

SCOR SE

Time for the Board to be accountable to Shareholders

Vote AGAINST #5 Compensation Report of Corporate Officers

AGAINST #6 – Chairman Remuneration Report & #9 Remuneration Policy

AGAINST #21 Reelection of Fields Wicker-Miurin (Chair of Compensation Committee & member of the Nomination Committee)

2023 Annual General Meeting



May 2023

CIAM: Committed to Improving Governance



A Paris based asset manager founded in 2010 that uses equity-based investment strategies to generate returns from its global approach to corporate events and using engagement as one of several tools to unlock shareholder value, where appropriate. CIAM donates 25% of its annual performance fees to charities dedicated to improving children's health and education across the world.

Our Investment in SCOR

Since 2018, CIAM has voiced concerns, both privately and publicly, with the **aim of transforming SCOR's governance to allow it to reach its full corporate value potential**. Several of CIAM's concerns raised have materialized year-on-year, especially surrounding succession planning at SCOR. A brief summary of our concerns raised are highlighted below:

2019

[CIAM](#) criticized the combined CEO/Chair positions and executive compensation, already arguing SCOR needed an independent Chairman, **CIAM filed a proposal** to remove Denis Kessler as a Director, which received c. 26% support.

2020

[CIAM](#) **stressed the need for a clear succession plan** for the CEO with a governance not fit for challenge.

2021

Following a calamitous succession, [CIAM reiterated its serious concerns](#) regarding the grip of Denis Kessler on a lenient Board. CIAM **requested the formal commitment** that Denis Kessler will be Chairman for a transitional period only (until the 2022 AGM) and the search for an independent Chairman. CIAM recommended to hold the members of the Compensation & Nomination Committee accountable for the poor remuneration practices, the succession and the lack of Board responsiveness.

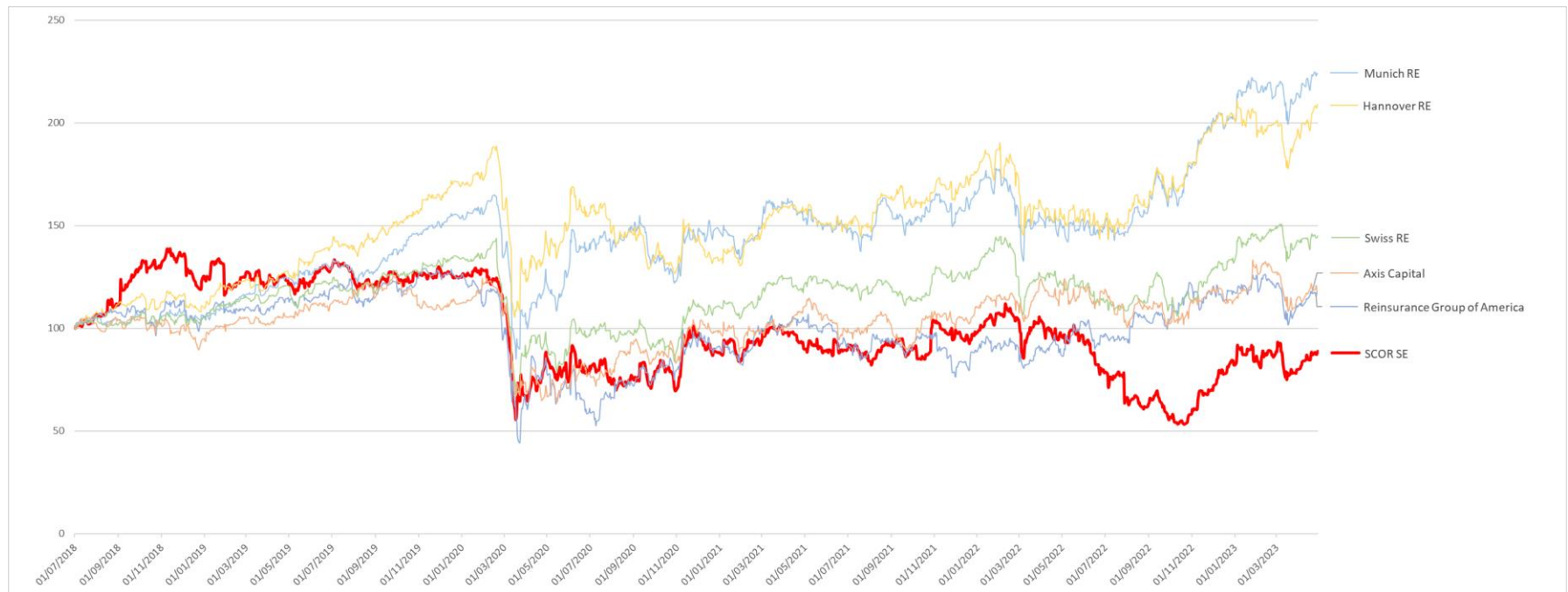
2022

[CIAM](#) urged shareholders to reject the amendment of the company's articles, that raised the Chair's statutory age limit to 72 – **a blatant move to preserve the position of Denis Kessler**.

Appalling Performance...

SCOR has consistently and substantially underperformed peers

Performance of Reinsurers as of April 27th 2023
Base 100 at July 1st 2018 before Covéa's offer



... is enabled by Broken Governance

Proxy Advisors have continually expressed strong discontent with SCOR's pay, governance, and performance.

	2019	2020	2021	2022
	ISS & GLASS LEWIS	GLASS LEWIS	ISS & GLASS LEWIS	ISS & GLASS LEWIS
Remuneration of Chair and CEO	AGAINST	AGAINST	AGAINST	AGAINST
Remuneration Policy (Chair and CEO)	AGAINST	AGAINST	AGAINST	n/a
Amend Article 14: Age Limit of Chair	n/a	n/a	n/a	AGAINST ¹

GLASS LEWIS

"[W]e are pointedly concerned that the Company's relatively sudden and poorly explained board-level and C-suite turbulence is principally the self-inflicted result of what appears to be fairly poor succession architecture.

"**Glass Lewis has been voicing concerns** about the chair and CEO's remuneration quantum through our say-on-pay recommendations **since** the implementation of say-on-pay votes in France in **2014**. This year is not an exception."

Analysis Reports for 2021 AGM

ISS

LTIPs are not pro-rated at vesting despite Mr. Kessler stepping down as CEO

A vote for is warranted although the following concern is raised: The proposal appears specifically aimed at prorogating the Chairman's personal role in the company while **the board organization does not follow best practice.**

Analysis Reports for 2022 AGM

Lack of Trust leads to Value Depreciation

¹ Only Glass Lewis recommended AGAINST.

Shareholders have consistently shown discontent with the Company

Proposal	2018	2019	2020	2021	2022
Approve Compensation of Chair & CEO	79.10%	54.50%	78.00%	55.60%	58.4%
Approve Remuneration Policy of Chair & CEO	88.10%	54.60%	68.90%	63.20%	n/a
Amend Article 14: Age Limit of Chair	n/a	n/a	n/a	n/a	77.1%



*[AGAINST] “...we continue to **have concerns regarding the former CEO’s ability to step back fully from the CEO role and the independent oversight of the board.** A vote against is applied as LGIM expects the Board Chair to be **unquestionably independent** at the time of appointment and therefore does not support a company’s outgoing CEO taking on the role of Board Chair.” [Reelect Denis Kessler as Director, 2021 AGM]*



*[AGAINST] “... We would prefer to see the appointment of a **fully independent Chair** to the board. We have a number of concerns over the Company’s pay structure and approach during the year, namely the **choice of peer group, overreliance on non-financial metrics and pay for performance alignment**, which have led to relatively **high pay outcomes for the Chair/CEO.**” [Reelect Denis Kessler as Director, 2021 AGM]*



*[AGAINST] “...any limitation of directors’ tenure should be expressed as a number of terms the directors are allowed to serve rather than the age of individual board members. In the case of Denis Kessler, he has been director for 20 years which means nearly 7 mandates of 3 years. As such, Mr **Denis Kessler can no longer be considered as independent while AllianzGI believes it is important for the Chair to be independent**” [Approve Remuneration of Chair & CEO, 2022 AGM]*



*[ABSTAIN] “Board has **failed to demonstrate ability to effectively represent shareholders’ best interests.**” [Reelect Denis Kessler as Director, 2021 AGM]*

One Step Forward, Two Steps Back...

Regrettably, SCOR has been mostly unresponsive to shareholders' concerns, carrying out purely cosmetic improvements, while working to simultaneously undermine their effectiveness.

Cosmetic Change...	Immediately Undermined...
<p>Separation of Chair and CEO <i>(Shareholder concerns were entirely ignored until demands from regulator)</i></p>	<ul style="list-style-type: none"> • Removal of Lead Independent Director Role • Appointment of former CEO as board Chair who now seats on 3 Crucial Committees (Strategic, Nomination, Crisis Management), chairing 2 of them. Sits on Nomination Committee in charge of his succession
<p>Develop CEO Succession Plan</p>	<ul style="list-style-type: none"> • Botched Succession with five CEOs in two years. <ul style="list-style-type: none"> ○ Chair/CEO first replaced by an external Candidate - with no industry experience (B. Ribadeau Dumas) ○ Replaced by internal candidate Laurent Rousseau who has been replaced because “ <i>significant differences of opinion with the Board on the conduct of the Group's business and its strategy that prevented him from continuing his duties as CEO</i>” ○ Replaced by interim CEO François de Varenne ○ Aimed to be replaced by Thierry Léger who accepted to join at conditions he was in a position to strongly negotiate in front of a weakened Board...
<p>Develop Chair Succession Plan</p>	<ul style="list-style-type: none"> • Continual Postponement of succession • Two-time increase in Age limit • Succession process in view of 2024 vaguely described • No answer to the role on the Board of the current Chair post 2024 AGM

Need for a Real, Genuine Change in the way SCOR is governed

Executive Pay

- **Questionable performance targets** leading to strong **misalignment between pay and performance** years after years... without changes to the Company's practices while shareholders have strongly criticized the approach taken by the Board of Directors (from which the **current Chairman benefits re non-prorated past LTIP**).
- **Below market remuneration practices and disclosure level** (for instance, for the treatment and disclosure of past LTIP; the assessment of the Company's performance), questioning the ability of the Board to act in the interest of the Company's and its stakeholders.
- Chaotic Leadership succession plan leading to arguable and inconsistent remuneration decisions (such as **guaranteed severance payment for incoming CEO**).

Non-Executive Pay

- **Overly generous non-executive fees** (€2M envelope equivalent to Top 3 CAC40 Companies), impairing Directors' judgement? inconsistent with market capitalization and Company's size; resulting from inefficient Committees' functioning and composition.
- The **Chairman receives Directors' fees** (in addition to a significant fixed compensation as a Chairman).

Poor remuneration practices – Evidence of a dysfunctional Board of Directors

Should the Board finally be made accountable to feel responsible?



So far, governance crisis have badly hurt shareholders, not the Board...which remains complacent and unresponsive.

The Board of SCOR has proven its inability to take good decision for the Company: the Board is WEAK and needs a wake-up call.

There are a real accountability & responsiveness issues.

Against Item 5 – The Compensation Report of Corporate Officers, to sanction:

- The repeated leadership crisis and lack of clarity re the future governance from 2024 (Chair profile, role of Mr Kessler going forward)
- The lack of responsiveness on persistent remuneration issues
- The generous fees received by directors (€2M envelope!), one of the highest in France while SCOR is now far from the CAC Index
- The sub-optimal Governance: with too many committees (7!), with too many members in each (7 on average!)...leading us to wonder how decisions are actually being made?

VOTE
NO

Against Item 6 – Chairman Remuneration Report & Item 9 Remuneration Policy to sanction:

- A structurally weak governance
- A disproportionally high remuneration for a Chair (all in of above € 800K, 299% of the SBF 80 median according to Proxinvest), which includes Directors' fees
- And this is without considering the vesting of past LTIP plans which were not prorated when Mr Kessler left his executive position!

VOTE
NO

Against Item 21 – Reelection of Fields Wicker-Miurin – Chair of the Remuneration Committee, to sanction:

- A 9 year-tenured Director who also sits on the Nomination Committee...in charge of the successions...
- The repeated lack of responsiveness on pay: high opposition on compensation-related resolutions since 2018
- The lack of transparency & inappropriate pay to the Chair from LTIP granted when he was an executive (which were not pro-rated and now pay at high level despite the poor performance)
- The failure to demonstrate good stewardship of investors' interests regarding executive compensation practices with arrangements such as the guaranteed severance for the new CEO that risk "pay for failure"

VOTE
NO

Note: A rejection of #5 has for consequence that the fees paid to Directors are suspended until a new Policy is approved by shareholders. We believe it is only at this price that the Board of SCOR will start acting in the interests of shareholders

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