

LAST UPDATE OCTOBER 2007

POLICIES FOR MANAGING CONFLICTS OF INTEREST IN CONNECTION WITH INVESTMENT RESEARCH

1. Scope

The policy explains the measures adopted by Société Générale (“SG”) for the purpose of ensuring that investment research produced in Europe by our investment analysts is impartial.

It is our intention that all of SG’s published investment research should be impartial, that is, that the research should be written objectively, independent of any influences which might sway the judgement of the writer. There will be times, however, when independence cannot be guaranteed because of circumstances such as remuneration, the location of the writer or the timing of the publication. Investment research published under such circumstances, where the objectivity cannot be guaranteed, will be clearly distinguishable from “independent” research. Such non independent research is a marketing material even if it contains a research recommendation (« recommandation d’investissement à caractère commercial »).

The investment research referred to within this policy relates to research which is published or distributed where either:

- (a) SG holds the research out (in whatever terms) as being an objective or independent assessment of the value or prospects of its subject matter; or
- (b) it is reasonable for those to whom the firm has published or distributed the research to rely on it as an independent assessment of the value or prospects of its subject matter.

This independent investment research will be labelled as follows and will be prepared by a person designated by SG as an Investment Analyst who will be acting in accordance with this policy.

- Equity Research
- Credit Research
- Economic Research
- Quantitative research

In certain circumstances it will be appropriate to include within the independent research, extracts from “non-independent” SG research.

This will only occur where Research Management is satisfied that this does not pose any conflict of interest or the independence of the analyst preparing the independent research is not compromised. In all such cases:

- a) the material will have been previously published, or will be published simultaneously with the independent research;
- b) the source of the material will be properly attributed within the article; and
- c) the relevant section will be clearly identified as not having been prepared in accordance with this policy

2. Introduction

Investment research is an important service provided by SG to institutional investors. All research must be prepared diligently and distributed in compliance with applicable laws and the policies and procedures of SG. There must be a demonstrable reasonable basis underlying each recommendation, conclusion and statement set forth in any investment research SG distribute. All comments and opinions should be objective and credible and devoid of actual and potential conflicts of interest.

Investment research will be prepared in an environment which ensures that investment analysts producing the research are free from the influence of conflicting business interests. The policy explains the systems and controls for the identification, elimination, avoidance, management or disclosure of conflicts of interests faced by investment analysts in preparation of investment research.

3. Conflicts

SG's senior management are responsible for reviewing the mechanisms used for identifying and managing conflicts and also need to be satisfied that the management techniques adopted by SG are appropriate. Pursuant to French and UK regulation, SG research management are responsible, vis-à-vis the AMF (Autorité des Marchés Financiers) and FSA (Financial Services Authority), for the production and distribution of research. In this respect, the Heads of Investment Research, under guidance from Compliance, ensure that the work of investment analysts is not influenced by the relations that the Bank has with issuers or by their own relations with issuers.

The types of conflicts that will be considered by senior and research management are those conflicts which can exist between recipients of SG's investment research and SG's corporate finance clients and SG's investment clients, between SG's clients and SG's own interests (such as its proprietary trading and corporate finance activities) including those of its affiliates, and the conflicts that may arise between the personal interests of SG's officers and employees and the interests of SG's clients.

4. Controls on dissemination of information

SG operates controls and procedures for ensuring that confidential material and other non-public information is disclosed only to those who need to know that information for the performance of their functions for SG and its clients.

Controls and procedures include:

- information barriers (Chinese Walls) restricting the flow of material confidential or other non-public information between different parts of SG,

- restrictions on the disclosure to personnel outside the research department of the intended timing of, or the material investment conclusions in, a pending research report,
- restrictions on the trading activity of any persons outside the research department who do receive knowledge of these matters.

Non-research personnel (except legal and compliance personnel) are not permitted to review analysts' reports before publication.

Issuers are permitted to review investment analysts' investment research prior to publication for review of factual accuracy only. Executive summary, valuation, target price and fair value are removed from any draft sent for review. Any factual changes made by the issuer will be tracked and require senior research management approval.

5. Supervision and remuneration of Investment Analysts

Investment analysts, are not supervised by, and do not report to, investment banking personnel or personnel involved in the firm's sales and trading activities.

Decisions on coverage, content and timing of investment research are made by research personnel and authorised by research management. In making such decisions, management may consider input from various sources, including managers of the firm's sales, trading and investment banking departments.

Investment analysts' remuneration is determined exclusively by the management team in the research department and firm management. No investment banking or other non-research personnel may have any input into such decisions.

Investment analysts' remuneration is not directly linked to specific investment banking transactions, but may be related to the firm's overall results or to an aggregated result which includes investment banking transactions.

Investment banking personnel are not permitted to perform or contribute to evaluations of investment analysts. Similarly, decisions to hire, dismiss, reward or discipline investment analysts may not be made by investment banking personnel.

6. Analysts' Personal Interests and Personal Account Dealing

Investment analysts and other research professionals are prohibited from holding and trading in securities or related derivatives of issuers in the sector of the issuers upon which they produce investment research.

Investment analysts and other research professionals are required to comply with the firm's rules on personal account dealing, which include requirements for pre-clearing by Compliance of proposed dealings.

Investment analysts are not permitted to take board positions on, or otherwise be associated with, issuers whose securities they cover.

7. Analysts' Activities

Investment analysts are restricted from roles which could prejudice, or appear to prejudice, the independence of their research or conflict with their duties to the recipients of their research, but are otherwise free to use their expertise for the benefit of the firm's clients and, subject to certain restrictions described below designed to reinforce their independence of judgement, for the benefit of the firm itself. Accordingly SG's policy does not permit;

- (a) using an investment analyst in a marketing capacity (for example by appearing with investment bankers at sales pitches for investment banking mandates) if this would give a reasonable perception of lack of independence in the analyst's research;
- (b) an investment analyst to act in a way which reasonably appears to be representing the issuer of a relevant investment, for example at roadshows relating to issues or allocations of investments.

This does not however entail a general restriction on contacts between analysts and investment banking or sales and trading employees, or between analysts and investment or corporate finance clients of the firm, but all these contacts are subject to strict guidelines including prior agreement of research management and, in some circumstances, compliance. Accordingly analysts may become involved in activities where SG is satisfied that the activity will not affect the independence of the research produced by the analyst or SG is satisfied that any potential conflict of interest has been appropriately dealt with.

In consequence SG does not preclude investment analysts from maintaining an active dialogue with sales and trading personnel, just as they do with investor clients, provided that they do not disclose the timing or content of forthcoming research reports or disclose or receive material non-public information.

8. Inducements

Analysts are not permitted to accept any remuneration or other benefit from an issuer or any other party.

Analysts are not permitted to offer or accept any inducement for the production of biased research, including the selective disclosure by an issuer of material information not generally available.

These restrictions do not preclude the acceptance of reasonable corporate hospitality in accordance with the firm's general policies on entertainment, gifts, hospitality etc.

9. Dissemination of Research

Research reports are made available to all relevant recipients at the same time and under no circumstances are the Bank's internal departments given any priority, particularly the sales teams and the proprietary traders.

Where SG has a significant role in an offering of securities, in addition to complying with any restrictions imposed by applicable law, SG may restrict the publication of

investment research relating to the issuer (and potentially on companies related to it), or the inclusion of opinions and/or recommendations relating to the issuer or its related parties, for a period before and after the offering, in order to avoid any confusion between its research and the prospectus and other offering documentation or perception that the research would not be objective. The decision whether to impose such a restriction and, if so, the nature, timing and length of restriction appropriate will be made by the Compliance Department, sometimes in conjunction with external legal advisers, and will depend on the circumstances of the offering.

SG may impose similar restrictions after the announcement of a significant merger, acquisition or restructuring on which it is advising, with respect to its research on the bidder or target (and their respective related parties) or both.

Investment research prepared and disseminated by SG investment research departments is not intended for private customers and such persons should not rely on this material. SG investment research may be received by persons beyond the institutional investor client base for whom it is primarily intended. Such persons should not rely on these materials to make any trading decision.

10. Disclosures

In accordance with AMF and FSA regulation, SG will disclose any factors that may restrict the independence of the analyst including:

- major shareholdings exceeding public thresholds that exist between SG and the issuer which is the subject of the research;
- a statement that SG is currently party to any agreement with the issuer relating to the provision of investment banking services, provided that this would not entail the disclosure of any confidential information;
- a statement that SG has been lead manager or co-lead manager over the previous 12 months in any publicly disclosed offer of financial instruments or has been acting over the previous 12 months as advisor to the issuer in any publicly disclosed financial operation;
- a statement that SG is a liquidity provider;
- The reasons for termination of coverage where applicable.

In addition all research will carry the analyst's self-certification that (i) the views expressed in the research report accurately reflect his or her personal views about any and all of the subject securities or issuers, and (ii) no part of his or her compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views expressed in this report.