REMUNERATION POLICY
FOR EXECUTIVE DIRECTORS FOR 2018

ALD BOARD OF DIRECTORS

29 MARCH 2018

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

The remuneration policy for ALD SA ("**ALD**" or the "**Company**") executive directors set out below was drawn up by the **ALD** Board of Directors on 7 February 2018.

This policy has been decided taking into account:

- the competitiveness of the overall remuneration of Executive Directors compared with a panel of peers;
- a link between remuneration and performance for Executive Directors taking into account **ALD** results.

Pursuant to the law dated 9 December 2016 relating to transparency, anticorruption and modernisation of financial life known as the "Sapin 2 Law" this policy is subject to approval by the Shareholders' General Meeting. Where there is a negative vote, the Board of Directors will meet within a reasonable time limit and, in the meantime, the principles implemented in 2017 will continue to apply.

This report sets out the envisaged policy for 2018.

Pursuant to Article L 225-37-2II of the Commercial Code no variable, annual or exceptional remuneration for 2017 will be paid to Executive Directors without receiving prior approval by the shareholders.

Principles of remuneration

The object of Executive Directors' remuneration is to ensure that it attracts, commits and creates long-term loyalty for the best available talent to carry out the highest duties in the Company, while ensuring appropriate risk management and compliance. Additionally it aims to recognise implementation of **ALD** strategy over the long term in the general interest of its shareholders, customers and employees complying with the principles laid out in the Société Générale code of conduct.

This policy covers all components of remuneration and other benefits granted, where appropriate, assessing overall remuneration for Executive Directors. It ensures a balance between the various elements in the general interest of **ALD** and its shareholders.

In addition, Executive Directors' remuneration complies with:

- European Directive CRD4 dated 26 June 2013 whose purpose is to require credit institutions to implement policies and practices for remuneration which are compatible with effective risk management, **ALD** being identified on a consolidated basis as a **Material Business Unit** of the Société Générale Group. Directive CRD4 has been transposed into French law and its principles relating to remuneration have been applicable from 1 January 2014 ;
- the principles of governance for major French companies (the AFEP/MEDEF Code); and
- legislation relating to transparency, anticorruption and modernisation of financial life known as the "Sapin 2 Law"

The remuneration for Executive Directors seeks to be consistent with market practices and in particular on the sector-specific market. Proposals to review fixed and variable remuneration have been drawn up in this context.

The President's remuneration

Mr Didier Hauguel is to receive neither directors' fees nor remuneration for his appointment as President of **ALD.** However he will receive fixed and variable remuneration for his duties within Société Générale

Remuneration of the Chief Executive Officers.

Remuneration for executive directors is comprised of the following elements:
- Fixed Remuneration (FR) which recognises experience and responsibilities taking into account market practices.
- Variable Remuneration (VR) dependent on the performance for the year and the contribution made by executive directors to **ALD**'s success.

FIXED REMUNERATION

It is proposed to change annual fixed remuneration for 2018 as follows:
- **Mr Michael Masterson**, Chief Executive Officer's is to be increased from €350 000 to €375 000,
- that **of Mr Tim Albertsen**, Deputy Chief Executive Officer is to be increased from €250 000 to €280 000 and
- that of **Mr Gilles Bellemere**, Deputy Chief Executive Officer is to be increased from €180 000 to €220 000.

VARIABLE REMUNERATION

GENERAL PRINCIPLES

Variable remuneration is to be based 60% on quantitative criteria and 40% on qualitative criteria thus combining an assessment of **ALD** Group financial performance and an assessment of managerial ability.

The Quantitative Part:

For the Chief Executive Officer and for the Deputy Chief Executive Officers, the quantitative part is to be measured on the basis of four indicators in 2018. These indicators are to be:
- annual growth of the fleet,
- growth in service and financial margins (corresponding to Gross Operating Income excluding used car sales results),
- Cost Income ratio (C/I) excluding used car sales results,
- Earnings per Share

The Qualitative Part:

Qualitative targets are to be set for the next financial year in particular in relation to innovation, customer satisfaction, the quality of residual value risk management and the management of second-hand vehicles, Corporate and Social Responsibility indicators where appropriate with an employee satisfaction barometer and any other operational targets which are specific to **ALD**.

2018 TARGET AMOUNTS

Target variable remuneration proposed for 2018 are:
- €650,000 for **Mr Michael Masterson**, Chief Executive Officer,
- €380 000 for **Mr Tim Albertsen**, Deputy Chief Executive Officer,
- €180 000 for **Mr Gilles Bellemere**, Deputy Chief Executive Officer.

CEILING

Pursuant to Directive CRD4 and following authorisation by the Société Générale Shareholders' Meeting in May 2014, total variable remuneration cannot exceed of 200% of fixed remuneration for the Chief Executive Officer and for the Deputy Chief Executive Officers.

In calculating the regulatory ratio of variable against fixed, accommodation allowances are included in the fixed component.

ARRANGEMENTS FOR VESTING AND PAYING VARIABLE REMUNERATION

Using an approach aiming to strengthen the link between remuneration and **ALD** group target risk levels whilst supporting alignment with shareholders' interests and applying Directive CRD4, payment of a minimum of 40% of variable remuneration is deferred over five years.

It combines payments in cash and the grant of **ALD** shares or share equivalents, subject to achieving long-term profitability targets, enabling payments to be reduced in the events of their non-achievement.

Vesting of deferred variable remuneration is subject to performance conditions.

The deferred variable remuneration for all recipients will therefore be subject to

- reduction (*malus*) conditions (in the case of significantly reduced performance),
- **ALD** Net average Profit (being an arithmetical average), excluding own debt, over the vesting period.

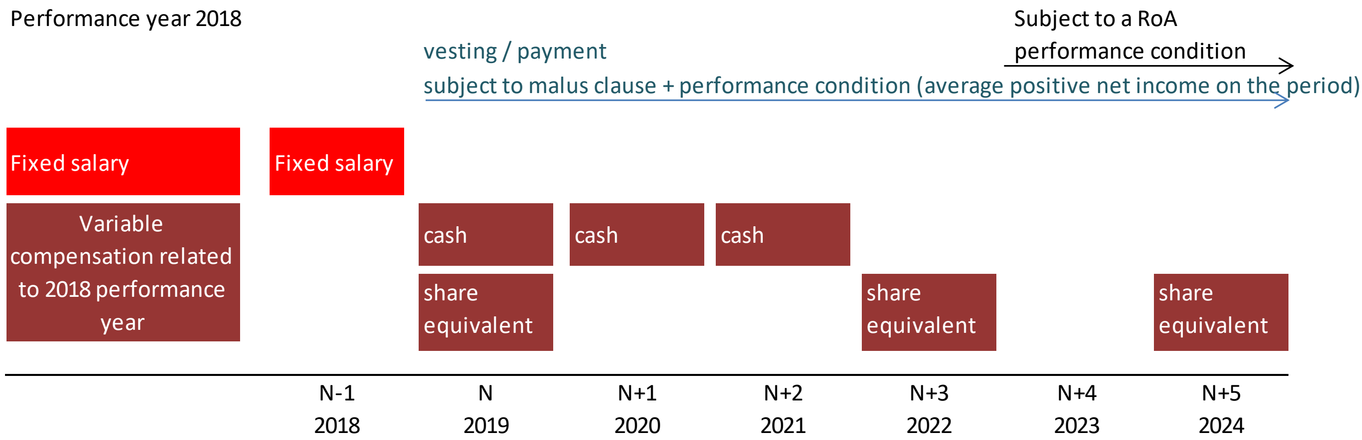
In order to align executive directors with company progress, the last instalment of deferred variable remuneration over five years, allotted in share equivalents to executive directors, will be subject to additional long-term performance conditions based on RoA (defined as being Return on Average Earning Assets - RoAvEA). Thus the whole of this instalment will only vest if **ALD** RoA is higher than 3.5% on average by over the vesting period. No share or share equivalent will vest where the average RoA over the period is lower than 3%. Where RoA is between 3% and 3.5% the COREM will make recommendations to the Board of Directors for approval of the percentage which vests.

The Board of Directors retains the right to decide to deduct non-recurring items that might affect Group profits and/or take into account any change in organisational scope.

Employees eligible for deferred variable remuneration are also subject to an individual and collective reduction (*malus*) clause enabling total or partial non-payment of deferred remuneration where excessive risks are taken and/or there is non-compliance with rules of conduct, including over obligatory holding periods.

Finally the vesting of deferred variable remuneration is also subject to a condition of presence within the Société Générale Group. The exceptions to the latter are as follows: retirement, death, invalidity with incapacity to carry out duties or decision by the Board of Directors based on conditions of departure.

TOTAL REMUNERATION - TIMETABLE FOR PAYMENTS AND DELIVERY OF SHARES/ SHARES EQUIVALENTS



Directors are prohibited from using hedging strategies or insurance for the variable part paid in financial instruments both during the vesting periods and during the holding periods.

Obligations to hold shares

Executive Directors are obliged to hold **ALD** shares as decided by the Board of Directors on 28 June 2017 on a proposal by the Appointments and Remuneration Committee.

Post Mandate Benefits

SEVERANCE BENEFITS

As the contracts of employment of **Messrs. Michael Masterson, Tim Albertsen and Gilles Bellemere** were suspended when the company was introduced on the Stock Exchange, compensation is to be paid in the event of the termination of their respective mandates by the Board of Directors. The conditions for paying this benefit are as follows:

- This benefit will only be payable in the event of simultaneous termination of their **ALD** mandate and their Société Générale contract.
- Total compensation would be two years of fixed remuneration from which any compensation payable for early termination of contract of employment would be deductible.
- No compensation would be payable in the event of resignation, non-renewal of mandate by the executive director or serious misconduct.
- Payment of compensation would be conditional upon achieving the overall achievement rate for targets for variable remuneration by at least 50%, on average, over the three financial years preceding termination of mandate; this calculation of achievement rate would be from the 2017 performance year.
- No severance benefit would be payable in the event of departure within the six months preceding liquidation of pension by the Social Security giving right to the benefit of additional retirement pension to directors.

Subject to legislative changes, severance benefit will be paid according to the arrangements for variable remuneration, that is, for that part deferred over time subject to new vesting conditions and combining payments in cash with shares or share equivalents.

NON-COMPETITION

Messrs Michael Masterson, Tim Albertsen and **Gilles Bellemere** are subject to an obligation to non-competition for a term of 24 months from the date that their duties as executive directors cease and their departure from the SG group. This clause prohibits them from creating any activity which may directly or indirectly compete with **ALD** or carrying out management duties within another company in the Long Term Leasing sector, the Management of motor vehicle fleets or Mobility Solutions in Continental Europe or the United Kingdom.

In consideration, the recipient will continue to receive fixed gross compensation equivalent to their last gross fixed monthly salary received over a term of 24 months from actual termination of their duties.

The Board of Directors will have the right to unilaterally waive implementation of this clause at the latest by the date on which duties are ceased. In this case, the executive directors will be free of all undertakings and no sum will be payable to them in this respect.

Any breach of this non-competition obligation will result in immediate payment of a sum equal to 24 months of gross fixed remuneration by them. **ALD** for its part will be released from its obligation to pay the financial consideration set out above and may, moreover, require repayment of any financial consideration which may have been paid since official finding of breach of this obligation.

CAPPING COMPENSATION

In no event will the cumulative total of severance pay and the non-competition provision for executive directors exceed the ceiling recommended by the AFEP-MEDEF Code of two years fixed and variable remuneration including, where appropriate, any other early termination compensation which may be related to the contract of employment (in particular contractual compensation for dismissal in the event of a suspended contract).

Severance pay will as appropriate be included in total variable remuneration for the year of departure which is capped at 200% of fixed remuneration for the Chief Executive Officer and for the Deputy Chief Executive Officers pursuant to Directive CRD4 and following authorisation by the Société Générale Shareholders' General Meeting in May 2014.

RETIREMENT

The contracts of employment for **Messrs. Mike Masterson, Tim Albertsen** and **Gilles Bellemere** are suspended. **Messrs. Mike Masterson, Tim Albertsen** and **Gilles Bellemere** retain the benefit of the pension schemes described below which were applicable to them as employees up until suspension of their contracts of employment.

Pursuant to legislation, annual growth in additional pension rights are conditional upon completing a career within the company and subject to the following performance condition: rights to potential annuity for any year will only vest where at least 50% of performance conditions for variable remuneration for that year are fulfilled. Where there is lower performance, no additional annuity will be applied.

ADDITIONAL PENSION SCHEME FOR DIRECTORS

This additional scheme which was set up in 1991 pursuant to the provisions of Article L 137-11 of the Social Security Code, allocates an overall pension equal to the total of the following two terms, to non-classified directors appointed from that date, on the date that their Social Security pensions are liquidated:

- the average over the past 10 years of their career of the fraction of fixed remuneration exceeding the AGIRC, the additional pension scheme for executives “Tranche B”, increased by variable remuneration of up to 5% of fixed remuneration;
- a rate which is equal to the percentage of number of years seniority within the Société Générale and 60, being potential rights of 1.67% per annum, total seniority not to exceed 42 years.

From this overall pension AGIRC “Tranche C” retirement pension, for their employment within the Société Générale, is to be deducted.

The additional allocation for which the Société Générale is liable is increased for beneficiaries having raised at least three children and for those who take their retirement after the legal age of liquidation of their Social Security pension. It may not be lower than one third of the value of service at full rate of AGIRC “Tranche B” points acquired by the party in question since their appointment in the Société Générale Non-Classified category.

Rights are subject to the employees’ presence in the company at the time that the retirement pension is liquidated.

Each year potential annuities are calculated on the basis of seniority and projected salary at the time of retirement on actuarial hypotheses. They are refinanced with an insurance company.

THE VALMY PENSION INSTITUTION SCHEME

This defined contributions scheme established under Article 83 of the General Taxation Code was set up in 1995. Contribution is obligatory for all employees having more than one year of seniority in the company and enables beneficiaries to acquire annual rights to a deferred annuity of 0.1% of their remuneration capped to 2 Social Security Annual Ceilings. This scheme is financed 1.5% by the company and 0.5% by the employee. It is administered by the Valmy Pension Institution.

OTHER BENEFITS FOR EXECUTIVE DIRECTORS

Executive Directors have a company car for business use which they may use privately and a benefit contract covering health and death and invalidity insurance which are aligned to those for staff.

Additionally, **Messrs. Michael Masterson** and **Tim Albertsen** receive an accommodation allowance.

THE APPOINTMENT OF NEW EXECUTIVE DIRECTORS

Generally the components of remuneration and the structure set out in this remuneration policy also apply to any new Executive Director who may be appointed during the period over which this policy applies taking into account their scope of responsibility and professional experience. This principle will also apply to other benefits offered to Executive Directors (additional retirement pension, benefits contracts etc.)

Therefore it is the responsibility of the Board of Directors to determine fixed remuneration meeting these characteristics which are consistent with those for current Executive Directors and practices in comparable European financial establishments.

Finally, where the latter is not an entity of the Société Générale group they may receive compensation on taking up a position to compensate, where appropriate, for the remuneration which they may have given up when leaving their previous employer. This remuneration will vest over a period of time and be subject to the completion of performance conditions which are similar to those applied for deferred variable remuneration payable to Executive Directors.