



SGI Bond 10Y USD

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Index Rules

Version as of 14 January 2008



1. Index Summary Description:

Index description

The SGI Bond 10Y USD (the “**Index**”) tracks the performance of a portfolio invested in USD notes (null spread over swap) with a 10-year constant maturity by rolling a 10-year interest rate swap on a monthly basis.

Index strategy

The Index seeks to replicate the investment in a USD note (null spread over swap) adjusted monthly to a ten year maturity. At the beginning of each month (the “**Roll Date**”), S&P seeks a proxy for the yield of a USD note that matures ten years from such Roll Date by observing the mid-market fixing rate at which financial institutions could have obtained fixed semi-annual payments in US dollars of ten-year duration in exchange for a similar series of floating rate payments. As time passes from (and excluding) one Roll Date to (and including) the next Roll Date, the Index methodology attempts to (i) account for the accrual of the next available coupon to the holder of such a USD note and (ii) mark-to-market the value of such a USD note according to the time to maturity decrease and the market levels.



2. Index Methodology:

2.1 Terms and definitions relating to the Index:

Index Currency	US dollar ("USD")
Index	SGI Bond 10Y USD (SGIXBU10 Index).
Index Calculation Agent	Standard & Poor's, a division of the McGraw-Hill Companies, Inc. (" S&P ").
Index Sponsor	Société Générale (" SG ")
Index Launch Date, "t0"	02/08/07
Initial Index Value, "IV(t0)"	USD 1000
Business Day	means a day on which commercial banks settle payments in the Index Currency and are open for general business in London and New York City.
Business Day Convention	"Modified Following": if a date falls on a day that is not a Business Day, that date will be adjusted to be the first following day that is a Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day .
Calculation Date	means any Business Day on which all the relevant Fixing Deposit(t,Mat) and FixingSwap(t,Mat) (as defined below) are published on the relevant Reuters pages.
Valuation Time	means 6:30 p.m. (New York time).
Money Market Basis	act/360
Swap Basis	30/360
Swap Fixed Periodicity	6m
Swap Floating Periodicity	3m
Swap Duration	10y
Mat	means a duration expressed in months (M) or years (Y)
FixingSwap	means the swaps in the Index Currency
FixingSwap(t,Mat)	means the rate for swaps in the Index Currency with a duration of Mat , expressed as a percentage, which appears on the Reuters Screen ISDAFIX1 Page as of 11:00 a.m., New York time, on Calculation Date(t) . If such page is not available, then the Index Sponsor, in consultation with the Index Calculation Agent, shall determine FixingSwap(t,Mat) by reference to USD-CMS-Reference Banks as specified in Article 7 (<i>Calculation of Rates for certain Floating Rate Options</i>) of the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. If the Index Sponsor is not able to determine the FixingSwap(t,Mat) as described above, the Index Sponsor shall determine in good faith an estimate of the FixingSwap(t,Mat) that would have prevailed on such day.
FixingDeposit	means the deposits in Index Currency
FixingDeposit(t,Mat)	means the rate determined on the basis of the offered rates for deposits in Index Currency for a duration of Mat which appears on the Reuters Screen Libor01 Page as of 11:00 a.m., London time, on Calculation Date(t) . If such page is not available, then the Index Sponsor, in consultation with the Index Calculation Agent, shall determine FixingDeposit(t,Mat) by reference to USD-LIBOR-Reference Banks as specified in Article 7 (<i>Calculation of Rates for certain Floating Rate Options</i>) of the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. If the Index Sponsor is not able to determine the FixingDeposit(t,Mat) as described above, the Index Sponsor shall determine in good faith an estimate of the FixingDeposit(t,Mat) that would have prevailed on such day.
FixingCurve(t)	Means the list of FixingDeposit(t,Mat) and FixingSwap(t,Mat)



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observed on t and required to compute the **Index**.

This list is :

- FixingDeposit (t,2M)**
- FixingDeposit (t,3M)**
- FixingDeposit (t,5M)**
- FixingDeposit (t,6M)**
- FixingSwap (t, 1Y)**
- FixingSwap (t, 2Y)**
- FixingSwap (t, 3Y)**
- FixingSwap (t, 4Y)**
- FixingSwap (t, 5Y)**
- FixingSwap (t, 6Y)**
- FixingSwap (t, 7Y)**
- FixingSwap (t, 8Y)**
- FixingSwap (t, 9Y)**
- FixingSwap (t, 10Y)**

Roll Date, "$(t_{roll\ i})$"	means the first Calculation Date of each month. The initial Roll Date will be 1 February 2007.
Next Roll Date, "$(t_{roll\ i+1})$"	means the first Calculation Date of the month that immediately follows the month that includes the Roll Date ($(t_{roll\ i})$).
Coupon Payment Date, "$t_{coupon\ i}$"	means the payment date of the first fixed coupon of a standard interest rate swap, fixed on the Roll Date ($(t_{roll\ i})$), which falls a Swap Fixed Periodicity after the Roll Date ($(t_{roll\ i})$), determined in accordance with the Business Day Convention .
Swap Maturity Date, "$T_{Swap\ i}$"	means the maturity date of a standard interest rate swap, fixed on the Roll Date ($(t_{roll\ i})$), which falls a Swap Duration after the Roll Date ($(t_{roll\ i})$), determined in accordance with the Business Day Convention .
$d1(t',t'')$	means the day fraction between the Calculation Date (t') (excluded) and the Calculation Date (t'') (included), using the Swap Basis .
$d2(t',t'')$	means the day fraction between the Calculation Date (t') (excluded) and the Calculation Date (t'')(included), using the deposit basis (Money Market Basis).
Index Value, "$IV(t)$"	means, with respect to any Calculation Date (t), the index value, expressed in the Index Currency , calculated and published by the Index Calculation Agent on such date at the Valuation Time , pursuant to the Index rules set out in Section 2.2.



2.2 Index Calculation Rules:

The Index Value will be calculated and published by the Index Calculation Agent at the Valuation Time on every Calculation Date (t), comprised between the Roll Date “(t_{roll i})” (excluded) and the Next Roll Date “(t_{roll i+1})” (included) according to the following formula:

$$IV(t) = IV(t_{roll\ i}) \times [1 + (\text{Swap}(t_{roll\ i}; T_{\text{Swap}\ i}) \times d1(t_{roll\ i}; t)) / (1 + \text{Deposit}(t, t_{coupon\ i}) \times d2(t; t_{coupon\ i})) + \text{Sensi}(t, T_{\text{Swap}\ i}) \times (\text{Swap}(t_{roll\ i}; T_{\text{Swap}\ i}) - \text{Swap}(t; T_{\text{Swap}\ i}))]$$

with,

Swap(t,T) : means the rate value on t of a swap which matures on T computed as described in „SGI Bond : Pricing Methodology“

Deposit(t,T) : means is the rate value on t of a deposit which matures on T computed as described in „SGI Bond : Pricing Methodology“

Sensi(t,T) : means the sensitivity on t of a swap which matures on T computed as described in „SGI Bond : Pricing Methodology“

4. Consequences of an Index Disruption Event:

"Index Disruption Event" means any event preventing the Index Calculation Agent from calculating and/or publishing the Index or its components, whether caused by third parties or not, and whether caused by permanent or temporary failure in any communication, publication or electronic systems, including without limitation by reason of:

- The CPI being not calculated and/or displayed by Bloomberg or any successor acceptable to the Index Calculation Agent after consultation with the Index Sponsor,
- the FixingDeposit (t) being not calculated and/or displayed by the European Banking Federation or any successor acceptable to the Index Calculation Agent after consultation with the Index Sponsor,
- the FixingSwap (t) being not calculated and/or displayed by ISDA or any successor acceptable to the Index Calculation Agent after consultation with the Index Sponsor,
- the Reuters ISDAFIX2 Page (or any successor page acceptable to the Index Calculation Agent after consultation with the Index Sponsor) being not available,
- the Reuters EURIBOR01 Page (or any successor page acceptable to the Index Calculation Agent after consultation with the Index Sponsor) being not available,
- the Bloomberg CPTFEMU Index Page (or any successor page acceptable to the Index Calculation Agent after consultation with the Index Sponsor) being not available,
- the Bloomberg EUSWI9 Index Page (or any successor page acceptable to the Index Calculation Agent after consultation with the Index Sponsor) being not available,
- the Bloomberg EUSWI10 Index Page (or any successor page acceptable to the Index Calculation Agent after consultation with the Index Sponsor) being not available,
- the Index Calculation Agent ceasing, temporarily or permanently, to calculate and publish any of the Index or any of its components for any reason whatsoever.

If on any Calculation Date (t), an Index Disruption Event exists, then:

- the Index or any of its components, as the case may be, which is not calculated and/or published in accordance with these Index Rules (the "**Missing Data**") will be determined in good faith by the Index Sponsor in consultation with the Index Calculation Agent.

Except in case of manifest error, the Missing Data so determined by the Index Sponsor will be final and binding and will be used by the Index Calculation Agent to determine the Index in accordance with the Calculation Rules described in Section 3.

If any of the Missing Data is not available to the Index Calculation Agent during twenty 20 consecutive Calculation Dates, then, at the request of the Index Sponsor, the Index Calculation Agent may permanently cancel the Index on the first Calculation Date “d”



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following such twenty Calculation Dates on which the Missing Data is not available. Such cancellation shall take place, whether or not Missing Data is actually available on such Calculation Date "d".

5. Consequences of an Extraordinary Event:

a. If on any date, both an Index Disruption Event and an Extraordinary Event exist, then the provisions of Section 4 will prevail over those of Section 5.

b. Change to calculation and publication agent If the Index or any of its components (the "**Relevant Data**") is not calculated and published by the Index Calculation Agent, the European Banking Federation, ISDA, Eurostat, Bloomberg or Reuters, as applicable, but is calculated and published by a successor to any of such persons acceptable to the Index Calculation Agent, in consultation with the Index Sponsor, then the Relevant Data so calculated shall be the values of the Relevant Data.

c. Change of data. If any Relevant Data is replaced by any successor data using, in the determination of the Index Calculation Agent, in consultation with the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of such Relevant Data, then in each case that successor data will (subject as provided herein) replace the original Relevant Data.

d. In the event that the Index is replaced or modified under any circumstance described in the preceding three paragraphs, that replacement index will be deemed a "**Successor Index**". The Successor Index will be used as a substitute for the original Index for all purposes.

e. If at any time, the valuation method used by the Index Calculation Agent to determine the level of the Index does not reflect any longer the market practice or the market valuation of related transactions, the valuation method shall be changed by the Index Calculation Agent accordingly, in consultation with the Index Sponsor.

f. If, in respect of the Index and a Calculation Date, the Index Sponsor:

- (A) announces on or prior to such Calculation Date that it will make a material change in the definition of the Index or in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain such Index for routine events); or
- (B) cancels the publication and announcement of data necessary to determine the Index on or prior to such Calculation Date and no Successor Index exists,

then the Index Calculation Agent, in consultation with the Index Sponsor, shall calculate the Index Level on such Calculation Date in accordance with the formula for and method of calculating the Index last in effect prior to such change or cancellation, but using only those components that comprised the Index immediately prior to such change or cancellation.

g. If at any time the method for calculating the Index or any component thereof, or their level, is changed in a material respect, so that the Index does not, in the opinion of the Index Calculation Agent, in consultation with the Index Sponsor, fairly represent the level of such Index had such amendments not been made, then the Index Calculation Agent, in consultation with the Index Sponsor, will make such adjustments to the calculation methodology of the Index as the Index Calculation Agent, in consultation with the Index Sponsor, determines necessary for the level of the adjusted index to be comparable to that of such Index absent such amendments. As from this date, the Index Calculation Agent, in consultation with the Index Sponsor, shall calculate the level of the Index as so adjusted.

h. At the request of the Index Sponsor, the Index Calculation Agent may permanently cancel the Index on the twentieth (20th) Calculation Date following the first day on which the Index Calculation Agent makes calculations or adjustments pursuant to either of the paragraphs above.



6. Disclaimer

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