

May 5<sup>th</sup>, 2022

Dear Shareholders,

SCOR's Board of Directors, as well as the Nomination Committee which I have the honor of chairing, have taken note of the letter that the activist fund CIAM sent to each director, as well as the letter that CIAM sent to some of the Group's shareholders.

CIAM criticizes SCOR's governance and argues that the separation of the functions of Chairman and CEO, in force since July 1<sup>st</sup>, 2021, is only apparent, with most of the power remaining in the hands of Denis Kessler.

SCOR's directors consider that the company's new governance complies with the principles set out in the Board's internal regulations available on our website. It is based on a strict balance of powers and responsibilities between the Chairman and the CEO and follows applicable recommendations and best practices in this area.

In the performance of his duties, the Chairman is assisted by a Vice-Chairman, Augustin de Romanet, who acted as lead independent director before the functions of Chairman and CEO were separated. Contrary to CIAM's assertion, the presence of a Vice-Chairman, who has significant powers, contributes to the good governance of SCOR, and his role is essential in the functioning of the Board and its Committees.

You will find attached a document responding to all the points raised by CIAM, which has been published on the company's website under the heading "2022 General Meeting".

**Directors consider that CIAM's assertions are unfounded and do not reflect the reality of the work carried out within the Board and its governing bodies.**

**Directors also consider that CIAM's assertions are in fact only intended to defeat the proposal to extend the Chairman's age limit to 72, which the Board has unanimously submitted to the vote of shareholders.**

**The Board of Directors, on the recommendation of the Nomination Committee, unanimously considers that, in order to ensure continuity and stability at the head of the Group, it is in SCOR's interest to continue to benefit from Denis Kessler's expertise and experience for a transitional period ending at the 2024 General Meeting.**

The Nomination Committee has already started work on the succession plan in order to identify, by the end of 2023 at the latest, the person who will succeed Denis Kessler as Chairman of the Board at the 2024 General Meeting.

This entire process will be conducted in accordance with best practices in terms of governance.

**The entire Board of Directors reiterates its recommendation to the Group's shareholders to vote in favor of the proposed resolution to amend the articles of association at the General Meeting on May 18, which extends the age limit of the Chairman of the Board to 72.**

Yours faithfully,



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Fabrice Brégier  
Chairman of the Nomination Committee of SCOR

*Enclosed: Detailed answers to the points raised by CIAM (French and English)*

## COMMENTS ON CIAM'S LETTER OF APRIL 15, 2022

On April 15, 2022, Catherine Berjal and Anne-Sophie d'Andlau, CEO and Deputy CEO of CIAM, respectively, sent a letter by email to the members of SCOR's board of directors in which they criticized the board's proposal to increase the maximum age for exercising the role of chairman by two years.

They presented a certain number of arguments that are inaccurate or unfounded, as commented below:

CIAM's criticism	SCOR's comments
<p>This draft resolution is designed specifically to keep Mr. Denis Kessler, who turned 70 years old on March 25, 2022, in his position as chairman. In our opinion, this resolution shows a governance subservient to Mr. Kessler and concentrated in his hands.</p>	<p>While this change in the articles of association is indeed motivated by the board's desire to <i>"ensure a period of transition, stability and continuity"</i> (see the report of the board on the draft resolutions), it is not specific to Mr. Kessler. The new age limit will apply to any chairman of the board of directors.</p> <p>In addition, SCOR's corporate governance is neither subservient to Mr. Kessler nor concentrated in his hands. The allocation of powers between the chairman of the board and the CEO is standard practice and is stipulated in the internal regulations of the board of directors, and is compliant with applicable laws and regulations, as well as with the recommendations of the AFEP-MEDEF code.</p>

CIAM's criticism	SCOR's comments
<p>The role of lead independent director was eliminated and taken over by the chairman, a situation which is unprecedented in France for a former CEO who has become a non-independent chairman.</p>	<p>The AFEP-MEDEF code, to which SCOR adheres, specifies that <i>"the Board may appoint a Lead Director from among the independent directors, particularly when it has been decided to combine such offices."</i></p> <p>In accordance with these recommendations, SCOR had appointed a lead independent director while Mr. Kessler was CEO.</p> <p>When the functions of chairman and CEO were separated, the internal regulations of SCOR's board of directors were updated. The lead independent director was replaced, <u>not by the chairman</u>, but by a vice-chairman, who has powers equivalent to those of the lead independent director (taking into account the changes related to the separation).</p> <p>The vice-chairman is appointed <i>"when the functions of chairman of the board of directors and CEO are not separated or when the chairman of the board of directors is not an independent director"</i>, which is the case for Mr. Kessler.</p> <p>Augustin de Romanet currently exercises the role of vice-chairman, and he was previously the lead independent director.</p> <p>Under the new, separated corporate governance, the role, tasks and responsibilities of the vice-chairman are identical to those of the previous lead independent director: he or she i) may add any item to a board meeting agenda, ii) manages conflicts of interest, iii) is responsible for board assessment, iv) replaces the chairman of the board of directors in the event of the latter's temporary unavailability or death, etc.</p>
<p>The chairmanship of the non-executive directors' session has been transferred to the chairman. That Mr. Kessler, former CEO of the company and a non-independent director, should take on the role of chairman of this session seems contrary to its purpose, which is in particular to deal with conflicts between the board and the management team or non-adherence to the code of corporate governance.</p>	<p>As a reminder, the non-executive directors' session is composed of all non-executive directors, i.e., all directors except for employee directors and executive corporate officers of the Company (or of a company consolidated within the Company).</p> <p>All non-executive directors are admitted to the session, whether they are independent or not (it is not a session of independent directors). As such, that the chairman is not independent has no impact on his capacity to take part in, and even to chair, this session.</p> <p>Finally given the tasks of the non-executive directors' session (providing assistance to the chairman and vice-chairman), it seems natural that the session should be chaired by the chairman.</p>

CIAM's criticism	SCOR's comments
<p>When the former compensation and nomination committee was split, the powers of the nomination committee, of which Mr. Kessler is now a member, were strengthened, to the detriment of senior management's powers. For example, this committee has granted itself the power to examine the composition of the executive committee and to suggest a succession plan for its members.</p>	<p>Firstly, the compensation and nomination committee was split in order to allocate sufficient time to the important topics the two committees must handle. This was done in an effort to achieve good corporate governance, and corresponds to the market's best practices.</p> <p>The nomination committee's tasks are determined by the board of directors – not by the committee itself (it does not grant itself any powers).</p> <p>Its powers cannot exceed those of the board, which in turn do not encroach on those of the CEO.</p> <p>Concerning the composition of the executive committee, the role of the nomination committee is limited to "making recommendations to senior management on the appointment and dismissal of members" – which is natural, given the strong ties between the Group's board and its management.</p> <p>With regard to succession, the nomination committee is indeed in charge of issuing succession plans for corporate officers and the Group's principal executives, <u>i.e., persons effectively running the company appointed by the board (in accordance with the French Insurance Code)</u>.</p> <p>The succession plan for the other members of the executive committee is presented to the nomination committee for information only. It is issued by senior management, acting on its own.</p>
<p>The succession of the chairman is moreover not mentioned in the activities of the nomination committee, even though this is central to its mission and is a highly strategic topic for SCOR SE.</p>	<p>The internal regulations of the board stipulate: <i>"The vice-chairman is called to replace the chairman of the board of directors in case of temporary impediment or death."</i></p> <p>Concerning the succession of Denis Kessler in 2024, the board specified, in its report on the draft resolutions featured in the SCOR 2022 Shareholders' Meeting Brochure, that the <i>"extension of the age limit would take place in parallel with the start of work by the Nomination Committee on the succession plan for the Chairman of the Board of Directors"</i>.</p>

CIAM's criticism	SCOR's comments
<p>Your board shows a severe lack of initiative and is presenting shareholders with a "fait accompli" by proposing another mandate extension for Denis Kessler, who has already been chairman for almost 20 years.</p>	<p>It is contradictory to say that the board is <i>"presenting shareholders with a "fait accompli" by proposing another mandate extension for Denis Kessler"</i>.</p> <p>The board simply proposes - it's the shareholders who must decide by voting in favor with a majority of two thirds of the votes cast (this being an amendment to the articles of association).</p> <p>If this resolution were to be rejected by the shareholders, Mr. Kessler would be deemed to have resigned, and the board of directors would meet at the end of the shareholders' meeting, under the chairmanship of the vice-chairman, in order to appoint a new board chairman, acting on the recommendation of the nomination committee.</p>
<p>The fact that the renewal of Denis Kessler's mandate as a director until 2024 was approved during the 2021 shareholders' does not imply that he should remain chairman until that date.</p>	<p>The board's report on the draft resolutions of the 2021 shareholders' meeting makes it perfectly clear that the renewal of Denis Kessler's mandate as a director was proposed so that he could remain (non-executive) chairman of the company.</p> <p>This is moreover what the investors met with over the past few months have understood.</p>
<p>The chairmanship of the strategic committee has been transferred to the chairman of the board, and the powers of this committee have been strengthened to the detriment of senior management, since the threshold for M&amp;A transactions requiring its approval has been cut in half (from EUR 100 million to EUR 50 million).</p>	<p>Once again, given the tasks of the strategic committee, which merge with the key missions of the board (drawing up the Group's strategy), it is natural that this committee should be chaired by the chairman of the board.</p> <p>Concerning transactions that must be authorized by the board prior to their implementation by senior management, it should be noted that, under French law, the board decides; the strategic committee simply makes recommendations.</p> <p>Concerning the threshold, it has been lowered to take into account the profile of the new CEO, who has less experience than Denis Kessler, and the challenges that the Group is facing. <u>A lower threshold enables the board to monitor the Group's strategic transactions more closely.</u> The threshold may be revised over the coming years.</p> <p>Moreover, the reality of corporate life means that such topics are discussed with the board independently of a formal threshold.</p> <p>The adjustment of EUR 50 million reflects this fact, which has been the situation for several years.</p>

CIAM's criticism	SCOR's comments
<p>The chairman controls all of the board's many committees, since the annual report specifies that he: <i>"can attend all Board committee meetings and add any subject to the agenda."</i></p>	<p>The powers of the chairman of the board are set out in the internal regulations of the board, available on SCOR's website.</p> <p>These regulations specify that the chairman may attend all board committee meetings and add any subject to the agenda.</p> <p>These provisions are both common and appropriate: <u>the chairman of the board has a transversal vision of the Group's activity</u>, and sets the board's agenda so that the board is aware of subjects which, in the interests of good governance and compliance with the internal regulations, must be reviewed in advance by the board committees.</p>
<p>Most importantly, it is specified that the chairman may represent SCOR SE <i>"in its high-level relations, particularly with major clients, public authorities and institutions on national, European and international levels."</i></p> <p>This remit, although supposedly fulfilled <i>"at the request of the Chief Executive Officer"</i>, leads to interference by the chairman in the powers of senior management, which is alone authorized to represent the company in its relations with third parties.</p> <p>This option seems to have been widely used, since the annual report specifies that the chairman has <i>"met with numerous clients, investors, and shareholders"</i> of SCOR SE.</p>	<p>It is desirable for the chairman of the board of directors to meet with stakeholders: shareholders, institutions, clients, etc.</p> <p>Such meetings by the chairman are conducted with the agreement and cooperation of the CEO, in the interests of the company.</p> <p>Denis Kessler is actively involved in numerous professional associations within the (re)insurance sector. For example, he is chairman of the Reinsurance Advisory Board, as well as being a member of the Board of the Geneva Association, a member of the Global Reinsurance Forum, and a member of the Steering Committee of the Insurance Development Forum (which is a partnership between the (re)insurance industry, the UN, the World Bank and other international institutions).</p>