



# Phoenix Memory Monthly on Bayer

## **Indicative Terms and Conditions**

This product is issued under and is subject to the terms and conditions of the Base Prospectus dated 14 June 2019 and any Supplement(s) (together the "Programme") and the applicable Final Terms. The Programme is available on the website "http://prospectus.socgen.com" or simply upon request.

## **PART A – CONTRACTUAL TERMS**

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|--|---|
| <b>Issuer:</b>   | SG Issuer<br><br>Legal entity identifier (LEI) : 549300QNMDBVTHX8H127   |
| <b>Guarantor:</b>  | Société Générale  |
| <b>Rating of Société Générale as of the Launch Date:</b> | Available on : <a href="https://www.societegenerale.com/en/measuring-our-performance/investors/debt-investors/ratings">https://www.societegenerale.com/en/measuring-our-performance/investors/debt-investors/ratings</a> .  |
| <b>Specified Currency:</b>                               | EUR   |
| <b>Aggregate Nominal Amount:</b>                         |   |
| - Tranche:   | Up to 750 Certificates in an aggregate principal amount of EUR 15 000 000   |
| - Series:  | Up to 750 Certificates in an aggregate principal amount of EUR 15 000 000   |
| <b>Issue Price:</b>                                      | EUR 20 000 per Certificate of EUR 20 000 Specified Denomination   |
| <b>Specified Denomination(s):</b>                        | EUR 20 000  |
| <b>Issue Date:<br/>(DD/MM/YYYY)</b>                      | 12/02/2020  |
| <b>Interest Commencement Date:</b>                       | Issue Date  |
| <b>Maturity Date:<br/>(DD/MM/YYYY)</b>                   | 06/02/2024  |
| <b>Type of Structured Certificates:</b>                  | Share Linked Certificates<br><br>The provisions of the following Additional Terms and Conditions apply:<br>Additional Terms and Conditions for Share Linked Certificates and Depositary Receipts Linked Certificates<br><br>The Additional Terms and Conditions comprise provisions particularly (without limitations) as to the consequences of (market and other) disruption events, adjustment events or other extraordinary events affecting the underlying of the Certificates or Société Générale's hedging position. |
| <b>Reference of the Product</b>                          | 3.3.3 with Option 1 applicable as described in the Additional Terms and Conditions relating to Formulae   |

### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|--|--|
| <b>Fixed Rate Certificate Provisions:</b>          | Not Applicable   |
| <b>Floating Rate Certificate Provisions:</b>       | Not Applicable   |
| <b>Structured Interest Certificate Provisions:</b> | Applicable   |
| <b>Structured Interest Amount(s)</b>               | Unless previously redeemed, on each Interest Payment Date(i) (i from 5 to 52), the Issuer shall pay to the Certificateholders, for each Certificate, an amount determined by the Calculation Agent as follows: |

**Scenario 1:**

If on Valuation Date(i), Performance(i, Strike) is higher than or equal to -50%, then:

$$\text{Structured Interest Amount}(i) = \text{Max}(0; \text{Specified Denomination} \times ((i-4) \times 0.24\%) - \text{SumCouponsPaid}(i-1))$$
**Scenario 2:**

If on Valuation Date(i), Performance(i, Strike) is lower than -50%, then:

Structured Interest Amount(i) = 0 (zero)

Interest Payment Date(i) (i from 5 to 51): 5 Business Days after Valuation Date(i); Interest Payment Date(52): the Maturity Date

Following Business Day Convention (unadjusted)

**Specified Period(s)/Interest Payment Date(s): (DD/MM/YYYY)**

**Business Day Convention:**

**Day Count Fraction:**

**Business Centre(s):**

Not Applicable

Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

**Automatic Early Redemption:**

Applicable

**Automatic Early Redemption Amount(s):**

Unless previously redeemed, if an Automatic Early Redemption Event has occurred, then the Issuer shall redeem early the Certificates on Automatic Early Redemption Date(i) (i from 13 to 51) in accordance with the following provisions in respect of each Certificate:

Automatic Early Redemption Amount(i) = Specified Denomination x (100%)

**Automatic Early Redemption Event:**

is deemed to have occurred, as determined by the Calculation Agent, if on a Valuation Date(i) (i from 13 to 51), Performance(i, Strike) is higher than or equal to 0%

**Automatic Early Redemption Date(s): (DD/MM/YYYY)**

Automatic Early Redemption Date(i) (i from 13 to 51): 5 Business Days after the Valuation Date(i) on which an Automatic Early Redemption Event is deemed to have occurred.

**Final Redemption Amount:**

Unless previously redeemed, the Issuer shall redeem the Certificates on the Maturity Date, in accordance with the following provisions in respect of each Certificate:

**Scenario 1:**

If on Valuation Date(52), Performance(52, Strike) is higher than or equal to -50% , then:

Final Redemption Amount = Specified Denomination x [100% ]

**Scenario 2:**

If on Valuation Date(52), Performance(52, Strike) is lower than -50% , then:

Final Redemption Amount = Specified Denomination x [100% + Performance (52, Strike)]

#### PROVISIONS APPLICABLE TO THE UNDERLYING(S) IF ANY

Underlying: The following Share as defined below:

| Company  | Bloomberg Ticker | Exchange             | Website       |
|----------|------------------|----------------------|---------------|
| Bayer AG | BAYN GY          | XETRA TRADING SYSTEM | www.bayer.com |

#### DEFINITIONS APPLICABLE TO INTEREST (IF ANY), REDEMPTION AND THE UNDERLYING(S) IF ANY

Definitions relating to date(s):

|  |  |
|--|--|
| Valuation Date(0):<br>(DD/MM/YYYY)                 | 04/02/2020   |
| Valuation Date(i) (i from 1 to 52)<br>(DD/MM/YYYY) | 05/02/2020; 06/02/2020; 07/02/2020; 10/02/2020; 04/03/2020; 06/04/2020;<br>04/05/2020; 04/06/2020; 06/07/2020; 04/08/2020; 04/09/2020; 05/10/2020;<br>04/11/2020; 04/12/2020; 04/01/2021; 04/02/2021; 04/03/2021; 05/04/2021;<br>04/05/2021; 04/06/2021; 05/07/2021; 04/08/2021; 06/09/2021; 04/10/2021;<br>04/11/2021; 06/12/2021; 04/01/2022; 04/02/2022; 04/03/2022; 04/04/2022;<br>04/05/2022; 06/06/2022; 04/07/2022; 04/08/2022; 05/09/2022; 04/10/2022;<br>04/11/2022; 05/12/2022; 04/01/2023; 06/02/2023; 06/03/2023; 04/04/2023;<br>04/05/2023; 05/06/2023; 04/07/2023; 04/08/2023; 04/09/2023; 04/10/2023;<br>06/11/2023; 04/12/2023; 04/01/2024; 05/02/2024 |

Definitions relating to the Product:

SumCouponsPaid(i-1) means SumCouponsPaid(i-2) + Structured Interest Amount(i-1)

(i from 6 to 52)

With:

SumCouponsPaid(4) = 0 (zero)

Performance(i, Strike)  
(i from 5 to 52)

means (S(i) / Strike) - 100%

Price(i)  
(i from 0 to 4)

means S(i)

S(i)  
(i from 0 to 52)

means in respect of any Valuation Date(i) the Closing Price of the Underlying

Strike

means AverageTimePrice(t1,t2)

AverageTimePrice(t1,t2)  
(t1=0, t2=4)

means the Arithmetic Average, for i from t1 to t2, of Price(i)

#### **PART B - OTHER INFORMATION**

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| <b>Listing:</b>  | EuroTLX, a Multilateral Trading Facility organized and managed by Borsa Italiana S.p.A.     |
| <b>Public Offer Jurisdiction(s):</b>                   | Italy   |
| <b>Offer Period:</b>                                   |   |
| - from:  | 23/01/2020  |
| - to:  | 06/02/2020  |
| <b>ISIN code:</b>                                      | XS2059640453  |
| <b>Common code:</b>                                    | 205964045   |
| <b>Clearing System(s):</b>                             | Clearstream/Euroclear   |
| <b>Governing Law:</b>                                  | English law   |
| <b>Calculation Agent:</b>                              | Société Générale  |
| <b>Minimum investment in the Certificates:</b>         | EUR 20 000 (i.e. 1 Certificate)   |
| <b>Minimum Trading Lot:</b>                            | EUR 20 000 (i.e. 1 Certificate)   |
| <b>Trigger redemption at the option of the Issuer:</b> | Not Applicable  |
| <b>U.S. federal income tax considerations:</b>         | The Certificates are not Specified Certificates for purposes of Section 871(m) Regulations. |
| <b>Prohibition of Sales to EEA Retail Investors:</b>   | Not Applicable  |

## **MISCELLANEOUS**

|                              |  |
|------------------------------|--|
| <b>Launch Date:</b>          | 16/01/2020   |
| <b>Capital protection:</b>   | No   |
| <b>Payment Business Day:</b> | Following Payment Business Day<br><i>Such convention being applicable to payment of any redemption amount. In respect of payment of any Interest amount, if the Payment Business Day convention is different from the Business Day Convention specified in the relevant paragraph, the Business Day Convention will apply.</i> |
| <b>Financial Centre(s)</b>   | Not Applicable   |
| <b>Secondary Market:</b>     | Under normal market conditions, Société Générale or an entity of its group ensures a daily secondary market with a bid-offer spread in compliance with the rules applicable to the exchange where the product is traded.   |

In the event of repurchase of the Securities on the secondary market, costs and charges within the meaning of Directive 2014/65 of the European Parliament and of the Council on Markets in Financial Instruments (known as MIF2) will be calculated on the effective repurchase date as an exit cost equal to the difference between the fair value of the product as determined by Société Générale or an entity of its group and the price at which Société Générale or an entity of its group actually buys the product. For a request for repurchase on the secondary market, Société Générale or an entity of its group

may provide ex-ante, the estimated calculation of the exit cost.

If Société Générale is required from a regulatory point of view to provide an annual ex-post report, this report shall indicate the costs actually withheld on the product over the past period.

|   |  |
|---|--|
| <b>Distributor(s):</b>                      | Mediobanca - Banca di Credito Finanziario S.p.A., Piazzetta Enrico Cuccia, 1 20121 Milan, Italy  |
| <b>Commissions and other Remunerations:</b> | <p>Société Générale shall pay to its relevant distributor(s), a remuneration of up to 2.50% of the nominal amount of Certificates effectively placed by such distributor(s).</p> <p>If under any applicable laws or regulations (including, if applicable, the Markets in Financial Instruments Directive 2014/65/EU (MiFID II)) a distributor (the "Interested Party") is required to disclose to prospective investors in the Certificates further information on any remuneration that Société Générale pays to, or receives from, such Interested Party in respect of the Certificates, the Interested Party shall be responsible for compliance with such laws and regulations and investors may request such further information from the Interested Party. In addition, Société Générale may provide further information to its own clients upon request.</p> |

## **DISCLAIMERS**

### **IMPORTANT WARNING:**

*Investors must read carefully the information provided in the section "Important information for investors" of the terms and conditions. In particular, the attention of the investors is drawn to the following:*

**Credit risk:** Investors take a credit risk on the Issuer, and ultimately on Société Générale as guarantor of the obligations of the Issuer in respect of the product according to the terms and conditions of the guarantee (available at the Guarantor's office upon request). Thus Société Générale's insolvency may result in the partial or total loss of the invested amount. The market value of the product can decrease significantly below its nominal value as a result of Société Générale's creditworthiness.

**Recourse limited to the Guarantor:** By investing in this product investors acknowledge that they shall have no recourse against the Issuer in the event of a payment default by the Issuer with respect to any amount due under the product, i.e. no investor has the right to institute any proceeding or to otherwise assert a claim against the Issuer of the product to enforce the relevant payment under the product. However, this is without prejudice to the investors' rights under the Guarantee of the Guarantor.

**Bail-in:** The Bank Recovery and Resolution Directive (BRRD) provides "Resolution Authorities" across the European Union with a comprehensive set of tools to deal with failing European financial institutions by using amongst other things the "bail-in". If the Issuer and/or the Guarantor becomes subject to resolution measures in the form of bail-in, investor's claim may be reduced to zero, converted into equity or its maturity may be postponed. This may result in losses on the invested amount, regardless of the capital protection of the product, if any.

**Information when products include a risk of capital loss :** For products which include a risk of capital loss, the redemption value of such products may be less than the amount initially invested. In a worst case scenario, investors could sustain the loss of their entire investment. Moreover, regardless the level of the capital protection, the investor may lose part or all of the initially invested amount before the maturity date, if the product is sold by the investor.

**U.S. Selling Restrictions ("Regulation S U.S. Person"):** The Certificates described herein are not U.S. Exempt Securities. Accordingly, the Certificates have not been registered under the U.S. Securities Act of 1933 and may not be offered, sold, pledged or otherwise transferred at any time except in an "offshore transaction" (as defined under Regulation S) to or for the account or benefit of a Permitted Transferee. A "**Permitted Transferee**" means any person who: (a) is not a U.S. person as defined in Rule 902(k)(1) of Regulation S; (b) is not a person who comes within any definition of U.S. person for the purposes of the U.S. Commodity Exchange Act (**CEA**) or any rule of the U.S. Commodity Futures Trading Commission (**CFTC Rule**), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons," shall be considered a U.S. person) and (c) is not a "U.S. Person" for purposes of the final rules implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Risk Retention Rules**) (a **Risk Retention U.S. Person**). The Certificates are available only to, and may only be legally or

beneficially owned at any time, by Permitted Transferees. By its purchase of a Certificate, each purchaser will be deemed or required, as the case may be, to make certain acknowledgements, representations and agreements set out in the base prospectus.

**Section 871(m) of the U.S. Internal Revenue Code of 1986:** U.S. Treasury regulations issued under Section 871(m) of the U.S. Internal Revenue Code of 1986 (**Section 871(m) Regulations**) generally impose a 30% withholding tax on dividend equivalents paid or deemed paid (within the meaning of the relevant Section 871(m) Regulations) to a non-United States holder (a **Non-U.S. Holder**) with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities (**U.S. Underlying Equities**). Specifically, Section 871(m) Regulations will generally apply to Certificates issued on or after 1 January 2017 and that substantially replicate the economic performance of one or more U.S. Underlying Equity(ies) as determined by the Issuer on the date for such Certificates as of which the expected delta of the product is determined by the Issuer based on tests in accordance with the applicable Section 871(m) Regulations (for the purposes of the relevant notices, such Certificates are deemed “delta-one” instruments) (**Specified Certificates**). Certificates linked to U.S. Underlying Equities which the Issuer has determined not to be a Specified Certificate will not be subject to withholding tax under Section 871(m) Regulations. If one or more of the U.S. Underlying Equities are expected to pay dividends during the term of the Specified Certificate, withholding generally will still be required even if the Specified Certificate does not provide for payments explicitly linked to dividends.

Investors are advised that in withholding this tax, the Issuer will regularly apply the general tax rate of 30% to the payments subject to U.S. provisions (or amounts deemed payments) without regard to any applicable treaty rate. Therefore, in such cases, an investor's individual tax situation will not be taken into account.

The applicable Final Terms will specify if the Certificates are Specified Certificates or Zero Estimated Dividends Securities. In the case of Certificates that are Specified Certificates, but not Zero Estimated Dividends Securities, the applicable Final Terms will specify whether the Issuer or its withholding agent will withhold tax under Section 871(m) Regulations and the rate of the withholding tax. In the case of Certificates that are Zero Estimated Dividends Securities, the applicable Final Terms, will specify the rate of the withholding tax to be zero.

Investors are advised that the Issuer's determination is binding on all Non-U.S. Holders of the Certificates, but it is not binding on the United States Internal Revenue Service (**IRS**) and the IRS may therefore disagree with the Issuer's determination.

The rules of Section 871(m) Regulations require complex calculations in respect of the instruments that include U.S. Underlying Equities and application of these rules to a specific issue of Certificates may be uncertain. Consequently the IRS may determine they are to be applied even if the Issuer initially assumed the rules would not apply. There is a risk in such case that Certificateholders are subject to withholding tax *ex post*.

As neither the Issuer nor the withholding agent will be required to gross up any amounts withheld in connection with a Specified Certificate, Certificateholders will receive smaller payments in such case than they would have received without withholding tax being imposed.

**Investors should consult their tax adviser regarding the potential application of Section 871(m) Regulations to their investment in the Certificates.**

## **IMPORTANT INFORMATION FOR INVESTORS**

The terms and conditions are indicative and may change with market fluctuations.

Prior to investing in the product, investors should seek independent financial, tax, accounting and legal advice.

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

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

**Liquidity risk:** The product is the subject of market-making contracts, the purpose of which is to ensure the liquidity of the product on the markets where it is traded, assuming normal market conditions and normally functioning computer systems. Certain exceptional market circumstances may have a negative effect on the liquidity of the product. The investor may not be able to sell the product easily or may have to sell at a price that significantly impact how much he gets back. This may entail a partial or total

loss of the invested amount.

**Information in the event of a buy back by Société Générale or of an early termination of the product:** Société Générale may commit to ensure a secondary market. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. The price of such products (in particular, the “bid/offer” spread that Société Générale may propose for the repurchase or early termination of such products) will include, inter alia, the hedging and/or unwinding costs generated by such a buy back for Société Générale. Société Générale and/or its subsidiaries cannot assume any responsibility for such consequences and for their impact on the transactions relating to, or investment into, the relevant products.

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

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

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

**General selling restrictions:** It is each investor’s responsibility to ascertain that it is authorized to subscribe for, or invest into, or to on-sell this product.

Further, the underlying instrument(s) of certain products may not be authorised to be marketed in the country(ies) where such products are offered. The attention of investors is drawn to the fact that the offering of these products in this (these) country(ies) in no way constitutes an offer, or an invitation to make an offer, to subscribe to, or purchase, the underlying instrument(s) in such country(ies).

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

**Currency exchange risk:** When the underlying asset(s) is/are quoted and/or expressed in a foreign currency and/or, in the case of an index or an asset basket, it contains components expressed and/or quoted in one or several foreign currency(ies), the value of the investment may increase or decrease as a result of the value of such currency(ies) against the euro or any other currency in which the product is expressed, unless the product includes a currency exchange guarantee.

**Conflict of Interest:** The valuation of a product may be linked to the spot price or the fixing of underlying financial instruments or other asset types (the “underlying assets”). At any time, Société Générale and its affiliates may trade in such underlying assets on own account or on behalf of their clients who may have similar or opposite interests to investor’s own, or act, without limitation, as derivatives counterparty, hedging party, issuer, market maker, broker, structurer, advisor, distributor, placing agent, guarantor, asset manager, custodian or calculation agent in relation to such underlying assets, which might have an impact on such underlying assets’ performance, liquidity or market value. Therefore, potential conflicts of interest may arise between the different divisions of Société Générale Group acting on such underlying assets on own account or on behalf of their clients, and investor’s own. However, conflicts of interest are identified, prevented and managed in accordance with Société Générale’s conflict of interest policy which summary has been communicated to the investor or is available upon request to his usual Société Générale contact.



**Benchmarks:** Investors in floating rate Certificates and/or indexed on certain underlyings which are considered as benchmarks are exposed to the risk that such benchmarks (i) may be subject to methodological or other changes which could affect their value, (ii) may not comply with applicable laws and regulations (such as the Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the Benchmarks Regulation)) and/or (iii) may be permanently discontinued. This includes, without limitation, the possibility that (i) the London Interbank Offered Rate (LIBOR) are phased out after 2021; and (ii) the Euro Overnight Index Average (EONIA) does not comply with the Benchmarks Regulation after the 1st of January 2020.

The occurrence of any of the aforementioned risks could have a material adverse effect on the value of and return on the Certificates. Investors should conduct their own independent investigation and analysis of the potential consequences of any relevant risks, particularly in light of the ongoing industry initiatives related to the development of alternative reference rates.

**Authorisation:** Société Générale is a French credit institution (bank) that is authorised and supervised by the European Central Bank (ECB) and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) (the French Prudential Control and Resolution Authority) and regulated by the Autorité des marchés financiers (the French financial markets regulator) (AMF).

For any country of the European Economic Area (i) in which the product is not admitted to trading on a regulated market and (ii) not expressly referred to, in this document, as a country in which a public offer of the product is authorised, this PRODUCT IS OFFERED ON A PRIVATE PLACEMENT BASIS and no prospectus has been approved in that country by the local regulator. The product cannot thus be distributed in that country by way of an offer, or an invitation to make an offer of securities to the public, as defined in Article 2.1(d) of Directive 2003/71, as amended from time to time (the "Prospectus Directive"), save in those circumstances (commonly called "private placement") set out in Article 3.2 of the Prospectus Directive.