total dollar value traded of at least U.S. $5 billion over the relevant period and of at least U.S. $10 billion during at least one of the three most recent annual periods used in making the determination.

- In order to be added to the S&P GSCI™, a contract that is not included in the S&P GSCI™ at the time of determination and that is based on a commodity on which there are one or more contracts already included in the S&P GSCI™ at such time must have an annualized total dollar value traded over the relevant period of at least U.S. $30 billion.

- In order to continue to be included in the S&P GSCI™, a contract that is already included in the S&P GSCI™ at the time of determination and that is based on a commodity on which there are one or more contracts already included in the S&P GSCI™ at such time must have an annualized total dollar value traded, over the relevant period of at least U.S. $10 billion over the relevant period and of at least U.S. $20 billion during at least one of the three most recent annual periods used in making the determination.

In addition to the volume requirements described above, a contract must have a minimum reference percentage dollar weight:

- In order to continue to be included in the S&P GSCI™, a contract that is already included in the S&P GSCI™ at the time of determination must have a reference percentage dollar weight of at least 0.10%. The reference percentage dollar weight of a contract is determined by multiplying the CPW (defined below) of a contract by the average of its daily contract reference prices on the last day of each month during the relevant period. These amounts are summed for all contracts included in the S&P GSCI™ and each contract’s percentage of the total is then determined.

- In order to be added to the S&P GSCI™, a contract that is not included in the S&P GSCI™ at the time of determination must have a reference percentage dollar weight of at least 1.00% at the time of determination.

In the event that two or more contracts on the same commodity satisfy the eligibility criteria, such contracts are included in the S&P GSCI™ in the order of their respective total quantity traded during the relevant period (determined as the total quantity of the commodity underlying transactions in the relevant contract), with the contract having the highest total quantity traded being included first. No further contracts are included if such inclusion results in the portion of the S&P GSCI™ attributable to such commodity exceeding a particular level.

If under the procedure set forth in the preceding paragraph, additional contracts could be included with respect to several commodities at the same time, the procedure is first applied to the commodity that has the smallest portion of the S&P GSCI™ attributable to it at the time of determination. Subject to the other eligibility criteria, the contract with the highest total quantity traded on such commodity is included. Before any additional contracts on any commodity are included, the portion of the S&P GSCI™ attributable to all commodities is recalculated. The selection procedure described above is then repeated with respect to the contracts on the commodity that then has the smallest portion of the S&P GSCI™ attributable to it.

The quantity of each of the contracts included in the S&P GSCI™ is determined on the basis of a five-year average (referred to as the "**world production average**") of the production quantity of the underlying commodity from sources determined by S&P to be reasonably accurate and reliable, such as the United Nations Industrial Commodity Statistics Yearbook. However, if a commodity is primarily a regional commodity, based on its production, use, pricing, transportation or other factors, S&P may calculate the weight of such commodity based on regional, rather than world, production data. At present, natural gas is the only commodity the weight of which is calculated on the basis of regional production data, with the relevant region being North America.

The five-year moving average is updated annually for each commodity included in the S&P GSCI™, based on the most recent five-year period (ending approximately two years prior to the date of calculation and moving backwards) for which complete data for all commodities is available. The contract production weights (the "**CPWs**") used in calculating the S&P GSCI™ are derived from world or regional production averages, as applicable, of the relevant commodities, and are calculated based on the total quantity traded for the relevant contract and the world or regional production average, as applicable, of the underlying commodity. However, if the volume of trading in the relevant contract, as a multiple of the production levels of the commodity, is below specified thresholds, the CPW of the contract is reduced until the threshold is satisfied. This is designed to ensure that trading in each such contract is sufficiently liquid relative to the production of the commodity.

In addition, S&P performs this calculation on a monthly basis and, if the multiple of any contract is below the prescribed threshold, the composition of the S&P GSCI™ is reevaluated, based on the criteria and weighting procedure described above. This procedure is undertaken to allow the S&P GSCI™ to shift from contracts that have lost substantial liquidity into more liquid contracts, during the course of a given year. As a result, it is possible that the composition or weighting of the S&P GSCI™ will change on one or more of these monthly evaluation dates. In addition, regardless of whether any changes have occurred during the year, S&P reevaluates the composition of the S&P GSCI™ at the conclusion of each year, based on the above criteria. Other commodities that satisfy such criteria, if any, will be added to the S&P GSCI™. Commodities included in the S&P GSCI™ that no longer satisfy such criteria, if any, will be deleted.

S&P also determines whether modifications in the selection criteria or the methodology for determining the composition and weights of and for calculating the S&P GSCI™ are necessary or appropriate in order to assure that the S&P GSCI™ represents a measure of commodity market performance. S&P has the discretion to make any such modifications.

Contract Expirations

Because the S&P GSCI™ comprises actively traded contracts with scheduled expirations, it can only be calculated by reference to the prices of contracts for specified expiration, delivery or settlement periods, referred to as "contract expirations." The contract expirations included in the S&P GSCI™ for each commodity during a given year are designated by S&P, provided that each such contract must be an "active contract." An active contract for this purpose is a liquid, actively traded contract expiration, as defined or identified by the relevant trading facility or, if no such definition or identification is provided by the relevant trading facility, as defined by standard custom and practice in the industry.

If a trading facility deletes one or more contract expirations, the S&P GSCI™ will be calculated during the remainder of the year in which such deletion occurs based on the remaining contract expirations designated by S&P. If a trading facility ceases trading in all contract expirations relating to a particular contract, S&P may designate an eligible replacement contract on the commodity. To the extent practicable, the replacement will be in effect during the next monthly review of the composition of the S&P GSCI™. If that timing is not practicable, S&P will determine the date of the replacement and will consider a number of factors, including the differences between the existing contract and the replacement contract specifications and contract expirations.

Value of the S&P GSCI™

The value of the S&P GSCI™ on any given day is equal to the total dollar weight of the S&P GSCI™ divided by a normalizing constant that assures the continuity of the S&P GSCI™ over time. The total dollar weight of the S&P GSCI™ is the sum of the dollar weight of each of the underlying commodities.

The dollar weight of each such commodity on any given day is equal to:

- the "daily contract reference price" (discussed below),
- multiplied by the appropriate CPWs, and
- during a roll period, the appropriate "roll weights" (discussed below).

Daily Contract Reference Price

The daily contract reference price used in calculating the dollar weight of each commodity on any given day is the most recent daily contract reference price made available by the relevant trading facility, except that the daily contract reference price for the most recent prior day will be used if the exchange is closed or otherwise fails to publish a daily contract reference price on that day. In addition, if the trading facility fails to make a daily contract reference price available or publishes a daily contract reference price that, in the reasonable judgment of S&P, reflects manifest error, the relevant calculation will be delayed until the price is made available or corrected; provided that, if the price is not made available or corrected by 4:00 p.m., New York City time, S&P may, if it deems such action to be appropriate under the circumstances, determine the appropriate daily contract reference price for the applicable futures contract in its reasonable judgment for purposes of the relevant S&P GSCI™ calculation.

Roll Weights and Roll Periods

The "roll weight" of each commodity reflects the fact that the positions in contracts must be liquidated or rolled forward into more distant contract expirations as they approach expiration. If actual positions in the relevant markets were rolled forward, the roll would likely need to take place over a period of days. Since the S&P GSCI™ is designed to replicate the performance of actual investments in the underlying contracts, the rolling process incorporated in the S&P GSCI™ also takes place over a period of days at the beginning of each month (referred to as the "**roll period**"). On each day of the roll period, the roll weights of the first nearby contract expiration on a particular commodity and the more distant contract expiration into which it is rolled are adjusted, so that the hypothetical position in the contract on the commodity that is included in the S&P GSCI™ is gradually shifted from the first nearby contract expiration to the more distant contract expiration.

If on any day during a roll period any of the following conditions exists, the portion of the roll that would have taken place on that day is deferred until the next day on which such conditions do not exist:

- no daily contract reference price is available for a given contract expiration;
- any such price represents the maximum or minimum price for such contract month, based on exchange price limits (referred to as a "**Limit Price**");
- the daily contract reference price published by the relevant trading facility reflects manifest error, or such price is not published by 4:00 p.m., New York City time. In that event, S&P may, but is not required to, determine a daily contract reference price and complete the relevant portion of the roll based on such price; provided, that, if the trading facility publishes a price before the opening of trading on the next day, S&P will revise the portion of the roll accordingly; or
- trading in the relevant contract terminates prior to its scheduled closing time.

If any of these conditions exist throughout the roll period, the roll with respect to the affected contract will be effected in its entirety on the next day on which such conditions no longer exist.

Contract Daily Return

The contract daily return on any given day is equal to the sum, for each of the commodities included in the S&P GSCI™, of the applicable daily contract reference price on the relevant contract multiplied by the appropriate CPW and the appropriate roll weight, divided by the total dollar weight of the S&P GSCI™ on the preceding day, minus one.

Calculation of the S&P GSCI Indices

Excess return S&P GSCI Indices

The value of any excess return version of a S&P GSCI Index on any day on which the S&P GSCI™ is calculated (an "**S&P GSCI™ Business Day**") is equal to the product of:

- the value of the applicable S&P GSCI Index on the immediately preceding S&P GSCI™ Business Day; and

- one plus the contract daily return of the applicable S&P GSCI Index on the S&P GSCI™ Business Day on which the calculation is made.

Total Return S&P GSCI Indices

The value of any total return version of an S&P GSCI Index on any S&P GSCI™ Business Day reflects the value of an investment in the excess return version of that S&P GSCI Index together with a Treasury bill return and is equal to the product of:

- the value of the applicable S&P GSCI Index on the immediately preceding S&P GSCI™ Business Day;

- one plus the sum of the contract daily return and the Treasury Bill return on the S&P GSCI™ Business Day on which the calculation is made; and

- one plus the Treasury Bill return for each non-S&P GSCI™ Business Day since the immediately preceding S&P GSCI™ Business Day.

The Treasury Bill return is the return on a hypothetical investment in the applicable S&P GSCI Index at a rate equal to the interest rate on a specified U.S. Treasury Bill.

Information

All information contained herein relating to the S&P GSCI™ and each of the S&P GSCI Indices, including their make-up, method of calculation, changes in their components and historical performance, has been derived from publicly available information.

The information contained herein with respect to each of the S&P GSCI Indices and the S&P GSCI™ reflects the policies of, and is subject to change by, S&P.

Current information regarding the market value of the S&P GSCI Indices is available from S&P and from numerous public information sources. We make no representation that the publicly available information about the S&P GSCI Indices is accurate or complete.

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Description of the Tokyo Stock Price Index (TOPIX Index)

All information herein on the Tokyo Stock Price Index or TOPIX® Index (the "**TOPIX Index**") reflects the policies of, and is subject to change by, the Tokyo Stock Exchange, Inc. (the "**TSE**"). The TOPIX Index is calculated, maintained and published by the TSE.

The TOPIX Index is reported by Bloomberg under the ticker symbol "TPX <Index>".

The TOPIX Index was developed by the TSE. The TSE can add, delete or substitute the stocks underlying the TOPIX Index or make other methodological changes that could change the value of the TOPIX Index. Publication of the TOPIX Index began on July 1, 1969, with a base index value of 100 as of the base date of January 4, 1968, which was reset at 1,000 on April 1, 1998.

Additional information on the TOPIX Index is available on the following website: http://www.tse.or.jp/english/market/topix/index.html. The information on this website is not part of or incorporated by reference in this Pricing Supplement, the Product Supplement or the Offering Memorandum.

Composition and Maintenance of the TOPIX Index

The TOPIX Index is a free float-adjusted market capitalization weighted index and is of all domestic common stocks listed on the First Section of the TSE, excluding certain types of securities such as subscription warrant securities and preferred equity contribution securities. Companies scheduled to be delisted or newly listed companies that are still in the waiting period are excluded from the indices. The TOPIX has no constituent review. The number of constituents will change according to new listings and delistings. The reasons for stock additions and deletions to the TSE First Section are described further below.

Calculation of the TOPIX Index

The TOPIX Index is not expressed in Japanese yen, but is indicated in terms of points (as a decimal figure) rounded off to the second decimal place. The TOPIX Index is calculated as (1) the quotient of (a) the current free float-adjusted market value, which is the *sum* of the *products* of the price of each component stock and the number of free float-adjusted shares of each such component stock (the "**TOPIX Current Market Value**") *divided* by (b) the base market value (the "**TOPIX Base Market Value**"), *times* (2) the base index value of 100, and can be represented by the following formula:

$$\text{Index} = \frac{\text{TOPIX Current Market Value}}{\text{TOPIX Base Market Value}} \times 100$$

If trading in a TOPIX Index component is suspended, for the purposes of index calculation, it is regarded as having no change in its share price. The number of free float-adjusted shares at the time of the index calculation is the number of common shares listed on the First Section of the TSE at the same instance *multiplied* by the free float weight. The free float weight reflects the weight of listed shares deemed to be available for trading and is calculated by the TSE for each listed company for purposes of index calculation, and is determined on the basis of securities reports and statutory documents required by the Financial Instruments and Exchange Act of Japan and publicly available documents issued by the listed companies themselves. In determining the free float weight, the TSE deems the following shares as non-free float shares: shares held by the top 10 major shareholders (subject to certain exceptions), treasury stocks (including certain cross shareholdings), shares held by board members of the relevant company and other shares TSE deems not available for trading in the market. In the case of some companies with low liquidity, the TSE may adjust their free float downwards by applying a "liquidity factor".

The free float weight assigned to each listed company is reviewed annually, with timings that vary according to the settlement terms of each such listed company. Free float weights may also be subject to extraordinary review in the case of certain corporate actions (*e.g.*, allocation of new shares, conversion of preferred shares or exercise of subscription warrants, spin-offs, mergers, take-overs) and for other reasons the TSE believes appropriate.

Additions and Deletions to the TOPIX Index

In order to maintain continuity, the TOPIX Base Market Value is adjusted from time to time to ensure that it reflects only price movements resulting from auction market activity, and to eliminate the effects of other factors in the level of the TOPIX Index. The TSE adds or removes securities for various listing and delisting events as shown in the table below:

Action	Event	Adjustment Date	Price used for adjustment
Addition	A company is listed on the TSE First Section (directly listed of via another stock exchange)	One business day before the last business day of the month after that of the initial listing date	Price on the adjustment date
Addition	A new company established through a stock-swap or a similar transaction (including a merger or spin-off) is to be promptly listed on the TSE First Section after the de-listing of the old company from the TOPIX	One business day before the listing date. If the initial listing date falls on a holiday, it will be the following business day	Base price (used to decide the daily price limit)
Addition	Assignment to the TSE First Section from the TSE Second Section	One business day before the last business day of the month after such assignment (a free float weight of 0.00 is used from the assignment date to the month after the assignment date and thus the number of shares to be used for calculation will be 0.00 during such period)	Price on the adjustment date
Addition	Alteration of listing market to the TSE First Section from the Tokyo Stock Exchange Mothers Index	One business day before the last business day of the month after such alteration of listing market (a free float weight of 0.00 is used from the date of the alteration of such listing market to the month after the alteration date and thus the number of shares to be used for calculation will be 0.00 during such period)	Price on the adjustment date

Removal	A company is to be delisted due to a merger, stock swap or similar transaction and a newly established company is promptly listed on the TSE First Section	Initial listing date of the newly established company (normally two business days after delisting date)	Price on the business day before the delisting date (during the period from the delisting date to the business day before the date of removal from the TOPIX Index, the price on the business day before the delisting date is used for index calculation)
Removal	A company is to be delisted due to a reason other than that described above	One business day before the delisting date	Price on the business day before adjustment date
Removal	A company's securities are designated to be delisted	Three business days after the designation of the securities to be de-listed. If the designation date falls on a holiday, it will be the following business day.	Price on the business day before the adjustment date
Removal	Reassignment to the TSE Second Section from the TSE First Section	One business day before such assignment	Price on the business day before the adjustment date

Following any such adjustments, the new TOPIX Base Market Value will be equal to the quotient of (1) the product of (a) the old TOPIX Base Market Value, *times* (b) the *sum* of the free-float adjusted market value on the business day before the adjustment date *plus* the adjustment amount, and (2) the free-float adjusted market value on the business day before the adjustment date. The adjustment amount is the amount (whether positive or negative) that is equal to the *product* of the change (whether positive or negative) in the number of shares for index calculation *times* the appropriate price used for adjustment.

Changes in the number of shares and the price of the shares for adjustments to the TOPIX Base Market Value will be made as described below:

Event	**Adjustment Date**	**Price used for adjustment**
Change of free float weight	One business day before the effective date of such change	Price on the adjustment date
Public offering	One business day before the additional listing date. If the listing date is a non-business day, one business day after additional listing	Price on the adjustment date
Allocation of new shares to a third party	Four business days after the additional listing date	Price on the adjustment date
Issues to shareholders with payment	One business day before the ex-rights date	Price on the adjustment date
Exercise of subscription warrants	One business day before the last business day of the month after the month of exercise	Price on the adjustment date

Conversion of preferred shares	One business day before the last business day of the month after the month of conversion	Price on the adjustment date
Cancellation of treasury stock	One business day before the last business day of the month after the month of cancellation of the treasury shares	Price on the adjustment date
Merger or stock swap between a non-surviving constituent and another constituent	Delisting date of the non-surviving constituent	Price on the adjustment date
Merger or stock-swap other that that described above	One business day before the additional listing date or effective date	Price on the adjustment date
Offering for sale of shares held by the Japanese government	One business day before the additional listing date	Price on the adjustment date
Company spin-off in which the number of share of the succeeding company increases	One business day before the additional listing date	Price on the adjustment date
Other adjustments	One business day before the last business day of the first or second month after the information is published by the TSE	Price on the adjustment date

No adjustment is made to the TOPIX Base Market Value in the case of events such as stock splits and decreases in paid in capital which theoretically do not affect market value. In such cases, the new stock price multiplied by the increased (or decreased) number of shares is the same as the old stock price multiplied by the old number of shares and no adjustment is thought necessary.

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Description of the Dow Jones Industrial Average^{SM}

All information herein on the Dow Jones Industrial Average^{SM}, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information prepared by S&P Dow Jones Indices LLC ("**S&P Dow Jones**"), a joint venture company owned by The McGraw-Hill Companies, Inc., CME Group Inc. and Dow Jones & Company, Inc. We have not participated in the preparation of, or verified, such publicly available information. Such information reflects the policies of, and is subject to change by, S&P Dow Jones. The Dow Jones Industrial Average^{SM} is calculated, maintained and published by S&P Dow Jones. S&P Dow Jones has no obligation to continue to publish, and may discontinue publication of, the index.

The Dow Jones Industrial Average^{SM} is reported by Bloomberg L.P. under the ticker symbol "**INDU**."

The Dow Jones Industrial Average^{SM} is a price-weighted index comprised of 30 common stocks selected at the discretion of the editors of The Wall Street Journal (the "**WSJ**"), which is published by S&P Dow Jones, as representative of the broad market of U.S. industry. There are no pre-determined criteria for selection of a component stock except that component companies represented by the Dow Jones Industrial Average^{SM} should be established U.S. companies that are leaders in their industries, are widely held by investors and have long records of sustained growth. The Dow Jones Industrial Average^{SM} serves as a measure of the entire U.S. market, including sectors such as financial services, technology, retail, entertainment and consumer goods, and is not limited to traditionally defined industrial stocks. Changes in the composition of the Dow Jones Industrial Average^{SM} are made entirely by the editors of the WSJ without consultation with the component companies represented in the Dow Jones Industrial Average^{SM}, any stock exchange, any official agency or us. In order to maintain continuity, changes to the component stocks included in the Dow Jones Industrial Average^{SM} tend to be made infrequently and generally occur only after corporate acquisitions or other dramatic shifts in a component company's core business. When one component stock is replaced, the entire index is reviewed. As a result, multiple component changes are often implemented simultaneously. The component stocks of the Dow Jones Industrial Average^{SM} may be changed at any time for any reason.

The Dow Jones Industrial Average^{SM} is price-weighted rather than market capitalization-weighted. Therefore, the component stock weightings are affected only by changes in the stocks' prices, in contrast with the weightings of other indices that are affected by both price changes and changes in the number of shares outstanding. The value of the Dow Jones Industrial Average^{SM} is the sum of the primary exchange prices of each of the 30 common stocks included in the Dow Jones Industrial Average^{SM}, divided by a divisor. The divisor is changed in accordance with a mathematical formula to adjust for large dividend distributions, splits, spin-offs and other corporate actions. Normal cash dividends are not taken into account in the calculation of the Dow Jones Industrial Average^{SM}. The current divisor of the Dow Jones Industrial Average^{SM} is published daily in the WSJ and other publications. While this methodology reflects the current practice in calculating the Dow Jones Industrial Average^{SM}, no assurance can be given that S&P Dow Jones will not modify or change this methodology.

Computation of the Dow Jones Industrial Average^{SM}

The current formula used to calculate divisor adjustments is as follows: the new divisor (i.e., the divisor on the next trading session) is equal to (1) the divisor on the current trading session times (2) the quotient of (a) the sum of the adjusted (for stock dividends, splits, spin-offs and other applicable corporate actions) closing prices of the Dow Jones Industrial Average^{SM} components on the current trading session and (b) the sum of the unadjusted closing prices of the Dow Jones Industrial Average^{SM} components on the current trading session. The formula used to calculate divisor adjustments is:

$$\text{New Divisor} = \text{Current Divisor} \times \frac{\text{Adjusted Sum of Prices}}{\text{Unadjusted Sum of Prices}}$$

You can find a list of the companies whose common stocks are currently included in the Dow Jones Industrial Average^{SM} on the S&P Dow Jones website at http://www.djindexes.com. The information on this website is not part of or incorporated by reference in this Pricing Supplement, the Product Supplement or the Offering Memorandum.

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Description of the Dow Jones-UBS Commodity Indices

Dow Jones-UBS Commodity Index℠

All information herein on the Dow Jones-UBS Commodity Index℠ ("**DJ-UBSCI**") including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available sources. DJ-UBS CI reflects the return of underlying commodity futures price movements only.

The DJ-UBS CI was created by AIG International, Inc. ("AIGI") in 1998 and acquired by UBS Securities LLC ("UBS") in May 2009, at which time UBS and Dow Jones & Company, Inc. ("Dow Jones") entered into an agreement (the "Joint Marketing Agreement") to jointly market the DJ-UBS CI . Dow Jones subsequently assigned all its interests in the Joint Marketing Agreement to CME Group Index Services LLC, which in turn assigned all its interest in the Joint Marketing Agreement to DJI Opco, LLC, a subsidiary or S&P Dow Jones Indices LLC ("DJI Opco"). Pursuant to such Joint Marketing Agreement, DJI Opco, in conjunction with UBS, calculates the DJ-UBS CI (which is calculated on an excess return basis), a total return index based on the DJ-UBS CI and each of the related indices, including sub-indices.

The DJ-UBS CI currently is composed of the prices of 22 exchange-traded futures contracts on physical commodities. A commodity futures contract is an agreement to buy a set amount of a physical commodity at a predetermined price and delivery period (which is generally referred to as "delivery month"), or to make and receive a cash payment based on changes in the price of the commodity.

The Dow Jones-UBS Commodity Index Total Return℠

The Dow Jones- UBS Commodity Index Total Return ("DJ-UBS CITR") is a total return based calculation of the DJ-UBS CI. DJ-UBS CI reflects the return of underlying commodity futures price movements only, while DJ-UBS CITR reflects the return on fully collateralized positions in the underlying commodity futures. DJ-UBS CITR is reported by Bloomberg under the ticker symbol "DJUBSTR." DJ-UBS CITR is comprised of contracts on the same commodities as the DJ-UBS CI.

The Dow Jones-UBS Commodity Index Total Return 3 Month Forward℠

The Dow Jones-UBS Commodity Index Total Return 3 Month Forward is a modified version of the DJ-UBS CITR, which is a total return based calculation of the DJ-UBS CI. The index is comprised of contracts on the same commodities as the DJ-UBS CITR, but the expiration dates of the commodities contracts in the index are advanced by three months such that the contracts that would be the lead future contract and next future contract in three calendar months for the DJ-UBS CITR are instead the lead future contract and next future contract in the index for the current calendar month.

Main Principles Guiding the Creation of the Dow Jones-UBS Commodity Index

The methodology for determining the composition of DJ-UBS CI and for calculating its value is subject to modification by the Dow Jones–UBS Commodity Index Supervisory Committee (the "supervisory committee"). Additional information is available on the following website: http://www.djindexes.com/commodity/. We are not incorporating by reference the website or any material it includes in this Product Supplement.

***The Dow Jones-UBS Commodity Index Supervisory Committee and Advisory Committee*.** DJI Opco and UBS have established a two-tier oversight structure comprised of the supervisory committee and the advisory committee. The supervisory committee is comprised of three members, two of whom are appointed by UBS and one of whom is appointed by DJI Opco, and will make all final decisions relating to the DJ-UBS CI and the index, given any advice and recommendations of the advisory committee. The advisory committee consists of six to twelve members drawn from the financial and academic communities. Both the supervisory and advisory committees meet annually to consider any changes to be made to the DJ-UBS CI and each of the indices for the coming year, but may also meet at such other times as may be necessary.

As described in more detail below, the composition of the index is reweighted and rebalanced by UBS each year in January on a price-percentage basis. The annual weightings for the index are determined each year under the supervision of the supervisory committee in consultation with the advisory committee. Once approved by the supervisory committee, the new composition of the index is publicly announced, and takes effect in the month of January immediately following the announcement.

Composition of the Dow Jones-UBS Commodity Index

Commodities Available For Inclusion in the DJ-UBS CI. With the exception of several metals contracts (aluminum, lead, tin, nickel and zinc) that trade on the London Metal Exchange ("LME") and the contract for Brent crude oil, each of the commodities with the potential for inclusion in the DJ-UBS CI is the subject of at least one futures contract that trades on a U.S. exchange.

The 24 commodities eligible for inclusion currently are aluminum, cocoa, coffee, copper, corn, cotton, crude oil (WTI crude oil and Brent crude oil), gold, heating oil, lead, lean hogs, live cattle, natural gas, nickel, platinum, silver, soybean meal, soybean oil, soybeans, sugar, tin, unleaded gasoline, wheat (Soft (Chicago) and Hard Red Winter (Kansas City)) and zinc.

The 20 commodities underlying the DJ-UBS CI and selected for 2013 are: aluminum, coffee, copper, corn, cotton, crude oil (WTI and Brent), gold, heating oil, lean hogs, live cattle, natural gas, nickel, silver, soybeans, soybean meal, soybean oil, sugar, unleaded gasoline, wheat (Soft and Hard Red Winter) and zinc.

Designated Contracts for Each Commodity. The A commodity contract known as a "designated contract" is selected by UBS for each commodity. This selection process is reviewed by the supervisory and advisory committees. With the exception of several LME contracts (which are traded in London), and with the exception of crude oil, for which two designated contracts have been selected starting in 2012, and wheat, for which two designated contracts that are traded in North America have been selected starting in 2013, UBS selects the commodity contract that is traded in North America and denominated in U.S. dollars. Data concerning this designated contract will be used to calculate the DJ-UBS CI.

The supervisory committee has noted that it is possible that UBS will in the future select more than one designated contract for certain commodities or may select designated contracts that are traded outside of the United States or in currencies other than the U.S. dollar. Additionally, in the event that changes in regulations concerning position limits materially affect the ability of market participants to replicate the index in the underlying futures markets, it may become appropriate for the supervisory committee to include multiple designated contracts for one or more commodities in order to enhance liquidity. The termination or replacement of a commodity contract on an established exchange occurs infrequently; if a designated contract were to be terminated or replaced, a comparable commodity contract would be selected, if available, to replace the designated contract.

The New York Mercantile Exchange ("NYMEX") previously announced that the designated contract relating to Heating Oil currently included in the index will be delisted from that exchange in 2013. However, NYMEX has since announced that it will not delist the futures contract but instead will alter the contract specifications beginning with the May 2013 futures contract. As a result of these changes, trading in NYMEX Heating Oil futures contracts may become illiquid or experience other adverse trading impacts prior to, during or after the date such changes become effective. The Index Sponsor may decide to replace the Heating Oil contract with a new contract or make another adjustment to the index. The potential reduced liquidity of the Heating Oil futures contract if it remains in the index and the replacement of the Heating Oil futures contracts in the index, may have an adverse impact on the level of the index and therefore the market value of and the payment at maturity or early redemption on your Notes.

The designated contracts for the commodities included in the DJ-UBS CI as of January 2013, along with their respective Targeted Weights for 2013, are as follows:

Commodity	Designated Contract	Trading Facility	2013 Targeted Weighting (%)
Aluminum	High Grade Primary Aluminum	LME	4.9131960
Coffee	Coffee "C"	NYBOT (ICE Futures)	2.4421460
Copper	Copper	COMEX	7.2773320
Corn	Corn	CBOT	7.0531450
Cotton	Cotton	NYBOT (ICE Futures)	1.7658200
WTI Crude Oil	Light, Sweet Crude Oil	NYMEX	9.2058850
Brent Crude Oil	Oil (Brent Crude Oil)	ICE-UK	5.7941150
Gold	Gold	COMEX	10.8186130
Heating Oil	Heating Oil	NYMEX	3.5193580
Lean Hogs	Lean Hogs	CME	1.8997650
Live Cattle	Live Cattle	CME	3.2834170
Natural Gas	Henry Hub Natural Gas	NYMEX	10.4235920
Nickel	Primary Nickel	LME	2.2436190
Silver	Silver	COMEX	3.8975030
Soybean Meal	Soybean Meal	CBOT	2.6066650
Soybean Oil	Soybean Oil	CBOT	2.7426180
Soybeans	Soybeans	CBOT	5.4947720
Sugar	World Sugar No. 11	NYBOT (ICE Futures)	3.8839680
Unleaded Gasoline	Reformulated Blendstock for Oxygen Blending	NYMEX	3.4613410
Wheat	Wheat	CBOT	3.4332700
Kansas Wheat	Hard Red Winter Wheat	KCBT	1.3206450
Zinc	Special High Grade Zinc	LME	2.5192160

In addition to the commodities set forth in the above table, cocoa, lead, platinum and tin also are considered for inclusion in the DJ-UBS CI.

The annual weightings for the index are determined each year under the supervision of the supervisory committee in consultation with the advisory committee, taking into account the relative liquidity and production percentages for each commodity designated for potential inclusion in the DJ-UBS CI.

Commodity Groups. For purposes of applying the diversification rules discussed above and below, the commodities available for inclusion in the DJ-UBS CI are assigned to "commodity groups". The commodity groups, and the commodities currently included in each commodity group, are as follows:

Commodity Group	Commodity
Energy:	WTI Crude Oil
	Brent Crude Oil
	Heating Oil
	Natural Gas
	Unleaded Gasoline
Precious Metals:	Gold
	Platinum
	Silver
Industrial Metals:	Aluminum
	Copper
	Lead
	Nickel
	Tin
	Zinc
Livestock:	Live Cattle
	Lean Hogs
Grains	Corn
	Soybeans
	Soybean Oil
	Wheat
Softs	Cocoa
	Coffee
	Cotton
	Sugar

Annual Reweighting and Rebalancing

The DJ-UBS CI is reweighted and rebalanced each year in January on a price-percentage basis. The annual target weightings for the DJ-UBS CI are determined each year by UBS under the supervision of the supervisory committee in consultation with the advisory committee. Once approved by the supervisory committee, the new composition of the DJ-UBS CI is publicly announced, and takes effect in the month of January immediately following the announcement.

Determination of Relative Target Weightings. The relative target weightings of the component commodities included in the DJ-UBS CI and the index are determined annually according to both liquidity and dollar-adjusted production data in 2/3 and 1/3 shares, respectively. For each commodity designated for potential inclusion in the DJ-UBS CI, liquidity is measured by the commodity liquidity percentage (which we refer to as the “CLP”) and production by the commodity production percentage (which we refer to as the “CPP”). The CLP for each commodity is determined by taking a five-year average of the *product* of trading volume and the historic dollar value of the designated contract for that commodity and *dividing* the result by the *sum* of such products for all commodities which were designated for potential inclusion in the DJ-UBS CI. The CPP is determined for each commodity by taking a five-year average of annual world production figures, adjusted by the historic dollar value of the designated contract and *dividing* the result by the *sum* of such production figures for all the commodities which were designated for potential inclusion in the DJ-UBS CI. The CLP and the CPP are then combined (using a ratio of 2:1) to establish the commodity index percentage (which we refer to as the “CIP”) for each commodity. This CIP is then adjusted in accordance with certain diversification rules in order to determine the commodities included in the DJ-UBS CI and their respective percentage weights.

The DJ-UBS CI is designed to provide diversified exposure to commodities as an asset class. To ensure that no single commodity or commodity sector dominates the DJ-UBS CI, the following diversification rules are applied to the annual reweighting and rebalancing of the DJ-UBS CI as of January of the applicable year:

- No single commodity (e.g., natural gas or silver) may constitute more than 15% of the DJ-UBS CI.
- No single commodity, together with its derivatives (e.g., crude oil, together with heating oil and unleaded gasoline), may constitute more than 25% of the DJ-UBS CI .
- No related group of commodities designated as a "commodity group" above (e.g. energy, precious metals, livestock, or grains) may constitute more than 33% of the DJ-UBS CI.
- No single commodity (e.g., natural gas or silver) may constitute less than 2% of the DJ-UBS CI.

Following the annual reweighting and rebalancing of the index in January, the percentage of any single commodity or group of commodities at any time prior to the next reweighting or rebalancing will fluctuate and may exceed or be less than the percentages set forth above.

***Commodity Index Multipliers*.** Following application of the diversification rules discussed above, CIPs are incorporated into the index by calculating the new unit weights for each commodity included in the index. On the fourth DJ-UBS CI business day of the year (which we refer to as the "CIM determination date"), the CIPs, along with the settlement values on that date for designated contracts included in the DJ-UBS CI , are used to determine a commodity index multiplier (which we refer to as the "CIM") for each commodity included in the DJ-UBS CI. This CIM is used to achieve the percentage weightings of the commodities included in the index, in dollar terms, indicated by their respective CIPs. After the CIMs are calculated, they remain fixed throughout the year. As a result, the observed price percentage of each commodity included in the index will float throughout the year, until the CIMs are reset the following year based on new CIPs.

Calculations

DJ-UBS CI is composed of commodity futures contracts rather than physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid delivering the underlying physical commodities and to maintain exposure to the underlying physical commodities, periodically contracts on physical commodities specifying delivery on a nearby date must be sold and contracts on physical commodities that have not yet reached the delivery period must be purchased. The rollover for each contract occurs over a period of five DJ-UBS CI business days each month according to a pre-determined schedule. This process is known as "rolling" a futures position. The index is, therefore, a "rolling index".

The DJ-UBS CI Is a Rolling Index

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Calculation of Daily Excess Return

The DJ-UBS CI is an excess return index. DJI Opco and UBS, calculates the daily excess return ("DER") of the DJ-UBSCI by applying the impact of the changes to the prices of commodity contracts included in the DJ-UBS CI (based on their relative target weightings). Once the CIMs are determined, as described above, the calculation of the DER is a mathematical process whereby the CIMs for the commodities included in the DJ-UBS CI are multiplied by respective prices in U.S. dollars for the applicable designated contracts. These products are then summed to calculate the excess return ("excess return"). DER is the percentage change in the excess return, calculated as the excess return on any given day *divided* by the excess return on the immediately preceding day, *minus* one.

Index Calculation Disruption Events. From time to time, disruptions can occur in trading futures contracts on various commodity exchanges. The daily calculation of the index will be adjusted in the event that UBS determines that any of the following index calculation disruption events exists:

- termination or suspension of, or material limitation or disruption in the trading of any commodity contract used in the calculation of the index on that day,
- the settlement value of any commodity contract used in the calculation of the index reflects the maximum permitted price change from the previous day's settlement value,
- the failure of an exchange to publish official settlement values for any commodity contract used in the calculation of the index, or
- with respect to any commodity contract used in the calculation of the index that trades on the LME, a business day on which the LME is not open for trading.

If a DJ-UBS CI market disruption event occurs on any day during a hedge roll period (which we define as the fifth through DJ-UBS CI business day of each month) in any month other than January affecting any commodity included in the index, the portion of the roll that would have taken place on that day is deferred until the next day on which such conditions do not exist. If any of these conditions exist throughout the hedge roll period, the roll with respect to the affected contract will be effected in its entirety on the next day on which such conditions no longer exist. The market disruption event will not postpone the roll for any other commodity contract for which a market disruption event has not occurred.

In the event that a DJ-UBS CI market disruption event occurs during the hedge roll period scheduled for January of each year affecting a commodity contract included in the DJ-UBS CI , the rolling or rebalancing of the relevant designated contract will occur in all cases over five DJ-UBS CI business days on which no market disruption event exists. The hedge roll period in January, and the resulting rebalancing that is occurring, will be extended if necessary until the affected designated contract finishes rolling. The amounts of a particular commodity contract rolled or rebalanced in January will always be distributed over five DJ-UBS CI business days, and rolling weight will not be more than 20% on any day following a market disruption event during such hedge roll period. This change affects only the rolling or rebalancing process in January, with no change to the rules for rolling commodity contracts in other monthly hedge roll periods.

DJ-UBS CITR is a Total Return Index

DJ-UBS CITR is a total return index. In addition to the excess returns, as described above, DJ-UBS CITR reflects the returns on cash collateral invested in U.S. Treasury Bills. The returns on the U.S. Treasury Bills ("TBill return"), are calculated by using the most recent weekly auction high rate for 3 Month U.S. Treasury Bills ("TBill rate"), as reported on the website www.treasurydirect.gov/AI/ofBills under the column headed "Discount Rate %" published by the Bureau of the Public Debt of the U.S. Treasury Department, or any successor source, which is generally published once per week on Monday. This rate is used every day until the next rate is released; *provided, however,* that if a new rate is scheduled to be released on a given day, the prior rate is used for purposes of calculations in respect of that release date. The new rate is generally obtained on Monday and, accordingly, is first used in respect of Tuesday's settlement calculations. In the event of a holiday or other disruption in the treasury auction schedule, the last available rate is used until the next rate becomes available. When calculating the value of the Treasury Bill Daily Return ("TBDR"), the prior day's rate is used to reflect the realization of an investment at that rate on the then current day. The TBDR is calculated for a set number of calendar days ("*d*") from and including the prior calculation date to but excluding the current calculation date. On any given day, TBDR is equal to:

- one *divided* by
- the result of (i) one *minus* (ii) the *product* of TBill rate on the immediately preceding day *multiplied* by 91 and *divided* by 360
- *raised to the power* of *d divided* by 91
- *minus* one.

mathematically shown as:

$$\left[\frac{1}{1-TBill\ rate\times\frac{91}{360}}\right]^{\frac{d}{91}}-1$$

Calculation of the Index Value for DJ-UBS CITR

The calculation of the then-current index value, on any given day, is a mathematical process whereby (x) the *sum* of (i) one, (ii) DER and (iii) TBDR is *multiplied* by (y) the immediately preceding index value. The final value is rounded to eight decimal places.

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