SDD:JMK/DK:DCP:JPM/GM/DK
F. #2016R01087

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
- -X

UNITED STATES OF AMERICA

- against -

SOCIÉTÉ GÉNÉRALE S.A.,

Defendant.

- -X

DEFERRED PROSECUTION AGREEMENT

Cr. No. 18-CR-253 (DLI)

The defendant Société Générale S.A. (the "Company"), pursuant to authority granted by the Company's Board of Directors, and the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the Eastern District of New York (collectively the "Offices"), enter into this deferred prosecution agreement (the "Agreement").

CRIMINAL INFORMATION AND ACCEPTANCE OF RESPONSIBILITY

1. The Company acknowledges and agrees that the Offices will file the attached two-count criminal information in the United States District Court for the Eastern District of New York (the "Information") charging the Company with one count of conspiracy to commit offenses against the United States, in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, Title 15, United States Code, Sections 78dd-2 and 78dd-3, and a second count of conspiracy to commit offenses against the United States, in

violation of Title 18, United States Code, Section 371, that is, to deliver or cause to be delivered false, misleading, or knowingly inaccurate reports concerning market information that tend to affect the price of a commodity in interstate commerce, in violation of Title 7, United States Code, Section 13(a)(2). In so doing, the Company: (a) knowingly waives its right to indictment on these charges, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure ("Fed. R. Crim. P.") 48(b); and (b) knowingly waives any objection with respect to venue to any charges by the United States arising out of the statements of facts attached hereto as Attachment A (the "Statement of Facts"), and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Eastern District of New York. The Offices agree to defer prosecution of the Company pursuant to the terms and conditions described below.

2. The Company admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as charged in the Information, and as set forth in the Statement of Facts, and that the allegations described in the Information and the Statement of Facts are true and accurate. Should the Offices pursue the prosecution that is deferred by this Agreement, the Company stipulates to the admissibility of the Statement of Facts in any proceeding by the Offices, including any trial, guilty plea, or sentencing proceeding, and will not contradict anything in the Statement of Facts at any such proceeding.

TERM OF THE AGREEMENT

3. This Agreement is effective for a period beginning on the date on which the Information is filed and ending three (3) years from that date (the "Term"). The Company agrees, however, that, in the event the Offices determine in their sole discretion that the Company has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of the Company's obligations under this Agreement, an extension or extensions of the Term may be imposed by the Offices, in their sole discretion, for up to a total additional time period of one year, without prejudice to the Offices' right to proceed as provided in Paragraphs 16-19 below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the reporting requirement in Attachment D (Corporate Compliance Reporting), for an equivalent period. Conversely, in the event the Offices find, in their sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirement in Attachment D, and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early. If the Court rejects the Agreement, all the provisions of the Agreement shall be deemed null and void, and the Term shall be deemed to have not begun.

RELEVANT CONSIDERATIONS

4. The Offices enter into this Agreement based on the individual facts and circumstances presented by this case and the Company, including with respect to the facts described in the Statement of Facts:

<u>The FCPA Case</u>

a. the Company did not receive voluntary disclosure credit because it did not voluntarily and timely disclose to the Offices the facts set forth in the FCPA portion of the Statement of Facts;

b. the Company received substantial credit for its cooperation with the Offices' investigation of the underlying FCPA conduct, including: (i) conducting a thorough and robust internal investigation; (ii) collecting and producing voluminous evidence located in other countries to the full extent permitted under applicable laws and regulations; and (iii) providing frequent and regular updates to the Offices as to the status of and facts learned during the Company's internal investigation in a manner that both complied with applicable laws and regulations and satisfied the Offices' need to obtain this information in a timely manner. The Company did not receive full credit for its cooperation because of issues that resulted in a delay during the early stages of the investigation, which led the Offices, without the assistance of the Company, to develop significant independent evidence of the Company's misconduct, as described in the FCPA portion of the Statement of Facts;

c. As part of this Agreement, the Company's wholly-owned subsidiary, SGA Société Générale Acceptance, N.V., is pleading guilty pursuant to Fed. R. Crim. P. 11(c)(1)(C) to one count of conspiracy to commit offenses against the United States, in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provisions of the FCPA, as amended, Title 15, United States Code, Sections 78dd-2 and 78dd-3;

d. the Company engaged in remedial measures, including: (i) separating from employees who participated in, or who had knowledge of, the misconduct described in the FCPA portion of the Statement of Facts; (ii) creating a new anti-bribery and corruption compliance program for the Company, specifically addressing the use of third-party intermediaries by the relevant business unit; and (iii) enhancing anti-corruption training for all management and relevant employees;

e. the Company provided to the Offices all relevant facts known to it, including information about the individuals involved in the conduct described in the FCPA portion of the Statement of Facts, to the full extent permitted under applicable laws and regulations;

f. the Company has enhanced and has committed to continuing to enhance its compliance program and internal controls, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment C to this Agreement ("Corporate Compliance Program");

g. based on the Company's remediation and the state of its compliance program, and the Company's agreement to report to the Offices as set forth in Attachment D to this Agreement, the Offices determined that an independent compliance monitor was unnecessary;

h. the nature and seriousness of the offense conduct, including, among other things: (i) the lengthy timespan of the conduct; (ii) the high dollar value of the bribes paid and the resulting illicit gains; (iii) the bribes were paid in a high-risk jurisdiction; and

(iv) the nature of the misconduct, including that high-level employees within a business unit of the Company's investment bank were aware of, involved in, or willfully ignorant of the misconduct described in the FCPA portion of the Statement of Facts;

i. the Company settled a civil dispute with the Libyan Investment Authority (the "LIA") concerning certain of the allegations described in the FCPA portion of the Statement of Facts and, in connection with the settlement, the Company made a payment of approximately $1.1 billion to the LIA;

j. the Company has agreed to enter into a criminal resolution with the Parquet National Financier ("PNF") concerning the allegations described in the FCPA portion of the Statement of Facts and has agreed to pay a criminal penalty in the amount of $292,776,444 to the PNF;

k. the Company has agreed to continue to cooperate with the Offices' ongoing investigation of individuals and other companies, including as described in Paragraph 5 below;

The LIBOR Case

l. the Company did not receive voluntary disclosure credit because it did not voluntarily and timely disclose to the Offices the facts set forth in the London Inter-bank Offered Rate ("LIBOR") portion of the Statement of Facts;

m. the Company received partial credit for its cooperation with the Offices' investigation of the underlying LIBOR conduct, including: (i) conducting a thorough internal investigation; (ii) collecting and producing voluminous evidence located in other countries in a manner consistent with applicable laws and regulations; and (iii) providing frequent and regular updates to the Offices as to the status of and facts learned during the Company's internal investigation in a manner that both complied with applicable laws and regulations and satisfied the Offices' need to obtain this information in a timely manner. The Company did not receive full credit for its cooperation because its cooperation with the government was incomplete during the early stages of the investigation, and the Company's cooperation only became comprehensive after the Offices developed significant independent evidence of the Company's conduct, as described in the LIBOR portion of the Statement of Facts;

n. the Company engaged in remedial measures, including: (i) separating employees who participated in, or who had knowledge of, the misconduct described in the LIBOR portion of the Statement of Facts; (ii) undertaking substantial efforts to strengthen compliance, including by restructuring the chain of reporting at the Company to ensure that employees who submit LIBOR contributions have very limited contact with employees who may have trading positions affected by the Company's LIBOR contributions; (iii) creating a new position of Global Head of Inter-bank Offered Rate Benchmarks tasked with the responsibility of overseeing the Company's LIBOR submission process and ensuring that the Company's LIBOR submissions are not subjected to improper influence; (iv) implementing a new Code of Conduct and Procedures that put numerous controls in place designed to prevent employee manipulation of the LIBOR submission process; and (v) conducting after-the-fact reviews of all LIBOR submissions.

o. the Company provided to the Offices all relevant facts known to it, including information about the individuals involved in the conduct described in the LIBOR portion of the Statement of Facts to the full extent permitted under applicable laws and regulations;

p. the Company has enhanced and has committed to continuing to enhance its compliance program and internal controls, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment C to this Agreement;

q. based on the Company's remediation and the state of its compliance program, and the Company's agreement to report to the Offices as set forth in Attachment D to this Agreement, the Offices determined that an independent compliance monitor was unnecessary; and

r. the nature and seriousness of the offense conduct, including, among other things: (i) the lengthy timespan of the LIBOR manipulation conduct, which occurred between approximately 2006 and 2007 with respect to the Yen-related manipulation, and between approximately 2010 and at least the end of 2011 with respect to the U.S. Dollar-related manipulation; (ii) the broad impact of the LIBOR misconduct, which caused significant damage to the global financial markets; and (iii) the high-level nature of the misconduct, including that executives within the Company's investment bank were aware of, or involved in, the misconduct described in the LIBOR portion of the Statement of Facts.

s. Accordingly, after considering Paragraph 4(a) through 4(r) above, and due to the ability of the Offices to prosecute culpable individual wrongdoers, the Offices have determined that a subsidiary guilty plea for the FCPA conduct, a deferred prosecution agreement with the Company, and an aggregate discount of 20 percent off of the bottom of the otherwise-applicable U.S. Sentencing Guidelines fine range for the FCPA conduct and 15 percent off of the bottom of the otherwise-applicable U.S. Sentencing Guidelines fine range for the LIBOR conduct is sufficient but not greater than necessary to achieve the purposes described in Title 18, United States Code, Section 3553.

FUTURE COOPERATION AND DISCLOSURE REQUIREMENTS

5. The Company and its direct and indirect subsidiaries shall cooperate fully with the Offices in any and all matters relating to the conduct described in this Agreement and the Statements of Facts, other conduct related to possible corrupt payments, possible violations of United States commodities laws punishable under Title 7, United States Code, Section 13, and possible violations of the mail, wire, securities, or commodities fraud statutes under Title 18 of the United States Code under investigation by the Offices, subject to applicable laws and regulations, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded, or the end of the Term specified in Paragraph 3. At the request of the Offices, the Company and its direct and indirect subsidiaries shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies, as well as the Multilateral Development Banks ("MDBs"), in any investigation of the Company, its direct and indirect subsidiaries, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and the Statement of Facts, other conduct

related to possible corrupt payments, possible violations of United States commodities laws punishable under Title 7, United States Code, Section 13, or possible violations of the mail, wire, securities, or commodities fraud statutes under Title 18 of the United States Code under investigation by the Offices. The Company agrees that its cooperation pursuant to this Paragraph shall be subject to applicable laws and regulations and shall include, but not be limited to, the following:

a. The Company and its direct and indirect subsidiaries shall truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or the attorney work product doctrine with respect to its activities, those of its parent company and affiliates, and those of its present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal or external investigations, concerning all matters relating to the conduct described in this Agreement and the Statement of Facts and other conduct under investigation by the Offices about which the Company has any knowledge or about which the Offices may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Company and its direct and indirect subsidiaries to provide to the Offices, upon request, any document, record, or other tangible evidence about which the Offices may inquire of the Company;

b. Upon request of the Offices, the Company and its direct and indirect subsidiaries shall designate knowledgeable employees, agents, or attorneys to provide to the Offices the information and materials described in Paragraph 5(a) above on behalf of the

Company. It is further understood that the Company must at all times provide complete, truthful, and accurate information;

c. The Company and its direct and indirect subsidiaries shall use their best efforts to make available for interviews or testimony, as requested by the Offices, present or former officers, directors, employees, agents, and consultants of the Company. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Company, may have material information regarding the matters under investigation; and

d. With respect to any information, testimony, documents, records, or other tangible evidence provided to the Offices pursuant to this Agreement, the Company and its direct and indirect subsidiaries consent to any and all disclosures, subject to applicable laws and regulations, to other governmental authorities, including United States authorities and those of a foreign government, as well as the MDBs, of such materials as the Offices, in their sole discretion, shall deem appropriate.

6. In addition to the obligations in Paragraph 5, during the Term, should the Company, or any of its subsidiaries or majority-owned and controlled affiliates, learn of any evidence or allegation of conduct that may constitute: (i) a violation of the anti-bribery provisions of the FCPA had the conduct occurred within the jurisdiction of the United States; (ii) a violation of United States commodities laws punishable under Title 7, United States

Code, Section 13; or (iii) a violation of the mail, wire, securities, or commodities fraud statutes under Title 18 of the United States Code, the Company shall promptly report such evidence or allegation to the Offices, subject to applicable laws and regulations, in a manner that is consistent with its obligations to report to the PNF and the Agence Française Anticorruption ("AFA").

PAYMENT OF MONETARY PENALTY

7. With respect to the FCPA conduct described in the Statement of Facts, the Offices and the Company agree that application of the United States Sentencing Guidelines ("USSG" or "Sentencing Guidelines") to determine the applicable fine range yields the following analysis:

a. The 2016 USSG are applicable to this matter.

b. Offense Level. Based upon USSG § 2C1.1, the total offense level is 46, calculated as follows:

(a)(2)	Base Offense Level	12
(b)(1)	Multiple Bribes	+2
(b)(2)	Value of benefit received more than $250,000,000	+28
(b)(3)	High-Level Official Involved	+4
TOTAL		46

c. Base Fine.[1] Based upon USSG § 8C2.4(a)(1), the base fine is $522,815,079 (as the pecuniary gain exceeds the fine in the Offense Level Fine Table, namely $72,500,000).

1 Because the conduct predates 2015, the 2014 Sentencing Guidelines have been used for the fine calculation. *See* Guidelines Manual § 8C2.4(e)(1) (Nov. 2016).

d. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 7, calculated as follows:

(a)	Base Culpability Score	5
(b)(2)	the organization had 1,000 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the offense	+4
(g)(2)	The organization fully cooperated in the investigation, and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	-2
TOTAL		7

DCP

Calculation of Fine Range:

Base Fine	$522,815,079
Multipliers	1.4 (min) / 2.8 (max)
Fine Range	$731,941,111 – $1,463,882,221

The Company agrees to pay a total monetary penalty for the FCPA conduct in the amount of $585,552,888 (the "FCPA Total Criminal Penalty"), $500,000 of which will be paid as a criminal fine on behalf of its subsidiary, SGA Société Générale Acceptance, N.V. The Company will pay $292,776,444 to the United States Treasury within ten business days of the sentencing hearing by the Court of the Company's subsidiary, SGA Société Générale Acceptance, N.V., in connection with its guilty plea and plea agreement entered into simultaneously herewith, except that the parties agree that any criminal penalties that might be imposed by the Court on SGA Société Générale Acceptance, N.V. in connection with its guilty plea and plea agreement, including the contemplated fine of $500,000, will be deducted from the $292,776,444. The FCPA Total Criminal Penalty will be offset by up to $292,776,444 for any penalties paid to the PNF in connection with the resolution of a parallel case concerning the allegations described in the FCPA portion of the Statement of Facts. Should any amount of the $292,776,444 payment to the PNF not be made, the remaining balance of the FCPA Total Criminal Penalty will be paid to the United States Treasury within ten business days of the determination of the total amount paid to the PNF. The parties agree that the Company's payment of the FCPA Total Criminal Penalty will be in full satisfaction of any criminal penalties that might be imposed by the Court on SGA Société Générale Acceptance, N.V. The Offices agree that the FCPA Total Criminal Penalty is appropriate given the facts and circumstances of this case, including the factors described in Paragraph 4(a) through 4(k).

8. With respect to the LIBOR conduct described in the Statement of Facts, the Offices and the Company agree that application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

a. The 2016 USSG are applicable to this matter.

b. Offense Level. Based upon USSG § 2B1.1, the total offense level is 36, calculated as follows:

DCP

(a)(2)	Base Offense Level	6 DCP
(b)(1)(N)	Loss of over $150,000,000	+26
(b)(2)	More than 10 victims	+2
(b)(10)	Conduct outside United States/	+2

	Sophisticated means	
TOTAL		36 DCP

c. Base Fine.[2] Based upon USSG § 8C2.4(a)(1), the base fine is $202,126,332.14 (as the pecuniary gain exceeds the fine in the Offense Level Fine Table, namely $72,500,000)

d. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 8, calculated as follows:

(a)	Base Culpability Score	5
(b)(2)	the organization had 5,000 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the offense	+5
(g)(1)	The organization fully cooperated in the investigation, and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	- 2
TOTAL		8

Calculation of Fine Range:

Base Fine	$202,126,332
Multipliers	1.6 (min) / 3.2 (max)
Fine Range	$323,402,131 / $646,804,262

The Company agrees to pay a monetary penalty for the LIBOR conduct in the amount of $275,000,000 to the United States Treasury within ten business days of the date upon which

2 Because the conduct predates 2015, the 2014 Sentencing Guidelines have been used for the fine calculation. *See* Guidelines Manual § 8C2.4(e)(1) (Nov. 2016).

the Information is filed. The Offices agree that this penalty is appropriate given the facts and circumstances of this case, including the factors described in Paragraph 4(l) through 4(r).

9. The combined penalty of $860,552,888 (the "Combined Penalty") is final and shall not be refunded. Furthermore, nothing in this Agreement shall be deemed an agreement by the Offices that the Combined Penalty is the maximum penalty that may be imposed in any future prosecution, and the Offices are not precluded from arguing in any future prosecution that may occur pursuant to Paragraphs 16-19 that the Court should impose a higher fine, although the Offices agree that under those circumstances, they will recommend to the Court that any amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment. The Company acknowledges that no tax deduction may be sought in connection with the payment of any part of the Combined Penalty. The Company shall not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the Combined Penalty that the Company pays pursuant to this Agreement.

CONDITIONAL RELEASE FROM LIABILITY

10. Subject to Paragraphs 16-19, the Offices agree, except as provided in this Agreement and in the plea agreement between the Offices and SGA Société Générale Acceptance, N.V., dated June 5, 2018, that they will not bring any criminal or civil case against the Company or any of its direct or indirect subsidiaries relating to any of the conduct described in the Statement of Facts or the Information filed pursuant to this Agreement. The Offices, however, may use any information related to the conduct described in the Statement

of Facts against the Company: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by the Company or its direct and indirect subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Company or its direct and indirect subsidiaries.

CORPORATE COMPLIANCE PROGRAM

11. The Company represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws and commodities laws throughout its operations, including those of its affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials or other activities carrying a high risk of corruption or relating to commodities risks, including, but not limited to, the minimum elements set forth in Attachment C, subject to applicable laws and regulations and consistent with its obligations to coordinate with the AFA.

12. In order to address any deficiencies in its internal accounting controls, policies, and procedures, the Company represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this

Agreement, subject to applicable laws and regulations and consistent with its obligations to coordinate with the AFA, a review of its existing internal accounting controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws and commodities laws. Where necessary and appropriate, the Company agrees to modify its compliance program, including internal controls, compliance policies, and procedures in order to ensure that it maintains: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting controls, as well as policies and procedures designed to effectively detect and deter violations of the FCPA and other applicable anti-corruption laws; and (c) a program to ensure that the Company's LIBOR contributions are carefully monitored, accurate, and not affected by consideration of improper or self-serving factors. The compliance program, including the internal accounting controls system will include, but not be limited to, the minimum elements set forth in Attachment C, subject to applicable laws and regulations and consistent with its obligations to coordinate with the AFA.

CORPORATE COMPLIANCE REPORTING

13. The Company agrees that it will report to the Offices annually during the Term regarding remediation and implementation of the compliance measures described in Attachment C, subject to applicable laws and regulations and consistent with its obligations to report to the PNF and the AFA. These reports will be prepared in accordance with Attachment D.

DEFERRED PROSECUTION

14. In consideration of the undertakings agreed to by the Company herein, the Offices agree that any prosecution of the Company for the conduct set forth in the Statement of Facts be and hereby is deferred for the Term. To the extent there is conduct disclosed by the Company that is not set forth in the Statement of Facts, such conduct will not be exempt from further prosecution and is not within the scope of, or relevant to, this Agreement.

15. The Offices further agree that if the Company fully complies with all of its obligations under this Agreement, the Offices will not continue the criminal prosecution against the Company described in Paragraph 1 and, at the conclusion of the Term, this Agreement shall expire. Within six (6) months of the Agreement's expiration, the Offices shall seek dismissal with prejudice of the Information filed against the Company described in Paragraph 1, and agree not to file charges in the future against the Company or its direct or indirect subsidiaries based on the conduct described in this Agreement and the Statement of Facts.

BREACH OF THE AGREEMENT

16. If, during the Term, the Company (a) commits any felony under United States federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (c) fails to cooperate as set forth in Paragraphs 5 and 6 of this Agreement; (d) fails to implement a compliance program as set forth in Paragraphs 11 and 12 of this Agreement and Attachment C; (e) commits any acts that, had they occurred within the

jurisdictional reach of the FCPA, would be a violation of the FCPA; or (f) otherwise fails to completely perform or fulfill each of the Company's obligations under the Agreement, regardless of whether the Offices become aware of such a breach after the Term is complete, the Company and its direct and indirect subsidiaries shall thereafter be subject to prosecution for any federal criminal violation of which the Offices have knowledge, including, but not limited to, the charges in the Information described in Paragraph 1, which may be pursued by the Offices in the U.S. District Court for the Eastern District of New York or any other appropriate venue. Determination of whether the Company has breached the Agreement and whether to pursue prosecution of the Company or its direct or indirect subsidiaries shall be in the Offices' sole discretion. Any such prosecution may be premised on information provided by the Company or its personnel. Any such prosecution relating to the conduct described in the Statement of Facts or relating to conduct known to the Offices prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Company or its direct or indirect subsidiaries, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, the Company agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, the Company agrees that the statute of limitations as to any violation of federal law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Offices are made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

17. In the event the Offices determine that the Company has breached this Agreement, the Offices agree to provide the Company with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, the Company shall have the opportunity to respond to the Offices in writing to explain the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the Offices shall consider in determining whether to pursue prosecution of the Company or its direct or indirect subsidiaries.

18. In the event that the Offices determine that the Company has breached this Agreement: (a) all statements made by or on behalf of the Company to the Offices, or to the Court, including the facts set forth in the Statement of Facts, and any testimony given by the Company before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Offices against the Company or its direct or indirect subsidiaries; and (b) the Company shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Company prior or subsequent

to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer, or employee, or any person acting on behalf of, or at the direction of, the Company, will be imputed to the Company for the purpose of determining whether the Company has violated any provision of this Agreement shall be in the sole discretion of the Offices.

19. The Company acknowledges that the Offices have made no representations, assurances, or promises concerning what sentence may be imposed by the Court if the Company breaches this Agreement and this matter proceeds to judgment. The Company further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

20. On the date that the period of deferred prosecution specified in this Agreement expires, the Company, by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, will certify to the Offices that the Company has met its disclosure obligations pursuant to Paragraph 6 of this Agreement. Such certification will be deemed a material statement and representation by the Company to the executive branch of the United States for purposes of Title 18, United States Code, Section 1001, and it will be deemed to have been made in the Eastern District of New York.

SALE, MERGER, OR OTHER CHANGE IN CORPORATE FORM OF COMPANY

21. Except as may otherwise be agreed by the parties in connection with a particular transaction, the Company agrees that in the event that, during the Term, it undertakes any change in corporate form, including if it sells, merges, or transfers banking

operations that are material to the Company's consolidated operations, or to the operations of any subsidiaries or affiliates involved in the conduct described in the Statement of Facts, as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Offices' ability to determine a breach under this Agreement is applicable in full force to that entity. The Company agrees that the failure to include these provisions in the transaction will make any such transaction null and void. The Company shall provide notice to the Offices at least thirty (30) days prior to undertaking any such sale, merger, transfer, or other change in corporate form. The Offices shall notify the Company prior to such transaction (or series of transactions) if they determine that the transaction(s) will have the effect of circumventing or frustrating the enforcement purposes of this Agreement. If at any time during the Term the Company engages in a transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, the Offices may deem it a breach of this Agreement pursuant to Paragraphs 16-19 of this Agreement. Nothing herein shall restrict the Company from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Offices.

PUBLIC STATEMENTS BY COMPANY

22. The Company expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents, or any other person authorized to speak for the Company make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the Statement of Facts. Any such contradictory statement shall, subject to cure rights of the Company described below, constitute a breach of this Agreement, and the Company thereafter shall be subject to prosecution as set forth in Paragraphs 16-19 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to the Company for the purpose of determining whether it has breached this Agreement shall be at the sole discretion of the Offices. If the Offices determine that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Offices shall so notify the Company, and the Company may avoid a breach of this Agreement by publicly repudiating such statement(s) within five business days after notification. The Company shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of

the Company in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Company.

23. The Company agrees that if it, or any of its direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Company shall first consult with the Offices to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Offices and the Company; and (b) whether the Offices have any objection to the release.

24. The Offices agree, if requested to do so, to bring to the attention of law enforcement and regulatory authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, including the nature and quality of the Company's cooperation and remediation. By agreeing to provide this information to such authorities, the Offices are not agreeing to advocate on behalf of the Company, but rather are agreeing to provide facts to be evaluated independently by such authorities.

<u>LIMITATIONS ON BINDING EFFECT OF AGREEMENT</u>

25. This Agreement is binding on the Company and the Offices but specifically does not bind any other component of the United States Department of Justice, other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, or any other authorities, although the Offices will bring the cooperation of the Company and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company.

NOTICE

26. Any notice to the Offices under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to Chief, FCPA Unit, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, Washington, D.C., 20530; Chief, Securities and Financial Fraud Unit, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, Washington, D.C., 20530; and Chief, Business and Securities Fraud Section, U.S. Attorney's Office, Eastern District of New York, 271-A Cadman Plaza East, Brooklyn, New York, 11201. Any notice to the Company under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to Nicolas Brooke, Managing Director, General Counsel for Litigation and Investigations, Société Générale, 17, Cours Valmy – Paris la Défense 7; John M. Driscoll, Head – Litigation, Enforcement & Investigations, Societe Generale – Americas, 245 Park Avenue, New York, New York 10167; Keith D. Krakaur, Skadden, Arps, Slate, Meagher & Flom (UK) LLP, 40 Bank Street, Canary Wharf, London, E14 5DS; and Sean Hecker, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022. Notice shall be effective upon actual receipt by the Offices or the Company.

COMPLETE AGREEMENT

27. This Agreement, including its Attachments, sets forth all the terms of the agreement between the Company and the Offices. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the

Offices, the attorneys for the Company, and a duly authorized representative of the Company.

AGREED:

FOR SOCIÉTÉ GÉNÉRALE S.A.:

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Nicolas Brooke
Managing Director, General Counsel
for Litigation and Investigations
Société Générale S.A.

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Keith D. Krakaur, Esq.
Charles F. Walker, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Counsel to Société Générale S.A.

____

Sean Hecker, Esq.
Debevoise & Plimpton LLP
Counsel to Société Générale S.A.

____

Steven Wolowitz, Esq.
Henninger S. Bullock, Esq.
Mayer Brown LLP
Counsel to Société Générale S.A.

Date: June 5, 2018

FOR THE U.S. DEPARTMENT OF JUSTICE:

RICHARD P. DONOGHUE
United States Attorney
Eastern District of New York

____

David C. Pitluck
James P. McDonald
Matthew S. Amatruda
Assistant U.S. Attorneys

Date: June 5, 2018

SANDRA L. MOSER
Acting Chief
Criminal Division, Fraud Section
U.S. Department of Justice

____

Gerald M. Moody, Jr.
Dennis R. Kihm
Trial Attorneys

____

Carol Sipperly
Timothy A. Duree
Trial Attorneys

COMPANY OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for Société Générale S.A. (the "Company"). I understand the terms of this Agreement and voluntarily agree, on behalf of the Company, to each of its terms. Before signing this Agreement, I consulted with outside counsel for the Company. Counsel fully advised me of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed the terms of this Agreement with the Board of Directors of the Company. I have advised and caused outside counsel for the Company to advise the Board of Directors fully of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of the Company, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am the Managing Director, General Counsel for Litigation and Investigations for the Company and that I have been duly authorized by the Company to execute this Agreement on behalf of the Company.

Date: 5.VI.18

SOCIÉTÉ GÉNÉRALE S.A.

By: ______________________

Nicolas Brooke
Managing Director, General Counsel
for Litigation and Investigations

CERTIFICATE OF COUNSEL

We are counsel for Société Générale S.A. (the "Company") in the matter covered by this Agreement. In connection with such representation, we have examined relevant Company documents and have discussed the terms of this Agreement with the Company Board of Directors. Based on our review of the foregoing materials and discussions, we are of the opinion that the representative of the Company has been duly authorized to enter into this Agreement on behalf of the Company and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of the Company and is a valid and binding obligation of the Company. Further, we have carefully reviewed the terms of this Agreement with the Board of Directors and the General Counsel of the Company. We have fully advised them of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To our knowledge, the decision of the Company to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: June 5, 2018

By: ______________________________

Keith D. Krakaur, Esq.
Charles F. Walker, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Counsel to Société Générale S.A.

By: ______________________________

Sean Hecker, Esq.
Debevoise & Plimpton LLP
Counsel to Société Générale S.A.

By: ______________________________

Steven Wolowitz, Esq.
Henninger S. Bullock, Esq.
Mayer Brown LLP
Counsel to Société Générale S.A.

ATTACHMENT A

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section, the United States Attorney's Office for the Eastern District of New York (collectively, the "Offices") and the defendant Société Générale S.A. ("Société Générale" or the "Company"). Société Générale hereby agrees and stipulates that the following information is true and accurate. Société Générale admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. Should the Offices pursue the prosecution that is deferred by the Agreement, Société Générale agrees that it will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding. The following facts took place during the relevant time frame and establish beyond a reasonable doubt the charges set forth in the Information attached to the Agreement:

I. THE FCPA SCHEME

1. Société Générale was a financial institution and global financial services company headquartered in Paris, France, which maintained a subsidiary financial services company and a branch located in New York, New York. Société Générale Corporate and Investment Bank ("SG CIB") was a division of the Company that offered investment-banking services. Société Générale was a "person" as that term is used in the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Section 78dd-3(a) and (f)(1).

2. At the start of the relevant period, SG CIB's equities and derivatives business operated under the name Dérivés Actions Indices (derivatives shares indices), or "DEAI." Later in the relevant period, the equities and derivatives business retained the DEAI name but became a unit of Global Equities & Derivatives Solutions ("GEDS") and later, a unit of the Global Markets business ("MARK") referred to as Solutions ("MARK/SOL"). Société Générale's equities and derivatives business was comprised of a number of units, each carrying out a particular, but coordinated, role including trading desks, sales, engineering, and research.

3. Lyxor Asset Management S.A.S. ("Lyxor") was a French limited liability company and a Société Générale subsidiary that specialized in providing asset management services and an asset management platform. As described below, a number of the structured investments in which Libyan state institutions invested had referenced assets managed by Lyxor on its platform.

4. SGA Société Générale Acceptance, N.V. ("SGA"), a company organized under the laws of Curaçao, was a Société Générale subsidiary that issued structured notes, including those purchased by Libyan state institutions. Structured notes are complicated securities that typically combine a debt obligation and a derivative component.

5. The "Libyan Intermediary," an individual whose identity is known to the United States and the Company, was a dual Libyan and Italian national who resided in Dubai and London during the relevant period. The Libyan Intermediary traveled to the United

States and was a "person" as that term is used in the FCPA, Title 15, United States Code, Section 78dd-3(a) and (f)(1).

6. The "Panamanian Company," an entity whose identity is known to the United States and the Company, was a company incorporated under the laws of Panama and controlled by the Libyan Intermediary.

7. "SG Employee 1," an individual whose identity is known to the United States and the Company, was an employee of Société Générale and assisted SGA in issuing notes to Libyan financial investors.

8. "SG Employee 2," an individual whose identity is known to the United States and the Company, was an employee of Société Générale and assisted SGA in issuing notes to Libyan financial investors. SG Employee 2 traveled on at least two occasions to the United States during the relevant time period, and was a "person" and an agent of a "person," as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-3(a) and (f)(1).

9. "SG Employee 3," an individual whose identity is known to the United States and the Company, was an employee of Société Générale who was in charge of a business unit within GEDS.

10. The "Investment Management Firm," an entity whose identity is known to the United States and the Company, was a U.S.-headquartered investment management firm that provided investment advisory and financial services to Libyan government investors. The Investment Management Firm was a "domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1), and was an agent of an issuer, a U.S.-

based financial firm, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

11. "Investment Management Firm Employee 1," an individual whose identity is known to the United States and the Company, was an employee of the Investment Management Firm until approximately mid-2008. Investment Management Firm Employee 1 was an employee of a domestic concern and an agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(a) and 78dd-2(h)(1).

LIBYAN GOVERNMENT ENTITIES AND OFFICIALS

12. The Central Bank of Libya ("CBL") was a Libyan state-owned financial and regulatory institution responsible for, among other things, managing the country's official monetary and foreign reserves and regulating its financial system. The CBL performed a government function on behalf of Libya and was a client of Société Générale. The CBL was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

13. The Libyan Arab Foreign Bank (a/k/a Libyan Foreign Bank) ("LAFB") was a Libyan bank that was owned and controlled by the CBL. The LAFB performed a government function on behalf of Libya and was a client of Société Générale. The LAFB was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

14. The Economic and Social Development Fund ("ESDF") was a Libyan state-owned financial institution that managed assets in Libya for the purpose of investing in major economic projects that supported the overall development of Libya and the distribution of its wealth. The ESDF performed a state government function on behalf of Libya and was a client of Société Générale. The ESDF was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

15. The Libyan Investment Authority (the "LIA" and, together with the LAFB, ESDF, and CBL, the "Libyan State Agencies") was a Libyan government entity formed in 2006 to serve as a Libyan sovereign wealth fund, with a focus on investing and managing oil revenues on behalf of the Libyan government. The LIA was overseen by senior Libyan government officials, was controlled by the Libyan government, and performed a government function on behalf of Libya. The LIA was a client of Société Générale. The LIA was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

16. "Libyan Official 1," an individual whose identity is known to the United States and the Company, was a close relative of then Libyan dictator Muammar Gaddafi. Although Libyan Official 1 did not hold a formal title within the Libyan government, Libyan Official 1 possessed and used a Libyan diplomatic passport and conducted high-profile foreign and domestic affairs for and on behalf of the Libyan government. Libyan Official 1

made administrative and investment decisions for the LIA, including through proxies. Libyan Official 1 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

17. "Libyan Official 2," an individual whose identity is known to the United States and the Company, was an official at several of the Libyan State Agencies, including the LAFB, the ESDF, and the LIA. Libyan Official 2 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

18. "Libyan Official 3," an individual whose identity is known to the United States and the Company, was a senior official at the LIA and was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

19. "Libyan Official 4," an individual whose identity is known to the United States and the Company, was a senior official at the LAFB and was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1), 78dd-2(h)(2), and 78dd-3(f)(2)(A).

OVERVIEW OF THE SCHEME

20. Between in or about 2005 and in or about 2011, following the lifting of broad economic sanctions, the Libyan State Agencies sought to place substantial funds with financial institutions for investment purposes. These placements were heavily sought after by a number of financial institutions, including the defendant Société Générale, as well as at

least eight U.S.-based financial institutions. By at least 2006, several Société Générale employees, together with their co-conspirators, knew that the Libyan Intermediary was paying bribes and providing other improper financial benefits to Libyan government officials in order to secure financial investments for Société Générale, and agreed to continue to use the Libyan Intermediary despite that knowledge. In providing bribes and other improper benefits on Société Générale's behalf, and taking other acts in furtherance thereof, the Libyan Intermediary acted as an "agent" of Société Générale as that term is understood under U.S. law. The Société Générale employees also concealed the bribes through payments to the Libyan Intermediary for purported "introduction" services. During this time period, Société Générale, often in partnership with the Investment Management Firm, sold the Libyan State Agencies 13 structured notes (and one restructuring) worth a total of approximately $3.66 billion. Société Générale earned profits of approximately $523 million in connection with these deals. For each transaction, Société Générale paid the Libyan Intermediary's Panamanian Company a commission of between one and a half and three percent of the nominal amount of the investments made by the Libyan State Agencies. In total, Société Générale paid the Libyan Intermediary approximately $90.74 million from approximately 2005 to 2009 for supposed "introductory" services.

21. During the course of the scheme, several Société Générale employees, including SG Employee 1, SG Employee 2, and SG Employee 3, discussed their belief and understanding that, in order to secure deals for Société Générale, the Libyan Intermediary was using some portion of the commissions from the bank to pay Libyan officials, including

Libyan Official 1, and was providing smaller payments and improper benefits, such as free travel and entertainment, to Libyan Official 2, Libyan Official 3, and other Libyan officials.

22. Some employees of Société Générale and the Investment Management Firm also used coded language in furtherance of the scheme, including discussing when the Libyan Intermediary had "cooked" various Libyan officials, which was used to connote that the Libyan Intermediary had established control over the official, whether through bribery or other means.

23. Several Société Générale employees, including SG Employee 1 and SG Employee 2, also undertook to hide the commission payments to the Libyan Intermediary's Panamanian Company from certain officials of the Libyan State Agencies who were either unaware of or unconnected to the bribery scheme.

24. Some Société Générale employees knew that the Libyan Intermediary had used threats and intimidation to cause the Libyan State Agencies to hire specific individuals, including Libyan Official 2, whom the Libyan Intermediary instructed to direct business to Société Générale. These employees of Société Générale understood that the Libyan Intermediary had these powers because he was "the right arm" and "the enforcer" of Libyan Official 1, a close relative of then Libyan dictator Muammar Gaddafi.

25. Société Générale partnered with SGA, the Investment Management Firm, and others to issue, market, and sell structured notes to the Libyan State Agencies. In these transactions, Société Générale acted as the "structuring bank," receiving the money invested by the Libyan State Agencies in consideration for the issuance of the structured notes. The

structured notes were issued by companies such as SGA and, for the majority of the trades, were linked to the performance of funds that were either directly managed or sub-managed by Lyxor. Société Générale agreed with the Investment Management Firm that, for certain of the products, the money invested by the Libyan State Agencies would be placed in funds managed by the Investment Management Firm.

26. In 2010, new Libyan government officials assumed control at the LIA, which diminished the influence of Libyan Official 2 and Libyan Official 3. The new management at the LIA began to scrutinize the purpose of the payments to the Panamanian Company. In response, Société Générale employees made a series of false statements to the new management at the LIA. Certain Société Générale employees and the Libyan Intermediary then attempted to set up a joint venture company, which would operate under a "Société Générale" name but be majority owned and controlled by the Libyan Intermediary and would principally be used to hide the Libyan Intermediary's role and future commission payments from the new LIA management.

27. Société Générale, together with its employees and agents, took a number of acts in the United States in furtherance of the scheme. This included, but was not limited to, Société Générale paying for SG Employee 2 to accompany Libyan Official 2 on at least two trips to New York, where they discussed and planned the corrupt scheme. There, SG Employee 2, at the direction of the Libyan Intermediary and SG Employee 1, sought to prevent competitors of Société Générale from soliciting business from Libyan Official 2. SG Employee 2 also paid for Libyan Official 2 to enjoy multiple days of entertainment in the

United States, including paying for stays at expensive hotels, expensive meals, nightlife excursions, and gifts of luxury goods. Société Générale further made a series of commission payments to the Libyan Intermediary totaling approximately $91 million, each of which cleared through Société Générale's New York branch. Several Société Générale employees understood that the Libyan Intermediary was using some portion of the commissions for corrupt purposes. Additionally, Société Générale employees partnered with the Investment Management Firm, a United States domestic concern, to carry out the corrupt scheme. The Investment Management Firm's asset management team in New York also actively managed at least one of the funds underlying one of the structured notes that the Libyan State Agencies bought from Société Générale.

THE CONSPIRACY

A. The Investment Management Firm Introduces the Libyan Intermediary to Société Générale

28. In or about May 2004, the Libyan Intermediary met with employees of the Investment Management Firm to discuss how the Libyan Intermediary could provide the Investment Management Firm access to investments in Libya. A New York-based employee of SG Americas Securities LLC, a subsidiary of Société Générale, attended this meeting, which occurred at the London office of the Investment Management Firm. During the initial meeting, the Libyan Intermediary was accompanied by multiple close associates of Libyan Official 1, including Libyan Official 3, who at the time was employed by a fishing company owned by Libyan Official 1. The attendees further discussed the possibility that various

Libyan state institutions would purchase products from Société Générale, and the products would be linked to funds managed by both Lyxor and the Investment Management Firm.

29. Separately, in or about October 2004, a Switzerland-based asset manager introduced employees of Société Générale's Switzerland desk to the Libyan Intermediary. Following this initial meeting, employees of Société Générale, including SG Employee 1 and employees of Société Générale's Switzerland desk, worked to develop an investment product for the LAFB. As proposed in the investment, the LAFB or another Libyan state institution would purchase notes issued by a Société Générale subsidiary linked to the performance of a fund "sub-managed" by Lyxor. On or about October 5, 2004, Société Générale employees agreed to pay the Libyan Intermediary an up-front fee of three percent of the nominal amount of the products the Libyan State Agencies were planning to purchase from Société Générale. That same day, the Société Générale employees further agreed that the Libyan Intermediary's role as introducing broker for the LAFB investment would not be disclosed in the deal documents.

30. At the time, a senior employee within DEAI (the "DEAI Employee") advised the Société Générale employees responsible for onboarding the Libyan Intermediary that, after consulting the then-applicable sales handbook, he had determined that, due to the sensitivity of business in Libya and the significant size of the Libyan Intermediary's commissions, the fees paid by Société Générale to the Libyan Intermediary would need to be disclosed to the LAFB. The DEAI Employee noted, however, that it was understood that making such a disclosure to the LAFB about the Libyan Intermediary's fees could be a "deal

breaker." The DEAI Employee, following consultation with the DEAI Sales desk, therefore proposed a second option that would allow Société Générale to disclose the overall amount of fees that would be paid in connection with the deal, and to disclose the involvement of a remunerated intermediary. Société Générale would then rely on the Libyan Intermediary to make his own disclosure to the LAFB. In response, a Société Générale employee sitting on the Switzerland desk confirmed that unless the second option was followed, there would be no deal with the LAFB.

31. Despite these early warnings, over the next few years, Société Générale's equity and derivatives business employees who dealt with the Libyan Intermediary took repeated steps to hide the fees and identity of the Libyan Intermediary from the Libyan State Agencies, including by failing to respond to inquiries from Libyan officials and minimizing disclosures in term sheets by using small font and non-standard typefaces.

32. On or about November 5, 2004, the Investment Management Firm (via a subsidiary company) and the Libyan Intermediary entered into a "Master Exclusivity Agreement." The agreement provided that the Investment Management Firm would pay the Libyan Intermediary to "arrang[e]" for Libyan state agencies and institutional investors, such as the Central Bank of Libya, to purchase certain notes issued by Société Générale, and for which the returns on the investments were tied to the performance of funds managed by the Investment Management Firm. The agreement further provided that the Investment Management Firm would pay the Libyan Intermediary between one and a half and four percent of the value of each note sold to the Libyan investors and that the Investment

Management Firm would work exclusively with the Libyan Intermediary. Ultimately, the Investment Management Firm never paid the Libyan Intermediary under this agreement because the Investment Management Firm and Société Générale jointly decided that Société Générale should make commission payments to the Libyan Intermediary.

33. On or about February 23, 2005, Société Générale entered into an agreement with the Libyan Intermediary through the Panamanian Company. The agreement required the Libyan Intermediary to use his best efforts to introduce the bank to new clients in Libya. In return, Société Générale agreed to pay the Libyan Intermediary a three percent commission on the nominal amount of all financial products that Société Générale sold to the Libyan clients. Over the next four years, Société Générale and the Libyan Intermediary entered into substantially similar agreements in connection with the transactions discussed below, including, in certain instances, years after Société Générale had already been introduced to the relevant Libyan State Agencies and its management personnel.

34. On or about March 10, 2005, Société Générale also entered into an exclusivity agreement with the Libyan Intermediary through the Panamanian Company. In the agreement, Société Générale agreed not to market or propose structured products directly to certain Libyan state institutions, including the LAFB. The agreement did not, however, require the Libyan Intermediary to work exclusively with Société Générale. Société Générale and the Libyan Intermediary extended this agreement on or about June 5, 2005 and on or about March 3, 2006.

35. Société Générale employees of the Switzerland desk continued negotiating the investment of Libyan state funds until in or about June 2005, when the proposal was dropped in favor of another pending deal with the LAFB pursued by SG Employees 1 and 2.

B. LAFB Transactions Between 2005 and 2007

36. In or about June 2005, SG Employee 1, SG Employee 2, and Investment Management Firm Employee 1 began coordinating on structuring a note to sell to the LAFB. It was understood that there could be no deal with the LAFB unless Société Générale paid a fee to the Libyan Intermediary.

37. On or about November 4, 2005, SG Employee 2 emailed Libyan Intermediary, and copied SG Employee 1, with bank account details for an account that SG Employee 1 and SG Employee 2 had caused to be opened for the Panamanian Company at Société Générale's branch in Switzerland ("SG Zurich"). SG Employee 2 wrote, in part: "As promised you'll find here after the bank account details in Zurich. All is clean and ready. I siticked [sic] to my promise > So make them take action in the two following weeks."

38. On or about December 20, 2005, the LAFB agreed to invest in two $50 million notes issued by SGA linked to the performance of certain Lyxor funds.

39. Several weeks later, on or about January 13, 2006, Société Générale paid $3 million to the Panamanian Company's bank account at SG Zurich as an "introducing broker" fee for the first two LAFB transactions. The funds were cleared through Société Générale's New York branch.

40. Throughout the conspiracy, SG Employee 2 understood from the Libyan Intermediary and SG Employee 1 that one of his duties was to ensure that Libyan Official 2 did not associate with competitors of Société Générale, in order to maximize the amount of business that Libyan Official 2 helped direct to Société Générale and the Libyan Intermediary. SG Employee 2 communicated this instruction to others, including Investment Management Firm Employee 1. For example, on or about April 4, 2006, Investment Management Firm Employee 1 contacted SG Employee 2 concerning an upcoming conference in New York that Libyan Official 2 would be attending. SG Employee 2 responded to Investment Management Firm Employee 1 that it was important to prevent Libyan Official 2 from meeting with other investment firms because Société Générale and the Investment Management Firm were working on obtaining additional investments from the Libyan State Agencies.

41. On or about April 21, 2006, Libyan Official 2 flew to John F. Kennedy International Airport in Queens, New York, to attend a meeting at the New York office of the Investment Management Firm. The Investment Management Firm arranged for a four-night stay for Libyan Official 2 at the Waldorf Astoria Hotel in New York.

42. On or about June 8, 2006, the LAFB authorized an investment in a $100 million note issued by SGA linked to the performance of Lyxor's "Serenity Fund." SG Employee 2 provided Libyan Official 2 with instructions to transfer $100 million to Société Générale on June 16, 2006. The transfer cleared through Société Générale's New York branch.

43. On or about June 20, 2006, Société Générale paid $3 million to the Panamanian Company's bank account at SG Zurich as an "introducing broker" fee for the Serenity Fund transaction with the LAFB. The payment cleared through Société Générale's New York branch.

44. The Libyan Intermediary used the term "cooking" to describe his ability to cause Libyan government officials to invest with Société Générale and the Investment Management Firm by any means necessary, including bribes, threats, and intimidation. On or about June 26, 2006, the Libyan Intermediary told SG Employee 2 that Libyan Official 4 was already "cooked," and that SG Employee 2 should make an investment proposal to Libyan Official 4 because he would agree to it. At the time, Libyan Official 4 was the head of a unit with responsibility for recommending certain types of investments with financial institutions. One week later, on or about July 3, 2006, the Libyan Intermediary transferred $100,000 to Libyan Official 4.

45. In or about July 2006, employees at SG Zurich informed SG Employee 2 and others in Paris that the Libyan Intermediary was immediately transferring the funds the Panamanian Company received in the SG Zurich account to a bank account the Libyan Intermediary held at another Swiss bank. Certain Société Générale employees repeatedly ignored warnings from SG Zurich compliance relating to the use of the SG Zurich account as a transit account.

46. On or about August 29, 2006, SG Employee 2 had a telephone call with Investment Management Firm Employee 1 to discuss the LAFB investment proposals

Société Générale and the Investment Management Firm had developed. SG Employee 2 assured Investment Management Firm Employee 1 that Libyan Official 4 would not ask any questions about the proposal because of something SG Employee 2 could not discuss on the phone.

47. On or about September 5, 2006, the Libyan Intermediary transferred approximately $75,000 to a relative of Libyan Official 2. That same day, the Libyan Intermediary placed a telephone call, which was recorded, to SG Employee 2, during which he stated about Libyan Official 2: "I cooked him . . . Only we have to go there, start the fire, have a barbecue." During another telephone call the same day with Investment Management Firm Employee 1, SG Employee 2 stated: "[Libyan Official 2] is coming, for your information, at my place this weekend. . . I'm going to cook the guy, cook him very hot to make sure everything is clean. . . let's make sure by working on [Libyan Official 2], by working on him that we get back on these transactions, done at least 100 on each fund . . . [Libyan Intermediary] is saying the proposals you're going to do for the Libya-Africa, he'll do the same one for the Economic Social Development Fund."

48. Approximately one week later, Investment Management Firm Employee 1 sent Libyan Official 2 a proposal for the LAFB to purchase a note issued by Société Générale, linked to a fund managed by the Investment Management Firm. On or about September 19, 2006, SG Employee 2 told the head of the Investment Management Firm that SG Employee 2 had "cooked" Libyan Official 2 and that SG Employee 2 was confident that the Investment Management Firm would be included in the upcoming deals.

49. On or about September 20, 2006, SG Employee 2 informed Investment Management Firm Employee 1 that because of a recent regulatory change he was being required to include the disclosure of the remuneration to the Panamanian Company in the term sheets for the LAFB. SG Employee 2 and Investment Management Firm Employee 1 then discussed ways to hide the disclosure of the payment to the Libyan Intermediary from the LAFB, including by falsely replacing Libyan Intermediary with the Investment Management Firm and having the Investment Management Firm then pass the payment onto the Libyan Intermediary. SG Employee 2 informed Investment Management Firm Employee 1 that Société Générale puts the disclosure of the Panamanian Company on the "last page disclaimer with a lot of information" and that this way is "clean for everybody. It's even clean for [the Investment Management Firm] if this goes like this. It is clean, anyway."

50. On or about March 27, 2007, the LAFB and the ESDF jointly invested in three structured notes totaling $500 million issued by SGA: (1) a $200 million note called the "Eco-Soc Serenity Fund linked Notes 2012" linked to the performance of certain Lyxor managed funds; (2) a $150 million five-year note (externally issued by another European bank) linked to the performance of certain funds managed by the Investment Management Firm; and (3) a $150 million note linked to the performance of a group of five managers, including the Investment Management Firm. On or about April 11, 2007, Société Générale paid, in connection with the March 2007 transactions, a total of $15 million to the Libyan Intermediary via the Panamanian Company's account at SG Zurich. These payments were cleared through Société Générale's New York branch.

C. CBL Transactions in Mid-2007

51. Beginning in or about May 2007, the SG CIB equity derivatives business and Société Générale Asset Management division ("SGAM") each separately began soliciting business from the CBL for their respective divisions of Société Générale. In or about May 2008, SG Employee 2 and others traveled to meet with officials at the CBL in Libya. After the meeting, a senior CBL official privately solicited SG Employee 2 for a bribe in exchange for a CBL investment. SG Employee 2 discussed the bribe solicitation with SG Employee 1 and SG Employee 3, as well as the Libyan Intermediary.

52. Because SGAM did not use the Libyan Intermediary before approaching the CBL, employees of Société Générale's equity derivatives business expressed concern internally that SGAM's actions could be seen by the Libyan Intermediary as a violation of his exclusivity agreement, which they believed could jeopardize all of Société Générale's business in Libya because the Libyan Intermediary was the "right arm of [Libyan Official 1]." Beginning on or about June 8, 2007, SG Employee 1 and SG Employee 2 discussed with the Libyan Intermediary ways to prevent SGAM from further marketing to the CBL. SG Employee 1 asked the Libyan Intermediary if he could prevent SGAM employees from obtaining visas and entering Libya. The Libyan Intermediary represented that he had the power to block people from entering Libya.

53. SG Employee 1 also began escalating the issue within SG CIB, in an effort to prevent SGAM from conducting future business with CBL. On or about June 8, 2007, during a recorded telephone call, SG Employee 1 told another Société Générale employee

who was preparing to discuss the issue with others in the bank, that the Libyan Intermediary's "contacts today are at government level, at a very, very high level. The highest level, you have to tell him that it's at the highest level in Libya, there are people a very, very high level, at the top level in Libya, who could cause us a lot of problems." The Société Générale employee then asked if this was because "they [government-level contacts] don't get their [commissions]," to which SG Employee 1 stated, "That's not our problem; you mustn't tell him!

54. On or about June 21, 2007, Société Générale sold the first of three notes to the CBL: a $150 million, three-year structured note issued by SGA, linked to funds managed by both the Investment Management Firm and Société Générale. Certain Société Générale employees prepared and transmitted the term sheet and deal documents for CBL, incorporating the Investment Management Firm's logo and information in the materials.

55. On or about July 25, 2007, SG Employee 2 reported to colleagues at SG CIB that the bank had just closed a second deal with the CBL. In this transaction, the CBL purchased a $100 million, five-year structured note issued by SGA, linked to funds managed by the Investment Management Firm.

56. On or about August 8, 2007, SG Employee 2 created an invoice (directed to SG Employee 2's attention) purporting to be issued by the Panamanian Company in connection with receiving a fee for the July 2007 transaction. SG Employee 2 provided a copy of the invoice, in person, to the Libyan Intermediary with instructions to send it to Société Générale to be paid.

57. On or about September 12, 2007, Société Générale sold the last of three notes to the CBL: a $200 million, three-year structured note issued by SGA, linked to funds managed by Lyxor. The next day, the Libyan Intermediary and Société Générale entered into an agreement to pay the Libyan Intermediary the three percent commission over the following 18 months to the Panamanian Company's account at SG Zurich.

58. Between on or about August 10, 2007 and March 19, 2009, Société Générale paid a total of approximately $11.25 million to the Libyan Intermediary via the Panamanian Company's account at SG Zurich in connection with the three CBL transactions. The payments were cleared through Société Générale's New York branch.

D. <u>LIA Transactions from 2007 to 2009</u>

59. Between in or about November 2007 and June 2009, the LIA entered into four transactions with Société Générale, including one in conjunction with the Investment Management Firm. In total, the LIA invested approximately $2.1 billion with Société Générale. In connection with these transactions, the Libyan Intermediary received a total of approximately $58.5 million in commissions. During this time period, the Libyan Intermediary transferred at least $20 million of the commissions paid by Société Générale to a relative of Libyan Official 3, who was at the time a senior official at the LIA and a known associate and close friend of Libyan Official 1.

60. In or about early 2007, the Libyan Intermediary informed SG Employee 2 and others at Société Générale about the creation of the LIA, explaining that it would be staffed by, among others, Libyan Official 2 and Libyan Official 3. In or about mid-2007, while

pursuing the CBL transactions, SG Employee 2 began to help Libyan Official 2 select employees for the LIA who would be favorable to the business interests of Société Générale and the Investment Management Firm.

i. The Investment Management Firm's Approach to the LIA and November 2007 Investment

61. By in or about September 2007, the Investment Management Firm had begun pursuing a direct investment by the LIA into a fund managed by the Investment Management Firm, instead of through a Société Générale structured note. Ultimately, however, the LIA purchased a structured note issued by SGA, linked to funds managed by the Investment Management Firm.

62. On or about November 28, 2007, the LIA purchased from Société Générale $300 million worth of notes issued by SGA, linked to a fund managed by the Investment Management Firm. At the time, the Chief Operating Officer of GEDS was a director of SGA. According to the term sheet, which was prepared by Société Générale employees but had the Investment Management Firm's logo on the cover, the Investment Management Firm would be the investment adviser of the reference fund to which the performance of the note was linked. Although the Investment Management Firm had originally pitched the deal to the LIA without the assistance of the Libyan Intermediary, and the Libyan Intermediary had played no role in negotiating or structuring the deal, the term sheet stated that the Panamanian Company had collaborated with Société Générale in providing the investment solution and was remunerated for its services.

63. On or about January 21, 2008, SG Employee 2 prepared a $9 million invoice for the Libyan Intermediary to send to Société Générale. On or about February 2, 2008, Société Générale paid $9 million to the Panamanian Company's account at SG Zurich in connection with the November 2007 transaction. This payment was cleared through Société Générale's New York branch.

ii. <u>The $1 Billion Optimizer Transaction</u>

64. On or about February 12, 2008, a group of Société Générale employees, including SG Employees 1, 2, and 3, traveled to Libya aboard a chartered plane to meet with the LIA. The Libyan Intermediary was not present at this meeting, despite his role as Société Générale's introducing broker. At the meeting, Libyan Official 3 explained that the LIA intended to invest at least $5 billion in a structured product with Société Générale, but that the LIA wished to avoid engaging in a U.S. dollar denominated transaction out of a fear that the funds could be frozen by U.S. courts. Libyan Official 3 requested that Société Générale come up with a solution to prevent this from happening.

65. Following this meeting, Société Générale employees designed a product called "Optimizer" to accommodate the LIA's request to make an investment that was tied to the value of Société Générale shares. As designed, the LIA would invest $1 billion, which would be converted to Euros, and invested in a note the performance of which was tied to Euro-denominated shares of Société Générale. In or about late February 2008, employees at Société Générale discussed that the Libyan Intermediary's customary three percent commission on the $1 billion Optimizer transaction would be $30 million, which was viewed

as too high. Consequently, SG Employee 3 instructed SG Employee 2 that the Libyan Intermediary's commission could be no higher than two percent of the $1 billion transaction, or $20 million. When he learned that Société Générale planned to reduce his commission to two percent, the Libyan Intermediary offered SG Employee 2 a kickback of a portion of the fee in exchange for convincing Société Générale to pay the normal three percent commission. Ultimately, however, the Libyan Intermediary agreed to the two percent commission rate.

66. On or about March 10, 2008, SG Employee 1 gave instructions to SG Employee 2 and reminded him to inform a senior LIA official "on the importance of confidentiality in our discussions, for their best interest and ours." SG Employee 2 then reported back that a senior LIA official requested a change in the disclosure of the Libyan Intermediary's fees. SG Employee 2 then emphasized that the disclosure of the Panamanian Company "must be at the end [of the document] and use smaller typ[e] . . . like all previous libYan [sic] proposal."

67. On or about March 17, 2008, the LIA agreed to the terms of the Optimizer investment. The LIA paid $1 billion for a structured product offered by Société Générale. The Libyan Intermediary played no role in advising on or structuring the Optimizer transaction. Three days later, certain Société Générale employees circulated a proposed agreement to the Libyan Intermediary to pay a two percent fee (a total of $20 million) in connection with the Optimizer transaction, with one and a half percent payable within five days and the remainder payable on September 17, 2009.

68. On or about April 27, 2008, SG Employee 2 learned from the Libyan Intermediary that the LIA would be requiring financial firms doing business with the LIA to disclose whether the firms were using intermediaries or third parties in connection with soliciting investments. The Libyan Intermediary informed SG Employee 2 that this obligation would require any financial firm presently using an intermediary to disclose the identity of that intermediary. Upon receiving a letter from the LIA to this effect, SG Employee 1, SG Employee 2, and other employees at Société Générale worked with the Libyan Intermediary, Libyan Official 2, and Libyan Official 3 to prevent the disclosure of the Libyan Intermediary and the fee arrangement. Certain Société Générale employees and the Libyan Intermediary agreed on a temporary solution to prevent disclosure of the Libyan Intermediary's name and the "introducing broker" fees he earned from the Optimizer transaction (which had not yet been paid). They agreed that the Libyan Intermediary would seek to have the LIA rewrite its letter so that it only applied to future transactions with the LIA, and that Société Générale would pay the Libyan Intermediary all outstanding fees so there would be no future arrangements to disclose. SG Employee 2 later notified SG Employee 1, SG Employee 3, and other senior Société Générale employees that the LIA would adopt the change. On or about April 28, 2008, Libyan Official 2 sent an email to SG Employee 2 and explained that the requirement to disclose intermediaries was forward looking only.

69. On or about April 28, 2008, SG Employee 2 had a phone call with the Libyan Intermediary and complained that SG Employee 2 had asked for a new letter, not an email.

Later that day, Libyan Official 2 called SG Employee 2 and said that a letter was forthcoming. Shortly thereafter, Libyan Official 2 emailed SG Employee 2 a new letter, signed by Libyan Official 3— but not by the head of the LIA, as the original letter had been—making clear that the disclosure of intermediaries applied only to future deals. SG Employee 2 forwarded this letter to SG Employee 1, SG Employee 3, and other Société Générale employees.

70. That same day, on or about April 28, 2008, Société Générale advanced the "introducing broker" fee due to the Libyan Intermediary for the Optimizer transaction, so that there would be no outstanding fees due to the Libyan Intermediary, thereby avoiding the need to disclose a "future" third-party arrangement. Senior GEDS employees approved the advancement of the $20 million payment to the Libyan Intermediary, which was discounted to present value of $19.788 million.

71. On or about April 28, 2008, SG Employee 2 forwarded the Libyan Intermediary a signed agency agreement, amending the amount due on the Optimizer transaction to 1.9788 percent. The same day, Société Générale paid $19.788 million to the Panamanian Company's account at SG Zurich. This payment was cleared through Société Générale's New York branch.

72. Also on or about April 28, 2008, SG Employee 2 and an employee of the Investment Management Firm spoke by phone. During that recorded phone call, SG Employee 2 described the LIA letter requiring the disclosure of agents as a "Libyan bomb."

SG Employee 2 stated that Société Générale had to respond in a way where they answered the questions but without doing any harm.

73. On or about April 29, 2008, Société Générale sent a letter, signed by a senior GEDS employee, to the head of the LIA and Libyan Official 3 falsely representing that Société Générale had no agreements engaging Société Générale in the future with a third party to facilitate an introduction to the LIA. In fact, at the time, Société Générale was working with the Libyan Intermediary on another transaction involving the LIA for which the Libyan Intermediary would be paid an "introducing broker" fee. Société Générale also did not update the LIA on future engagements with the Libyan Intermediary, notwithstanding having received the LIA fee disclosure letter.

74. On or about May 9, 2008, the Libyan Intermediary transferred \$7.5 million from the \$19.78 million received from Société Générale to a relative of Libyan Official 3, who was a senior official at the LIA.

iii. <u>The Crossroads Transaction</u>

75. At the same time that Société Générale was falsely representing to the LIA that it was not engaging a third-party intermediary, SG Employees 1 and 2 were preparing to present a proposed transaction called "Crossroads" to the LIA for approval (via the Libyan Intermediary). In connection with the proposed transaction, the LIA would invest \$300 million in notes issued by SGA linked to a fund called Crossroads. SG Employee 2 worked with Investment Management Firm Employee 1 and others to arrange a trip for Libyan Official 2 to the United States. Between on or about May 4, 2008 and May 9, 2008,

Investment Management Firm Employee 1 and Libyan Official 2 traveled together to Boston, Massachusetts, where the Investment Management Firm provided Libyan Official 2 with a course in negotiations at a university, as well as luxury hotel accommodations and entertainment. Libyan Official 2 and Investment Management Firm Employee 1 then traveled from Boston to New York.

76. Between on or about May 9, 2008 and May 12, 2008, SG Employee 2 and the Libyan Intermediary traveled to New York through John F. Kennedy International Airport in order to meet Libyan Official 2, pitch him on the Crossroads transaction, and provide him with entertainment in New York. While in New York, SG Employee 2 also discussed with Libyan Official 2 the prospect of Société Générale securing approximately $4 billion worth of additional investments from the LIA. SG Employee 2 also provided Libyan Official 2 and the Libyan Intermediary with multiple days of entertainment in New York, including stays at a luxury hotel and extravagant meals and nightlife entertainment, as well as gifts of luxury goods.

77. On or about May 17, 2008, while SG Employee 2 and the Libyan Intermediary were in transit returning from the United States, Libyan Official 2 contacted SG Employees 1 and 2 requesting that, once back from New York, they provide Libyan Official 2 with an updated Crossroads term sheet so he could present it to the head of the LIA for signature. The next day, on or about May 18, 2008, SG Employee 2 returned from the United States, and informed SG Employee 1, SG Employee 3, and others that the plan they made in New York was working, and that he expected the $300 million Crossroads deal to close that week.

78. On or about May 19, 2008, SG Employee 2 sent Libyan Official 2 the proposed terms of the Crossroads transaction. As designed, the LIA would invest $300 million in notes issued by SGA linked to the Crossroads fund. Three days later, the LIA approved the investment of $300 million in Société Générale notes.

79. On or about May 27, 2008, Société Générale prepared forms to pay the Libyan Intermediary a three percent commission, or $9 million, through the Panamanian Company for the Crossroads transaction. The next day, SG Employee 3 and another Société Générale employee discussed the payments to the Libyan Intermediary, and SG Employee 3 was asked whether Libyan Official 1 knew about the payments to the Libyan Intermediary. SG Employee 3 responded that he knew about the payments and suspected that Libyan Official 1 would also get a kickback.

80. On or about June 5, 2008, Société Générale paid $9 million to the Panamanian Company's bank account at SG Zurich as a fee for the Crossroads transaction. This payment was cleared through Société Générale's New York branch.

81. Following these payments, SG Zurich compliance raised concerns about the Panamanian Company account and objected to the Libyan Intermediary's request immediately to transfer $9 million to his account at a Swiss financial institution. On or about June 10, 2008, SG Zurich contacted the GEDS employees, and noted that they had always viewed the Panamanian Company account as problematic and wanted it closed. They further complained that they had never been provided with sufficient documentation to satisfy their concerns, and that there was tremendous pressure to "close our eyes" because of Société

Générale's commercial interests. Nevertheless, the GEDS employees continued to permit the use of the Panamanian Company's SG Zurich account in order to pay the Libyan Intermediary.

iv. Additional Transactions with the LIA

82. After the Crossroads transaction, Société Générale continued to pitch the LIA on transactions and, with the help of the Libyan Intermediary, succeeded in securing additional placements. For example, on or about October 13, 2008, the LIA purchased another $500 million structured product, referred to as the "SEAF" transaction, from Société Générale. On or about November 27, 2008, Société Générale paid approximately $12.5 million to the Panamanian Company's bank account at SG Zurich as an "introducing broker" fee for the SEAF transaction. That payment cleared through Société Générale's New York branch. That same day, the Libyan Intermediary transferred approximately $2.7 million to a relative of Libyan Official 3, who was a senior official at the LIA.

83. In or about January 2009, Société Générale began negotiating a restructuring of the $1 billion Optimizer transaction with the LIA ("Optimizer II"), which had lost significant value over time. While discussing the restructuring, a Société Générale employee questioned whether the Libyan Intermediary should receive an "introducing broker" fee given that Optimizer II was a restructuring, and not a new deal. SG Employee 2 informed his superiors that there would be no deal unless the Libyan Intermediary received his fee.

84. On or about February 10, 2009, the Libyan Intermediary transferred approximately $2.4 million to a relative of Libyan Official 3, who was a senior official at the LIA.

85. On or about July 9, 2009, Société Générale executed the Optimizer II deal by selling a $410 million restructured "Optimizer" note to the LIA.

86. On or about July 20, 2009, Société Générale transferred approximately $8.2 million to the Panamanian Company's bank account at SG Zurich as the Libyan Intermediary's "introducing broker" fee for Optimizer II, despite the fact that the LIA had been Société Générale's client for almost two years. This payment was cleared through Société Générale's New York branch.

E. <u>Post-LIA Transactions</u>

87. On or about June 30, 2009, while finalizing the restructuring of the Optimizer transaction, SG Employee 2 and another Société Générale employee arranged for the purchase of airline tickets and hotel accommodations for relatives of Libyan Official 2, then an official at the LIA, to Tenerife, Canary Islands.

88. By in or about November 2009, in connection with the Libyan Intermediary's role advising on an acquisition of shares, compliance personnel at Société Générale informed senior managers of SG CIB that the commissions paid to the Libyan Intermediary, both in their absolute amounts and as a percentage of the deals, appeared to be unjustifiable in relation to the service rendered. Moreover, the compliance personnel raised concerns that the Libyan Intermediary was being paid through the Panamanian Company, incorporated in a

country that is on the blacklist of the Organization for Economic Co-operation and Development.

89. MARK continued to seek to engage the Libyan Intermediary in a variety of capacities, including as a joint venture partner and through a new offshore company established in the United Arab Emirates. On or about December 18, 2009, a Société Générale employee drafted a memorandum outlining how SG CIB could engage the Libyan Intermediary as a joint venture partner. The draft memorandum was circulated within MARK. The draft memorandum proposed that the Libyan Intermediary would be the Chief Executive Officer of the joint venture and that the new company would split advisory fees for any mandate co-signed with SG CIB.

90. By in or about April 2010, Société Générale had agreed to establish a joint venture with the Libyan Intermediary that would be registered in Luxembourg, and would use a Société Générale-branded name. Despite bearing Société Générale's name, the joint venture would actually be 80 percent owned by the Libyan Intermediary and 20 percent owned by Société Générale, with the Libyan Intermediary to receive 96 percent of the profits.

91. In or about mid-2010, new management at the LIA made inquiries of Société Générale concerning the role of the Panamanian Company and the identity of its owner. On or about July 4, 2010, a legal representative from the LIA wrote to SG Employee 2 asking for more information about the Panamanian Company in relation to certain prior deals. In response, SG Employees 1 and 2 provided false and misleading information to the LIA

management and withheld the identity of the Libyan Intermediary. SG Employee 2 falsely confirmed to LIA officials that the Panamanian Company complied with all of Société Générale's then-current Know Your Customer and other internal requirements, and then stated that the remuneration paid to the Panamanian Company did not affect the profitability of the LIA's investments, when in fact it is likely to have increased the commercial margin taken by Société Générale on the products sold to the LIA.

92. During this time, SG Employee 2 provided updates to certain SG CIB employees of efforts by Société Générale and the Libyan Intermediary to have the new management at the LIA removed from their positions in order to allow additional investments. On or about September 1, 2010, SG Employee 2 wrote to other Société Générale employees requesting patience until the current Chief Executive Officer of the LIA was removed, which would allow Société Générale to obtain investments from the LIA again.

93. As a result of the increased scrutiny from new management at the LIA, Société Générale employees prepared draft paperwork for submission to regulators in Luxembourg to finalize the joint venture company with the Libyan Intermediary. Société Générale employees prepared documents internally that represented that the joint venture company would provide investment advisory services, including receiving and transmitting buy/sell orders, underwriting financial instruments, and providing investment advice. A draft presentation falsely credited the Libyan Intermediary with proposing investments solutions tailored to specific clients, and omitted any mention of Libya or that the Libyan Intermediary

had no expertise or background in financial services and played no role in structuring transactions for any of the Libyan State Agencies. Ultimately this draft paperwork was not submitted to the regulators in Luxembourg.

94. Following the start of the Libyan Revolution, Société Générale learned that the European Union had placed sanctions on certain Libyan financial institutions, including the LIA. Moreover, the French Treasury received information from Société Générale on the Libyan Intermediary. In or about September 2011, Société Générale learned that a newspaper was preparing to report on the Panamanian Company's relationship with Société Générale. Employees of Société Générale coordinated with an attorney for the Libyan Intermediary concerning how to respond to newspaper inquiries.
On or about September 2, 2011, the attorney for the Libyan Intermediary represented that they would not mention Société Générale in any response.

95. On or about November 8, 2012, the Libyan Intermediary and an attorney representing him provided SG Employee 2 with answers that they could use in responding to inquiries concerning Société Générale's engagement of the Panamanian Company, including repeating the false representation that the Panamanian Company met Société Générale's stringent due diligence requirements in effect in 2012.

II. THE LIBOR SCHEME

A. Background

i. The London Interbank Offered Rate

1. Since its inception in approximately 1986, the London Interbank Offered Rate ("LIBOR") has been a benchmark interest rate used in financial markets around the world. Futures, options, swaps, and other derivative financial instruments traded in the over-the-counter market and on exchanges worldwide are settled based on LIBOR. The Bank of International Settlements has estimated that in the second half of 2009, for example, the notional amount of over-the-counter interest rate derivative contracts was approximately $450 trillion. In addition, mortgages, credit cards, student loans, and other consumer lending products often use LIBOR as a reference rate.

2. During the relevant period, LIBOR was published under the auspices of the British Bankers' Association ("BBA"), a trade association with over 200 member banks that addresses issues involving the United Kingdom banking and financial services industries. The BBA defined LIBOR as:

> The rate at which an individual Contributor Panel bank could borrow funds, were it to do so by asking for and then accepting inter-bank offers in reasonable market size, just prior to 11:00 [a.m.] London time.

This definition had been in place since approximately 1998.

3. LIBOR rates were initially calculated for three currencies: the United States Dollar ("USD" or "dollar"), the British Pound Sterling, and the Japanese Yen ("JPY" or

"yen"). Over time, the use of LIBOR expanded, and benchmark rates were calculated for ten currencies, including the original three.

4. During the relevant period, the LIBOR for a given currency was the result of a calculation based upon submissions from a panel of banks for that currency selected by the BBA (the "Contributor Panel"). Each member of the Contributor Panel submitted its rates every London business day through electronic means to Thomson Reuters, as an agent for the BBA, by 11:10 a.m. London time. Once each Contributor Panel bank had submitted its rate, the contributed rates were ranked. The highest and lowest quartiles were excluded from the calculation, and the middle two quartiles (i.e., 50% of the submissions) were averaged to formulate the resulting LIBOR "fix" or "setting" for that particular currency and maturity.

5. The LIBOR contribution of each Contributor Panel bank was submitted to between two and five decimal places, and the LIBOR fix was rounded, if necessary, to five decimal places. In the context of measuring interest rates, one "basis point" (or "bp") is one-hundredth of one percent (0.01%).

6. Thomson Reuters calculated and published the rates each business day by approximately 11:30 a.m. London time. Fifteen maturities (or "tenors") were quoted for each currency, ranging from overnight to twelve months. During the relevant period, Thomson Reuters transmitted the published rates and all of the Contributor Panel banks' individual LIBOR submissions by electronic means. This information was transmitted worldwide, including to the Eastern District of New York.

7. According to BBA definition, the basis for a Contributor Panel bank's submission was to be the rate at which members of the bank's staff primarily responsible for management of the bank's cash, rather than the bank's derivatives trading book, believed that the bank could borrow unsecured inter-bank funds in the London money market. Further, according to the BBA, a Contributor Panel bank should not have contributed a rate based on the pricing of any derivative financial instrument. In other words, a Contributor Panel bank's LIBOR submissions should not have been influenced by its motive to maximize profit or minimize losses in derivatives transactions tied to LIBOR.

8. Beginning in February 2009, and continuing until November 2017, Société Générale was one of the members of the United States Dollar LIBOR Contributor Panel. From 2002 to 2004, Société Générale was a member of the Yen LIBOR Contributor Panel. Société Générale left that panel in 2004, but returned in early 2006 and remains on the Yen LIBOR Contributor Panel to the present day.

9. Because of the widespread use of LIBOR and other benchmark interest rates in financial markets, the rate plays a fundamentally important role in financial systems around the world.

ii. <u>Eurodollar Futures Contracts</u>

10. Eurodollar futures contracts traded on the Chicago Mercantile Exchange ("CME") are settled based on LIBOR. Eurodollar futures contracts are highly liquid, and each has a notional value of $1 million. A "Eurodollar" is a Dollar deposit with a bank outside of the United States. A Eurodollar futures contract is essentially the interest that

would be paid on a Eurodollar deposit of $1 million for a term of three months. Prior to the settlement date, the price of a three-month Eurodollar futures contract is an indication of the market's prediction of the three-month USD LIBOR on its settlement date. The actual settlement price of a three-month contract is calculated as 100 minus the three-month USD LIBOR on the settlement date. Most Eurodollar futures contracts settle on four quarterly International Money Market ("IMM") dates, which are the third Wednesday of March, June, September, and December. The last trading days are the second London bank business day prior to the third Wednesday (i.e., usually Monday) in those months. In 2009, according to the Futures Industry Association, more than 437 million Eurodollar futures contracts were traded on the CME.

iii. Interest Rate Swaps

11. An interest rate swap ("swap") is a financial derivative instrument in which two parties, called counterparties, agree to exchange interest rate cash flows. If, for example, a party has a transaction in which it pays a fixed rate of interest but wishes to pay a floating rate of interest tied to a reference rate, it can enter into an interest rate swap to exchange its fixed rate obligation for a floating rate one. In the example above, Party A would pay a fixed rate to Party B, while Party B pays a floating interest rate to Party A indexed to a reference rate like LIBOR. In other words, Party B's interest payments to Party A are variable and change based on the movements in LIBOR. There is no exchange of principal amounts, which are commonly referred to as the "notional" amounts of the swap transactions. Interest

rate swaps are traded over-the-counter in that they are negotiated in transactions between counterparties and are not traded on exchanges.

iv. Société Générale

12. Société Générale is a financial institution and global financial services company headquartered in Paris, France. Société Générale has banking divisions and subsidiaries around the world.

v. Relevant Société Générale Personnel

13. At all times relevant to this Statement of Facts:

a. Executive-1 was a senior executive in Société Générale's Corporate and Investment Banking Division in Paris.

b. Executive-2 was a senior executive of Société Générale in Paris.

c. Manager-1 worked on the Paris Treasury Desk for Société Générale and ultimately reported to Executive-1.

d. Manager-2 worked on the Paris Treasury Desk for Société Générale and reported to Manager-1.

e. Manager-3 worked on the London Treasury Desk for Société Générale and reported to Manager-1.

f. Manager-4 worked for Société Générale's Europe and Asia Treasury Department in London.

g. Submitter-1, Submitter-2, Submitter-3, and Submitter-4 were employees on Société Générale's Paris Treasury Desk who were tasked with submitting the bank's daily USD LIBOR contributions.

h. Submitter-5 was an employee on Société Générale's London Treasury Desk who was tasked with submitting the bank's daily JPY LIBOR contributions.

i. Trader-1 was a derivatives trader for Société Générale and was based in Tokyo.

B. Société Générale's False Reports on USD LIBOR

14. Société Générale's Treasury Department was responsible for determining and submitting Société Générale's daily LIBOR rate contributions. Members of the Paris Treasury desk were responsible for determining Société Générale's USD LIBOR contributions each day. Once the Paris Treasury desk determined the USD LIBOR rates to be contributed, these rates were transmitted to the London Treasury desk, and the London Treasury desk submitted the USD LIBOR rates to Thomson Reuters as agent for the BBA.

15. Beginning in or about early September 2009, Société Générale's three-month USD LIBOR submissions often were the highest of all the submissions included in the USD LIBOR fix.[1] This suggested to financial markets that Société Générale was paying higher interest rates than other panel banks in order to borrow dollars in the three-month tenor.

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1 The three-month USD LIBOR tenor is the most commonly-referenced USD LIBOR maturity. Between 2007 and 2010, for example, over half of all interest rate swap contracts

16. Because a bank's LIBOR contributions should correspond to the true cost at which the bank perceives that it can borrow funds in the relevant market, a bank's LIBOR contributions may be viewed as an indicator of a bank's creditworthiness. If a bank's LIBOR contributions are relatively high, those submissions could suggest that the bank is paying more than others to borrow funds. Thus, a bank could be perceived to be experiencing financial difficulties because lenders were charging higher rates to that bank.

17. As detailed below, during several periods of time between May 2010 and October 2011, Société Générale's USD LIBOR submitters, acting at the direction of certain Société Générale managers, made USD LIBOR submissions that were lower than any rate at which Société Générale borrowed dollars in the given tenors on the day of the submission. This was done in order to avoid potential reputational damage to Société Générale that could have resulted from accurate submissions, and to create the appearance that Société Générale was able to fund itself at lower rates than were actually available to it, thus making the bank appear more creditworthy than it actually was.

18. On May 20, 2010, a banking sector stock analyst wrote an email to Société Générale's Head of Investor Relations stating, "I see on Bloomberg . . . that SG is offering one of the best returns on pretty much all the USD and euro maturities. How should I interpret this? Doesn't this mean that SG has more difficulty than its fellow banks with the

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worldwide that were settled via reference to USD LIBOR were tied to the three-month tenor. The three-month USD LIBOR is the reference rate most frequently utilized for Eurodollar contracts.

interbank?"[2] The Head of Investor Relations forwarded the email to Manager-1, copying Executive-2, and stated, "on the subject we were discussing yesterday, I've just received a question from a shares analyst. What should I answer to make him understand that Bloombergs indications are not relevant?" Manager-1 replied, "it's not about our issuance prices. It's about our contributions for Libor fixing. I will get back to you with more detail on our contribution vis-à-vis those of the other contributors but it has nothing to do with our standard of raising funds."

19. The next day, on May 21, 2010, Manager-1 attended a Point Marché, or market update meeting, with Executive-1 and Executive-2, among others. At that meeting, Executive-1 voiced dissatisfaction with the fact Société Générale was consistently submitting USD LIBOR contributions that were higher than the majority of the other banks on the USD LIBOR panel. It was noted that the high LIBOR contributions had raised questions with market analysts about Société Générale's ability to borrow money in the market, which implicated the bank's financial condition. Executive-1 thus instructed Manager-1 to lower Société Générale's LIBOR submissions in order to ensure that Société Générale's submissions were near the panel average.

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2 Communications made in French have been translated to English, and all quoted statements—some of which are translations from French to English—are set forth (or translated) as in the original and have not been corrected for spelling (in the case of the English originals) or grammar (in the case of the English originals and French translations.)

20. Shortly after this meeting, Manager-1 sent an email to a group that included Manager-2, Submitter-1, Submitter-2, Submitter-3, and Submitter 4. In that email, Manager-1 summarized part of the market update meeting:

> Last night, in front of the General Directorate, I had to explain the fact that SG is the highest contributor on the USD and Euro Libor and the negative image that it gave of the capacity of SG to refinance itself on the market. Perhaps we are the highest amongst the non-eliminated banks.
>
> We have to calm everything down and stop giving fodder to all the analysts or commentators who are watching. . .
>
> Try not to be amongst the highest non-eliminated banks.

21. The following day, May 22, 2010, Manager-2 responded to Manager-1's email, copying an email group that included Submitter-1, Submitter-2, Submitter-3, and Submitter-4. In this email, Manager-2 noted that by following Manager-1's instructions, the USD LIBOR submitters would be "playing a game with investors who are trying to test us, and having a role in making fixings inconsistent."

22. On May 23, 2010, Manager-1 replied to Manager-2, copying an email group that included Submitter-1, Submitter-2, Submitter-3, and Submitter-4:

> We mustn't be the highest bank after the elimination of the extremes. The response was also intended to show [Executive-1] that we aren't doing just anything.
>
> But what counts is that [Executive-2] has already received three negative feedback on our contributions to whom they have to send denials regarding our difficulties refinancing in the market.
>
> We therefore have to put an immediate end to these negative comments from the market that lead people to assume that SG is

> paying a lot and has trouble financing itself. I think its clear to everyone that we must react fast.

23. Manager-2 responded to Manager-1 that same day, copying an email group that included Submitter-1, Submitter-2, Submitter-3, and Submitter-4: "We'll do what [the General Directorate] asks us to do, but you must admit that it's a total charade."

24. During a May 26, 2010 telephone call, Manager-2 informed Manager-3 that, "I don't know if [Manager-1] spoke to you about this issue, but we had some pressure from the top management to starting to decrease our LIBOR." Manager-2 further stated that "it looks like it is a problem for our investors, so they started to . . . challenge us, our management, on the fact that . . . it shows that we have a problem of funding." Manager-2 said that because of this challenge from investors, Manager-1 "asked us to lower our contribution in order to be within the panel, in the middle of the panel."

25. Thereafter, beginning by at least late May 2010, the USD LIBOR submitters followed the directive and began reducing rates below the lowest rate at which Société Générale borrowed funds. This deflation was done for submissions in multiple tenors, including the one-month and three-month USD tenors. The tenor most heavily affected by the false reporting was the three-month tenor. These low rates were submitted in an attempt to protect Société Générale's reputation by creating the appearance that the bank was funding itself at favorable rates, which helped avoid negative analyst reports.

26. During a June 10, 2010 telephone call, Manager-2 explained to Manager-3 that Manager-1 "has been attacked" by Executive-1 regarding the bank's USD LIBOR submissions. Manager-2 further stated that "[t]he fact is that some investor asked why we

are out of the panel, and is it not a sign that our liquidity situation is bad? So that is what [Executive-2] had feedback from investor. So, in order to not have stigma on SG, we decided to be within, but you know, we are in prison." Manager-3 responded, "If it continues that we are posting LIBORS at x, and we are in the market and everyone knows we are in the market at x plus, that's going to have more of an impact . . . for us. . . . We'll get called into the BBA and we'll have to explain ourselves." Manager-2 then suggested that Manager-3 speak with Manager-1, to which Manager-3 responded, "I will argue this point until I'm blue in the face with [Manager-1] because I don't think . . . people truly understand, the fact is that they now have the ability to take anyone off the panel they choose to . . . and we'll have no recourse to them at all. So, if they say you're manipulating, you're not doing it correctly, we'll take you off."

27. On June 14, 2010, Société Générale submitted a USD LIBOR contribution in the three-month tenor of 0.5525. On that same day, Société Générale borrowed money in the market at interest rates ranging from 0.58 to 0.63. Thus, Société Générale's daily LIBOR submission was 2.75 basis points below its least expensive transaction and 7.75 basis points below its costliest transaction.

28. Recognizing that the Paris Treasury Desk was submitting USD LIBOR rates that were lower than what Société Générale should have been submitting, on June 16, 2010, Manager-3 forwarded an email sent by Submitter-2, which summarized the USD LIBOR rates to be submitted that day by the London Treasury desk, to Manager-1 and Manager-2, and wrote:

> I dont think posting 3m libor at 0.5525 is anyway realistic...given we are posting 63 issue levels to the broker/dealers, and we are actively looking to source funds.
>
> We have increased our market funding levels without moving our Libor contribution.
>
> I think we are leaving ourselves exposed to a possible claim of market manipulation (depending on someone making a formal complaint to the BBA)
>
> I am extremely uncomfortable with this situation.

29. On June 16, 2010, Société Générale submitted a USD LIBOR contribution in the three-month tenor of 0.5525. On that same day, Société Générale borrowed money in the market at interest rates ranging from 0.61 to 0.65. Thus, Société Générale's daily LIBOR submission was 5.75 basis points below its least expensive transaction and 9.75 basis points below its costliest transaction.

30. The following day, on June 17, 2010, Manager-1 sent an email to Executive-1, Executive-2, and the Société Générale's Head of Investor Relations, stating, in part:

> As we discussed 3 weeks ago at the liquidity meeting, we are continuing to adjust our contribution to the USD Libor in order not to be the highest contributing bank amongst those that are taken into account.
>
> Given the "stigma" associated with this contribution, the banks "watch" each other and none of them wants to put their contributions back up faster than the others there is tension on funding.
>
> This means that Libor contributions have hardly followed the market increase at all. We thus end up contributing—on the 3-month, for instance—a rate 8 bps below the one we are showing in the market (and therefore at least 10 bps below the one we really pay).

> The situation is becoming critical because we are far outside the BBA rules and we are taking the risk of being accused of market manipulation.
>
> As discussed last night with [Executive-2], we suggest progressively increasing our contribution to get back to our real market level. This means that unless the other banks make an immediate change, we will be excluded from the panel of retained contributors.
>
> However, we can return to the current method if the feedback from ComFi is once again too negative.

31. Between June 14, 2010 and July 6, 2010, Société Générale borrowed USD with a three-month maturity in the market on at least 49 occasions. In all 49 instances, the rate at which Société Générale actually borrowed money was higher than the rate identified in Société Générale's three-month USD LIBOR submission on the date in question.

32. During a telephone call on January 18, 2011, Manager-3 informed Manager-2 that the BBA wanted Société Générale to provide certain additional LIBOR-related data. Manager-2 responded that "the problem is if we provide some information, some hard data of what we raise, they will also discover today that our Libor is lower than the levels we pay."

33. Later that day, a conference call was held involving Manager-1, Manager-2, and Manager-3 in which the BBA's request for additional information was discussed. Manager-1 stated, "we are contributing too low today. But that's another issue."

34. During a telephone call on January 19, 2011, Manager-2 told an employee at another French bank, "[w]ell, we have a problem, right because on one side you've got the

BBA saying it has to be representative of your, you know, the level that you borrow at, in a way . . . that's their definition, and . . . actually I think we haven't been paying attention to it, we could have done it a very long time ago, you know when we weren't, like, in the spotlight."

35. On January 25, 2011, Submitter-2 sent an email to Manager-2 with a spreadsheet attached. This spreadsheet contained a column of borrowing information carrying the notation "real data (not be shown to BBA)," along with a separate column of revised information for transmission to the BBA.

36. On January 31, 2011, Submitter-4 had a phone call with a colleague in which Société Générale's USD LIBOR submissions were discussed. In that call, Submitter-4 acknowledged that "the three month is a bit manipulated." Submitter-4 explained that "we're obliged to follow these levels even if we're not receiving at these levels," and he further noted that "we're obliged to remain inside the panel." Further, Submitter-4 stated that "I won't hide that today, it doesn't reflect the real three month market."

37. Between January 5, 2011 and February 1, 2011, Société Générale borrowed USD with a three-month maturity in the market on at least 43 occasions. In all 43 instances, the rate at which Société Générale actually borrowed the money was higher than the rate identified in Société Générale's three-month USD LIBOR submission on the date in question.

38. During a telephone call on or about February 3, 2011, Manager-3 explained to Manager-2 that the United Kingdom's Financial Services Authority ("FSA") was seeking "a

guarantee" from panel banks that the LIBOR submissions were properly calculated. Manager-2 responded that the bank's LIBOR submissions "are not correct because, uh, the real, our real Libor should be the levels of our real cost of funds, so it should be five basis points higher."

39. During a conference call the next day involving Manager-1, Manager-2, and Manager-3, Manager-3 stated, "My only issue, and it's an ongoing issue, is that letter from the FSA. I am not sure whether you have had a chance to read it?" Manager-1 responded that she had not read it, and Manager-3 went on to explain what the letter said, stating, "Basically London management now will have to sign off on our Libor basic submissions that, that, that they are, you know, reflective of our funding conditions." Manager-1 responded, "But no. The point is we do not contribute our real funding." Manager-1 asked Manager-3 to send her an email explaining the situation and suggested the following language, "As you know, today, in order not to be the highest contributor of the Libor we put contributions which are below our funding level." Mananger-1 further suggested that the email also mention that: "we need to have a decision if we strongly increase our price that will mean we'll be the highest contributor on the panel. . . . [t]he issue now is that there is more scrutiny from the BBA including the request. Do we need to change our policy?" Manager-1 concluded "we put that to [Executive-1] and I will forward it to [Executive-1] and [another executive]." Manager-3 agreed to send this email to Manager-1. Manager-1 stated that after receiving this email, Manager-1 would forward it to Executive-1.

40. On February 14, 2011, Manager-3 sent an email to Manager-1, copied to Manager-2, explaining the attestation requested by FSA.

41. On February 15, 2011, Manager-1 forwarded the email to Executive-1 and Executive-2 and wrote, in part, "The BBA—and now the FSA which has asked senior management for a validation of the Libor contribution procedure—is putting on more and more pressure regarding the validity of the contributions submitted by the banks that are members of the fixing. And currently, our contribution to the 3-month USD libor is between 3 and 5 bps below our real prices. However, we are already the second highest contributor on the panel." Manager-1 further noted that "[w]e therefore have to choose between continuing to risk BBA audits or bringing our contribution into line with our real funding level and risking questions about our liquidity. We suggest that we increase our contribution level in order to be in line with our real funding cost but to pay attention to whether the 2 other French banks . . . follow us."

42. On February 16, 2011, Executive-2 responded to Manager-1, copying Executive-1, "Do you get the feeling that the anglo-saxon banks are less at risk than us?"

43. That same day, Manager-1 replied to Executive-2, copying Executive-1, and stated in part, "The audit process is not yet clear and we think that all the contributors are asking themselves questions. . . . However, since we increased our levels during Q4 2010, we pay more than many other banks on the panel and this hasn't been fully translated into our contribution which consistently has a gap between it and our real funding deals . . . the BBA can ask us at any time to provide our data if there is a challenge regarding our

contributions." Additionally, Manager-1 explained, in part, that Manager-3 "is becoming less and less comfortable with our current contribution. That's why we wish to converge whilst of course remaining attentive should any questions from investors or analysts come up on this subject."

44. That same day, in an email copied to Executive-1, Executive-2 replied to Manager-1, "Ok. Let's start to converge bp by bp," to which Manager-1 responded, "Ok. Please let us know if you get any questions surfacing on this subject."

45. Later that day, Manager-1 forwarded the email above to Manager-2, and wrote, in part, "I think we can do 1 bp every other day? The aim is to be at our real funding level in 2 or 3 weeks. I'll let you pass this on to [Manager-3]."

46. The next day, Manager-2 replied, in part, "I would be more careful . . . Don't you think we risk stigma if we go above 35?"

47. Manager-1 replied, in part, "Let's discuss it tomorrow because I forgot to when we spoke this morning."

48. In a February 18, 2011 phone conversation about the bank's USD LIBOR submissions, Manager-1 noted that "we're easily 8 bps higher on average," to which Manager-2 replied, "Well yeah, our funding level yeah."

49. On February 18, 2011, Manager-2 sent an email to Manager-1, copying Submitter-1, and noting, "we must be very careful when raising our USD Libor contributions. I passed on the message to [Submitter-2] that he should go up very

progressively to 0.3490/0.35 next week, knowing that we'll go further up in the long term because it's less watched over and we're far below the levels we pay."

50. That same day, Manager-2 sent an email to Submitter-1 stating, "I asked [Submitter-2] to continue increasing the 3 month Libor this week . . . I will send you our email exchanges so you understand the context."

51. Between February 2, 2011 and February 28, 2011, Société Générale borrowed USD with a three-month maturity in the market on at least 50 occasions. In 47 of these 50 instances, the rate at which Société Générale actually borrowed the money was higher than the rate identified in Société Générale's three-month USD LIBOR submission on the date in question.

52. In March 2011, Société Générale's actual borrowing rate did begin to match the rate identified in Société Générale's three-month USD LIBOR submissions.

53. Also in March 2011, news reports and public filings revealed that numerous other contributor banks on the USD LIBOR panel were under investigation by the U.S. Department of Justice and other governmental entities for alleged improprieties related to their LIBOR contributions.

54. In July 2011, the U.S. Department of Justice issued a subpoena to Société Générale seeking to obtain information related to Société Générale's LIBOR contributions.

55. By September 2011, Société Générale was once again routinely making USD LIBOR submissions in both the one- and three-month tenors that were below the rates at which the bank could actually borrow money in the market in these tenors. For instance,

from September 2011 through at least the end of the period in which the conspiracy is charged, Société Générale's three-month USD LIBOR submission was lower than the most favorable rate at which the bank was able to borrow money on every single day on which Société Générale had a borrowing in that tenor.

56. During a telephone call on September 8, 2011, Manager-1 told Executive-2, "I also had an issue to discuss with you, about LIBOR because it's starting to heat up pretty hard." Executive-2 responded, "About the investigation?" to which Manager-1 replied, "Yeah, about the investigation. . . . I think we really should do something." Manager-1 referenced a recent article in the international press "which was 'US has tribunal rules over LIBOR' and they say that we're headed down the same road as the investigation they led regarding the commodities traders who, to who, who are going to be sent to prison for 14 years... you know." Manager-1 also mentioned that the submitters were "making LIBOR submissions 40 or 50 bp below our real level." Manager-1 emphasized that these submitters were "tak[ing] risks you know, so we need some kind of guarantee from the bank that, that they're covered by the bank, you know, and that they won't be attacked, and that no one will say 'ah well yes, hold on, he was, yes indeed, he was doing what he wanted,' or whatever I dunno. And we have pretty limited trust in... you know, I'm not going to send an email to [Executive-1] to tell him, 'Hey, you're still backing me on this, blah, blah, blah."

57. On September 9, 2011, Manager-1 stated to a colleague via email that "we have never been so far removed from reality in order to avoid inappropriate interpretations from commentators."

58. On September 9, 2011, Manager-1 sent an email to Executive-1, copying Executive-2, and wrote, "[Executive-1], Tell me if you're available to talk before tonight's call. We have to discuss how we're going to protect the contributors, especially after the latest legal developments," to which Executive-1 responded, "I'll try to call you before."

59. Also on September 9, 2011, Manager-1 participated in a telephone call with Executive-2 in which Manager-1 told Executive-2 that "[w]e've never been this wide . . . we're very far away from reality." Executive-2 responded that "if you widen it, you'll be the widest." In this same call, Manager-1 explained to Executive-2 that "there is manipulation at the, like basically at the request of the bank to avoid showing that we're no longer able to get funding."

60. During a telephone call on September 21, 2011, a Société Générale trader told Manager-2, "I think our levels are too low." Manager-2 responded: "Well our levels are too low. Yeah, in the US we could pay more. But for us, in the morning, we can't show--when you contribute at 35 for LIBOR in the morning to avoid getting crushed in the market, you know, you can't go up, you can't display. You'll have to bring us oranges when we're in prison you know."

61. On October 12, 2011, Submitter-2 and Submitter-3 had a phone call in which the two submitters discussed Société Générale's USD LIBOR submissions. Submitter-3 asked Submitter-2, "will you come and bring me oranges in prison?"

62. During the periods of time when Société Générale made USD LIBOR submissions that were below the lowest rate at which it borrowed dollars in the London

interbank market, it transmitted its USD LIBOR contributions through interstate commerce. These contributions were delivered by wire to multiple locations, including the Eastern District of New York.

C. Société Générale's Manipulation of Yen LIBOR Submissions

63. As noted above, Société Générale was on the Yen Contributor Panel from March 2002 through March 2004, and then re-joined the panel in early 2006.

64. It was understood by the BBA and Société Générale's submitters that Société Générale would make honest and unbiased Yen LIBOR contributions, consistent with the BBA definition. It was also understood that these contributions would not be manipulated to help the trading positions of Société Générale employees.

65. Beginning in at least July 2006, and continuing until at least September 2006, Trader-1, a Société Générale derivatives trader, regularly requested and obtained Yen LIBOR submissions from Submitter-5 that benefited Trader-1's trading positions and the positions of other traders, rather than rates that complied with the definition of LIBOR. Submitter-5 made the submissions at the direction of Submitter-5's supervisor, Manager-4.

66. In light of the large notional values that form the basis of many derivatives trades tied to Yen LIBOR, even small movements in Yen LIBOR had a substantial impact on the profitability of trading positions.

67. In the instances when the published benchmark interest rate was manipulated in Société Générale's favor due to Société Générale's manipulation, that manipulation benefitted Trader-1, or minimized Trader-1's losses, to the detriment of counterparties, at

least with respect to the particular transactions comprising the trading positions that Submitter-5 took into account. Trader-1 did not inform his counterparties that he was engaging in efforts to manipulate the LIBOR to which the profitability of his trades was tied.

68. When Submitter-5 made submissions that took trading positions into account, these submissions were false and misleading. This deceptive course of conduct was intended to provide Trader-1 with an advantage over Trader-1's counterparties with respect to the transactions comprising the trading positions that Trader-1 took into account in making requests to Submitter-5.

69. During a July 13, 2006 phone call, Trader-1 told Submitter-5 that Trader-1 had big derivatives bookings, so Trader-1 would be asking Submitter-5 to adjust Yen LIBOR submissions in a direction favorable for Trader-1. Submitter-5 responded that, within reason, he "can try" to accommodate Trader-1's requests. The two then discussed how Submitter-5's contributions could be used to move the fixing by a basis point or two, along with how the two should coordinate over time if and when Trader-1 had big positions. They concluded by agreeing that Trader-1 would reach out to Submitter-5 when Trader-1 had big positions. Thereafter, Trader-1 made numerous requests from July 2006 through at least September 2006 to Submitter-5 to contribute Yen LIBOR rates that would benefit Trader-1's trading positions, rather than rates that complied with the definition of LIBOR.

70. For example, in an email dated July 18, 2006, Trader-1 wrote to Submitter-5, "HELLO. CAN U TRY TO MAKE THE LIBOR 1M JPY FIX AS LOW AS POSSIBLE TONIGHT?"

71. The following morning, Submitter-5 made a one-month JPY LIBOR contribution that was five basis points lower than the previous day's contribution.

72. Two days later, on July 20, 2006, Trader-1 sent an email asking Submitter-5, "HELLO CAN U TRY TO MAKE 6m FIX A BIT HIGHER TODAY?"

73. That same day, Submitter-5 made a six-month JPY LIBOR contribution that was two basis points higher than the previous day's submission.

74. Just a few days later, Trader-1 wrote an email to Submitter-5 thanking him for accommodating a request the day before, and making two additional requests: "THANK YOU FOR YDAY. CAN U TRY TO MAKE 1M LIBOR A TAD LOWER AND 6M A TAD HIGHER T??? THANK YOU."

75. Submitter-5 then made a one-month JPY LIBOR contribution that was one-half of a basis point lower than the previous day's submission and a six-month JPY LIBOR contribution that was one basis point higher than the previous day's submission.

76. On August 28, 2006, Trader-1 sent an email to Submitter-5 stating, "HELLO CAN U MAKE 6M LIBOR LOWER & 3M LIBOR HIGHER PLEASE. WERE HAVING BIG FIX SO TRY TO MOVE THEM AS MUCH AS YOU CAN. TKS."

77. Submitter-5 then made a six-month JPY LIBOR contribution that was three basis points lower than the previous day's submission.

78. On September 5, 2006, Submitter-5 told Trader-1 in an email, "just had a look. 6m shoud be ok. 3m looks difficult," to which Trader-1 replied: "ok. I KNOW YOU CONTRIBUTED 0.46 yday. ANYTHING LOWER IS APPRECIATED."

79. Two days later, on September 7, 2006, Trader-1 sent an email to Submitter-5 stating, "HELLO WE HAVE A BIG FIXING TODAY. WE WOULD LIKE YOU TO MAKE 3M HIGHER (I KNOW U WERE ALREADY HIGH YDAY @ 43) AND MOSTLY 6M LOWER (YOU WERE RATHER HIGH YDAY @ 48, HSBC WAS @ 45 AND MANY OTHERS 46, IT WOULD REALLY BE VERY HELPFUL TO PUT IT 45-46 TODAY). THANK YOU VERY MUCH."

80. On September 8, 2006, Trader-1 wrote an email to Submitter-5, stating, "TKS FOR YDAY. WE ARE THE SAME WAY AS YDAY AND WLD LIKE HIGHER 3M AND 6M AS LOW AS POSSIBLE." Submitter-5 responded, "ok."

81. A few days later, on September 11, 2006, Trader-1 sent an email to Submitter-5 asking, "HELLO. IF U CAN KEEP MAKING 3M LIBOR HIGH, AND 6M LOW THAT WOULD BE NICE... THANK YOU." Submitter-5 again responded, "OK."

82. Then, on September 28, 2006, Trader-1 sent a request to Submitter-5, "hello. can u make libor 6m higher today ?? thank you."

83. The following day, on September 29, 2006, Trader-1 asked Submitter-5 in an email, "HELLO COULD U TRY TO MAKE 6M LIBOR LOWER TODAY ?T? TKS."

84. Submitter-5 then made a six-month JPY LIBOR contribution that was three basis points lower than the previous day's submission.

ATTACHMENT B

CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, Société Générale S.A. (the "Company" or "Société Générale") has been engaged in: (a) discussions with the United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section"), and the United States Attorney's Office for the Eastern District of New York (collectively, the "Offices") regarding issues arising in relation to certain improper payments to foreign officials to facilitate the award of contracts and assist in obtaining business for the Company in Libya; and (b) discussions with the Fraud Section regarding issues arising in relation to certain improper IBOR submissions;

WHEREAS, in order to resolve such discussions with the Offices, it is proposed that the Company enter into a certain agreement with the Offices;

WHEREAS, it is also proposed that a Company affiliate, SGA Société Générale Acceptance, N.V. ("SGA"), enter into a certain agreement with the Offices;

WHEREAS, the Company has also been engaged in discussions with the *Parquet National Financier* in France ("PNF") regarding issues arising in relation to those same certain improper payments to foreign officials to facilitate the award of contracts and assist in obtaining business for the Company in Libya;

WHEREAS, the Company's General Secretary, Gilles Briatta, together with outside counsel for the Company, have advised the Board of Directors regarding the terms and conditions of the agreements with the Offices, including advising the Company of its rights, possible defenses, the relevant United States Sentencing Guidelines provisions, and the consequences of entering into the agreements with the Offices; and

WHEREAS, in accordance with the resolutions dated May 9, 2018, of the Management Board of SGA, the Management Board of SGA has resolved, *inter alia*, to (i) approve the terms and conditions of a proposed plea agreement with the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the Eastern District of New York (the "Plea Agreement") and (ii) authorize and direct Frédéric Oudéa, in his capacity as Chief Executive Officer of Société Générale, with the right to subdelegate to Dominique Bourrinet and Nicolas Brooke, in their respective capacity as Group General Counsel and General Counsel for Litigation and Investigations of Société Générale, either individually or collectively, as well as each managing director of SGA, with full power of substitution, acting individually on behalf of SGA, to (i) sign, on behalf of SGA, the Plea Agreement, (ii) attend any related court hearings and (iii) do all such acts and things which the relevant person deems necessary or useful in relation to entering the guilty plea;

Therefore, after deliberation, the Board of Directors has RESOLVED that:

1. The Board of Directors approves the terms and conditions of the proposed agreement between the Company and the Offices, including but not limited to payment under the agreements of monetary penalties totaling $860,552,888, and the waiver of rights described in paragraph 1 of the deferred prosecution agreement ("DPA") with the Offices;

2. The Board of Directors acknowledges the approval by the Management Board of SGA of the terms and conditions of the Plea Agreement pursuant to and in accordance with the resolutions dated May 9, 2018;

3. The Board of Directors also (a) acknowledges the filing of the two-count Information by the Offices in the United States District Court for the Eastern District of New York charging the Company with one count of conspiracy to commit offenses against the United States in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provisions of the FCPA, as amended, Title 15, United States Code, Sections 78dd-2 and 78dd-3, and a second count of conspiracy to commit offenses against the United States in violation of Title 18, United States Code, Section 371, that is, to deliver or cause to be delivered false, misleading, or knowingly inaccurate reports concerning market information that tend to affect the price of a commodity in interstate commerce, in violation of Title 7, United States Code, Section 13(a)(2); (b) approves waiving indictment on such charges and entering into the DPA; and (c) agrees to accept a monetary penalty against the Company totaling $860,552,888 with respect to the conduct described in the two-count Information mentioned above, and that at least $567,776,444 of said penalty shall be paid to the United States Treasury (after offsetting said penalty by up to $292,776,444 for any penalty paid pursuant to a separate agreement with the PNF);

4. Frédéric Oudéa, in his capacity as Chief Executive Officer of Société Générale, with the right to subdelegate to Dominique Bourrinet and/or Nicolas Brooke, in their respective capacity as Group General Counsel and General Counsel for Litigation and Investigations of Société Générale, either individually or collectively, is hereby authorized, empowered and directed, on behalf of the Company, to execute the agreements with the Offices substantially in such form as provided to this Board of Directors at this meeting with such changes as the Company's Chief Executive Officer, Frédéric Oudéa (or the Company's Group General Counsel and/or the Company's General Counsel for Litigation and

Investigations, Dominique Bourrinet and Nicolas Brooke, respectively, in case of subdelegation), may approve;

5. Frédéric Oudéa, in his capacity as Chief Executive Officer of Société Générale (or Dominique Bourrinet and/or Nicolas Brooke, in their respective capacity as Group General Counsel and General Counsel for Litigation and Investigations of Société Générale, respectively, in case of subdelegation) is hereby authorized, empowered and directed, either individually or collectively, to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions, including but not limited to participating in legal proceedings in the United States; and

6. All of the actions of Frédéric Oudéa, in his capacity as Chief Executive Officer of Société Générale, and/or Dominique Bourrinet and/or Nicolas Brooke, in their respective capacity as Group General Counsel and General Counsel for Litigation and Investigations of Société Générale, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

Date: May 20th, 2018

By: Patricia SZET

Corporate Secretary

ATTACHMENT C

CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal controls, compliance codes, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. §§ 78dd-1 et seq., and other applicable anti-corruption laws, commodities laws, securities laws, and all other United States federal laws concerning fraud and market manipulation, Société Générale S.A. (the "Company") agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to modify its compliance program, including internal controls, compliance policies, and procedures, in order to ensure that it maintains: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting controls, as well as policies and procedures designed to effectively detect and deter violations of the FCPA and other applicable anti-corruption laws, including foreign law counterparts (collectively, the "anti-corruption laws"); and (c) a program that incorporates policies and procedures designed to effectively detect and deter violations of United States federal law concerning fraud and market manipulation, including controls to ensure that the Company's contributions to the London Inter-bank Offered Rate and other inter-bank offered rates (collectively, "IBOR") are carefully monitored, accurate, and not affected by consideration of improper or self-serving factors. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company's existing internal controls, compliance codes, policies, and procedures:

High-Level Commitment

1. The Company will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws, commodities laws, securities laws, all other United States federal laws concerning fraud and market manipulation, and its compliance codes.

Policies and Procedures

2. The Company will develop and promulgate clearly articulated and visible corporate policies against violations of the anti-corruption laws, commodities laws, securities laws, all other United States federal laws concerning fraud and market manipulation, which policies shall be memorialized in written compliance codes.

3. The Company will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws, commodities laws, securities laws, all other United States federal laws concerning fraud and market manipulation, and the Company's compliance codes, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws, commodities laws, securities laws, and all other United States federal laws concerning fraud and market manipulation, by personnel at all levels of the Company. These anti-corruption and anti-

fraud policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"). The Company shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the Company. Such policies and procedures shall address:

a. gifts;

b. hospitality, entertainment, and expenses;

c. customer travel;

d. political contributions;

e. charitable donations and sponsorships;

f. facilitation payments;

g. solicitation and extortion;

h. ensuring that proper supervisory and reporting structures are established to make certain that IBOR submissions are not unduly influenced by an employee's personal interest, the bank's corporate interest, or other improper factors;

i. enhancing the compliance process to make certain that known or suspected improprieties in the IBOR setting process are promptly elevated to appropriate personnel for resolution; and

j. ensuring that employees tasked with setting IBOR are made aware of the Company's obligations contained herein and are provided appropriate training opportunities.

4. The Company will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that:

a. transactions are executed in accordance with management's general or specific authorization;

b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

c. access to assets is permitted only in accordance with management's general or specific authorization; and

d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Periodic Risk-Based Review

5. The Company will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of the Company, in particular: (a) the risk of IBOR manipulation and other forms of market manipulation; and (b) the foreign bribery risks facing the Company, including, but not limited to, its

geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the Company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. The Company shall review its anti-corruption laws and anti-fraud laws compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

Proper Oversight and Independence

7. The Company will assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's compliance codes, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, the Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

8. The Company will implement mechanisms designed to ensure that its compliance codes, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners.

These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk or fraud risk to the Company, and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. The Company will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's compliance codes, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

Internal Reporting and Investigation

10. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws, commodities laws, securities laws, and all other United States federal laws concerning fraud and market manipulation or the Company's compliance codes, policies, and procedures.

11. The Company will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws, commodities laws, securities laws, and

all other United States federal laws concerning fraud and market manipulation, or the Company's compliance codes, policies, and procedures.

Enforcement and Discipline

12. The Company will implement mechanisms designed to effectively enforce its compliance codes, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws, commodities laws, securities laws, and all other United States federal laws concerning fraud and market manipulation, and the Company's compliance codes, policies, and procedures by the Company's directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance codes, policies, and procedures and making modifications necessary to ensure the overall anti-corruption and commodities laws compliance program is effective.

Third-Party Relationships

14. The Company will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws, and of the Company's anti-corruption compliance codes, policies, and procedures; and

c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance codes, policies, or procedures, or the representations and undertakings related to such matters.

Mergers and Acquisitions

16. The Company will develop and implement policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

17. The Company will ensure that the Company's compliance codes, policies, and procedures regarding the anti-corruption and commodities laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly:

a. train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anti-corruption and commodities laws and the Company's compliance codes, policies, and procedures regarding anti-corruption and commodities laws; and

b. where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

Monitoring and Testing

18. The Company will conduct periodic reviews and testing of its compliance codes, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption and commodities laws and the Company's anti-corruption codes, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT D

REPORTING REQUIREMENTS

Société Générale S.A. (the "Company") agrees that it will report to the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the Eastern District of New York (collectively, the "Offices") periodically, at no less than twelve-month intervals during the three-year "Term," as defined in the Deferred Prosecution Agreement, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment C. During the Term, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two follow-up reviews and reports, as described below:

a. By no later than one year from the date this Agreement is executed, the Company shall submit to the Offices a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the Company's internal controls, policies, and procedures for ensuring compliance with the FCPA, other applicable anti-corruption laws, commodities laws, securities laws, and all other United States federal laws concerning fraud and market manipulation, and the proposed scope of the subsequent reviews. The report shall be transmitted to (1) "Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Eleventh Floor, Washington, DC 20530," (2) "Chief – Securities and Financial Fraud Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Third Floor, Washington, DC 20530," and (3) "Chief – Business and Securities Fraud Section, United States Attorney's Office, Eastern District of

New York, 271 Cadman Plaza East, Brooklyn, NY 11201." The Company may extend the time period for issuance of the report with prior written approval of the Offices.

b. The Company shall undertake at least two follow-up reviews and reports, incorporating the Offices' views on the Company's prior reviews and reports, to further monitor and assess whether the Company's policies and procedures are reasonably designed to detect and prevent violations of the FCPA, other applicable anti-corruption laws, and the commodities laws.

c. The first follow-up review and report shall be completed by no later than one year after the initial report is submitted to the Offices. The second follow-up review and report shall be completed and delivered to the Offices no later than thirty days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Offices determine in their sole discretion that disclosure would be in furtherance of the Offices' discharge of their duties and responsibilities or is otherwise required by law.

e. The Company may extend the time period for submission of any of the follow-up reports with prior written approval of the Offices.