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24th March 2020

CIAM continues to alert shareholders on significant governance deficiencies at SCOR, especially regarding executive pay and expects that the Company postpone its April 17th AGM

-CIAM considers SCOR's decision to hold its AGM earlier than previous years is unjustified. A postponement would be more shareholder-friendly and would allow SCOR to focus on managing the COVID-19 impact instead of preparing for an AGM in the current context.

-CIAM highlights that only cosmetic changes have been made to the executive pay policy despite nearly half of the shareholders opposing SCOR's policy last year.

Despite the novel coronavirus ("COVID-19") pandemic, which presents complex issues for companies and their board members to address, as well as for the whole society, CIAM must continue to uphold its fiduciary duty to its clients and act in their best interests. To this end, as a shareholder of SCOR SE ("SCOR" or "the Company") holding above 1% of the share capital, CIAM feels it necessary to communicate to the Company and its shareholders the areas of significant concern which remains largely unaddressed by an unresponsive board.

Limiting Shareholders' Ability to Analyze Materials

First of all, contrary to the market practice whereby companies are taking steps to postpone their shareholder meetings or finding alternatives to facilitate shareholder participation in the current context, SCOR appears to have opted for a surprising and defensive move. **SCOR is probably the only company to have pulled its Annual General Meeting (AGM) much earlier this year, on April 17th [1],** by calling it on Friday 13th of March, just within the legal limits within French corporate law. **Such move significantly reduces the time available for shareholders to review the materials published or to engage with the Company in these testing times.**

[1] SCOR for the past 5 years held its AGM late April / early May while announcing its Q1 results

Combined Chair/CEO

CIAM had filed a proposal at SCOR's 2019 AGM calling for the separation of the Chairman and CEO roles. Although CIAM welcomes SCOR's minor step of disclosing that it may consider the separation of the Chair/CEO roles in 2021, CIAM reminds shareholders that Denis Kessler, CEO & Chairman for 18 years, will be 69 when his director mandate ends in 2021. SCOR's Bylaws require that both the CEO and/or the Chairman resign at the AGM following reaching the age of 70. **As such, CIAM asks SCOR to communicate clearly if it will appoint an independent Chair for 2021. CIAM would also like that SCOR communicate a clear succession plan for the role of CEO.**

Board Refreshment at SCOR

CIAM welcomes the appointment of Natacha Valla as a Board member as well as the non-renewal of Marguerite Bérard's mandate. Marguerite Bérard, an Executive Committee member of BNP Paribas S.A. ("BNP Paribas"), was highlighted last year by CIAM as being conflicted due to the commercial relationship between BNP Paribas and SCOR. CIAM welcomes SCOR's late partial admission to this conflict in its Annual Report when explaining the rationale for the non-renewal of Marguerite Bérard and regrets the fact that she was considered by SCOR as an independent Board member throughout her four-year tenure.

Poorly Drafted Pay Policy That Continues to Lavishly Reward Chair/CEO

CIAM is extremely disheartened with the lack of responsiveness and effort by the Compensation and Nomination Committee to consider shareholder concerns. CIAM considers the close relationship between Augustin de Romanet, dating back to their time together until the collapse of Dexia, who Chairs SCOR's Compensation and Nomination Committee, to be a potential contributing factor to this.

At last year's AGM, **a very clear signal** (only c. 55 percent of participating shareholders supported the policy and remuneration report) **was sent to the Board that the executive remuneration policy adopted at SCOR was not fit for purpose** by delivering exuberant pay for the Chair/CEO without an adequate link to performance. Despite receiving year-on-year significant opposition on its executive remuneration policy and practices, CIAM notes only cosmetic changes to the remuneration policy for 2020. Meanwhile, shareholders have suffered from poor share price performance even prior to the recent COVID-19 crisis. CIAM feels obliged to remind that SCOR refused to initiate discussions with Covéa, its main shareholder, which was offering an initial EUR 43 per share c. 18 months ago.

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Shareholders will note that the concerns raised last year, unfortunately, largely remains. **The quantum offered continues to outpace SCOR's direct peers**, which SCOR tries to defend through a peer group of companies that are much larger and includes a number of US companies which are known to pay significantly more than those in continental Europe. Despite the base salary being kept at the same level for several years, **Denis Kessler's generous pension benefits has led SCOR to provision EUR 24.7 million based on his reference compensation. He also receives Board membership fees** (amounting to EUR 76,000 in 2019), which goes against market best practice.

The Committee's disdain for structuring incentive structures that truly reward for performance is worrying. The **annual bonus and long-term equity incentive plans have paid out at near maximum levels despite SCOR not registering strong relative performance**. The annual bonus plan continues to **reward significantly for non-quantifiable objectives** and includes a provision to provide for an **exceptional bonus of 25 percent**. For a company operating in the Financial services sector, **the level of sophistication on the Environmental, Social, and Governance (ESG) criteria incorporated within the bonus plan is worrying.** There is **no clear forward-looking quantitative ESG priorities set for 2020,** including on the topics ranging from **climate change** to **gender equality**. The Committee appears to be focusing on reducing carbon emissions from offices and car travel and not on **emissions caused by air travel** (which accounts for 83% of SCOR's carbon emissions and has been increasing steadily since 2012). We sadly do not observe anything in SCOR's public documents that aims to stop or even reduce emissions caused by air travel. **Carbon offsetting should not obscure SCOR's primary objective, which is the reduction of its own emissions and to set real, quantifiable and engaging objectives.**

For equity awards, the choice of performance measures and targets set is problematic. **SCOR continues to choose the same performance measures** (i.e. ROE and Solvency) **for equity awards as the bonus plan,** rewarding Denis Kessler twice for the same performance ("double-dipping"). As for the targets set, whilst SCOR insists strongly that the vesting schedule for the ROE element has been "improved", CIAM does not view it as a significant improvement given it pays approximately as much as it would have under the previous plan for 2019. **The Committee continues to reward for below median performance, a relative Total Shareholder Return (TSR) measure** has been introduced whereby **vesting occurs for positioning in sixth place out of only eight companies,** which is wholly unacceptable and confirms that the Compensation and Nomination Committee completely disregards shareholder concerns.

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Considering the lack of meaningful steps taken by SCOR on executive pay, **CIAM will have to continue to vote AGAINST both Denis Kessler's remuneration report (item 5) as well as the policy (item 7) for 2020.**

Concluding Thoughts

CIAM is fully aware of the challenging times ahead but remains even more convinced that strong governance practices and disclosures will enable companies to navigate the changing landscape and return to delivering value to stakeholders when the uncertainty subsides. As such, **CIAM asks SCOR to disclose further information on its succession plan and publicly clarify its position on the appointment of an independent Chair.**

CIAM will maintain its position to vote AGAINST pay-related resolutions (i.e. items 5 and 7) at the upcoming AGM, whether it is held on April 17th or at a later stage, if no amendments are made by then.

Catherine Berjal
CEO