CHAIRMAN’S REPORT ON INTERNAL CONTROL PROCEDURES

(ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE)

In accordance with the provisions of article L.225-37 of the French Commercial Code, this report serves to set forth the composition of the Board of Directors and the implementation of the principle of balanced representation of women and men among its members, the terms and conditions for the preparation and organization of the work of the Company’s Board of Director’s, in addition to the internal control and risk management procedures that have been implemented by the Company.

March 5, 2013

For the Board of Directors
Chairman and Chief Executive Officer

SCOR SE
Societas europaea
With share capital of
EUR 1 516 681 107,50
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REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with the provisions of article L.225-37 of the French Commercial Code, this report serves to set forth the composition of the Board of Directors and the implementation of the principle of balanced representation of women and men among its members, the terms and conditions for the preparation and organization of the work of the Company's Board of Director's, in addition to the internal control and risk management procedures that have been implemented by the Company.

This report has been approved by the Board of Directors on 5 March 2013.

It has been incorporated in the 2012 Registration Document of SCOR SE ("SCOR") which is available on the Company's web site (www.scor.com) and on the AMF web site (www.amf-france.org).

During its meeting on 12 December 2008, the Company's Board of Directors designated the consolidated corporate governance code listed corporations of the AFEP-MEDEF (Association Française des Entreprises Privées – Mouvement des Entreprises de France) of December 2008 and updated in April 2010 as its reference code, according to the implementation of this law on 3 July 2008 (act no.2008-649 aimed at providing various provisions regarding the adaptation of French company law with the European Community law changing articles L. 225-37 and L. 225-68 of the French Commercial Code).

Details of this code can be found on the Company's website www.scor.com or alternatively on MEDEF's website www.medef.fr.

I. Terms and conditions for preparing and organizing the work of the Board of Directors

As at the date of the Registration Document the Board of Directors is composed of 12 Directors: Denis Kessler, Chairman of the Board, Gérard Andreck, Peter Eckert, Charles Gave, Kevin J. Knoer(employee representative), Daniel Lebègue, Monica Mondardini, Guillaume Sarkozy (as representative of Malakoff Médéric Group), Guylaine Saucier, Jean-Claude Seys, Claude Tendil and Daniel Valot, and one non-voting Director: M. Georges Chodron de Courcel. Amongst these 12 Directors, 10 are independants: Gérard Andreck, Peter Eckert, Charles Gave, Daniel Lebègue, Monica Mondardini, Guillaume Sarkozy (as representative of Malakoff Médéric Group), Guylaine Saucier, Jean-Claude Seys, Claude Tendil and Daniel Valot.

The experience and competences of the Directors and the Non-Voting Director are very varied. In addition to the Chairman of the Board, 5 of the Directors listed, work or have worked at a high level within the insurance industry. 2 Directors and the non-voting Director practice or have practiced at a high level in the financial and banking industry, one director from the media industry and finally, the main activity of 3 of them is to be directors of companies. The Board benefits from international experience with Board Members practicing their functions in Switzerland, Italy, United States, Canada and Hong Kong.

(a) Assessment of the Board of DirectorsPursuant to the recommendations stated by the government code AFEP-MEDEF, an assessment of the Board of Directors was conducted in september - october 2012 by the external consultant Spencer Stuart.

All of the Board members were heard and the main conclusions arising from their assessments were presented during the Non-executive Directors Session, held on 30 October 2012. The following points emerged from this analysis:

- The directors' assessment of the Board was globally very positive:
  - 2/3 of the directors said that the governance of the SCOR Group was better than in the other boards on which they sat;
  - 85% of the directors thought that the functioning of the Board had improved;
  - The organisation of work, the functioning of the Board and the associated documentation were all declared to be of a high standard;
  - The work conducted by the Board Committees and the areas dealt with by the Board were declared to be very comprehensive;
  - The composition of the Board was deemed balanced and appropriate.
- A number of improvements were also proposed and adopted:
  - An annual Strategic Seminar will be organised;
  - The Audit and Risk Committee meetings should be longer.

(B) COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors' composition is guided by the following principles:

- Application of the best in class corporate governance practices;
- An appropriate number of Board members in order to allow meaningful individual participation;
- A majority of independent Directors, pursuant to criteria adopted by the Board of Directors based on those set forth in the AFEP-MEDEF corporate governance code of listed corporations. The Audit, Risk and Compensation and Nomination Committees are fully composed of independent directors;
- Diversity of expertize. In addition to experts drawn from the insurance and reinsurance sectors, the Board of Directors has more members representing the world of banking, asset management and industry;
- An international perspective, with Directors from Italy, Canada, United States, Hong Kong and Switzerland, and directors with extensive international experience;
- A higher rate of female Board members pursuant to French law, which states that, as at 1 January 2014 and 1 January 2017, 20% and 40% of Board Members, respectively, must be women ; and
- An in-depth evaluation, every three years, of the functioning of the Board of Directors and an update in each intervening year.
- An Internal Charter amended by the Board of Directors on 2 November 2005, on 4 July 2006, on 4 November 2010, on 4 May 2011 and on 19 March 2012. The main provisions of the Internal Charter are provided below.

A list of the members of the Company's Board of Directors in 2012 features in the table below

Name	Age	Citizenship	Date of 1st appointment	End of duty	Renewal dates
Denis Kessler, Chairman of the Board	60	French	04/11/2002	2017	04/05/2011
Gérard Andreck	68	French	18/03/2008	2013	04/05/2011
Peter Eckert	68	Swiss	15/04/2009	2015	04/05/2011
Kevin J. Knoer (2)	56	American	03/05/2012	2014	N/A
Charles Gave	69	French(4)	04/05/2011	2013	N/A
Daniel Lebègue	69	French	15/05/2003	2013	04/05/2011
Monica Mondardini	52	Italian	28/04/2010	2014	N/A
Luc Rougé (1)	60	French	24/05/2007	2012	04/05/2011
Guillaume Sarkozy (3)	61	French	15/04/2009	2017	04/05/2011
Guylaine Saucier	66	Canadian	04/05/2011	2015	N/A
Jean-Claude Seys	74	French	15/05/2003	2013	04/05/2011
Claude Tendil	67	French	15/05/2003	2017	04/05/2011
Daniel Valot	68	French	15/05/2003	2015	04/05/2011
G. Chodron de Courcel, Non voting Director	62	French	15/05/2003	2013	31/05/05-24/05/07 15/04/09-04/05/11

(1) Director whose appointment ended on 3 May 2012

(2) Directors appointed by the Annual Ordinary General Meeting of the Shareholders of 3 May 2012

(3) Guillaume Sarkozy represents Malakoff Médéric Group, member of the Board.

(4) Mr Charles Gave lives in Hong Kong

The Board of Directors is composed of 41.6% of foreigners, of 50% of Directors having a past experience in the insurance or reinsurance industry and of 83.3% of independent Directors.

Concerning the duration and the grading of the duties of the Directors, the AFEP-MEDEF Code indicates (§12):

(i) the duration of Directors' terms of office should not exceed a maximum of four years,

(ii) terms should be staggered so as to avoid replacement of the entire body and to favor a smooth replacement of Directors.

For historical reasons, the mandates of the entire Directors ended at the Shareholders' meeting held on 4 May 2011. In these circumstances, the Board of Directors chose a staggered renewal looking forward. Mandates of 6, 4 and 2 years have been proposed to the vote of the Shareholders' meeting of 4 May 2011, in order to comply with the AFEP-MEDEF Code and to progressively a system of renewal by third. The next renewals will be during the Shareholders' meeting which will be held on 25 April 2013.

At the Board of directors Meeting held on 31 March 2004, a new set of Internal Charter (the "Internal Charter") was adopted. This Internal Charter was amended by the Board of Directors on 2 November 2005, 4 July 2006, 4 November 2010, 4 May 2011 and 19 March 2012. The main provisions of the Internal Charter are provided below:

- Mission of the Board of Directors of the Company

Pursuant to the Internal Charter, the Board of Directors determines the Group's strategy of business plan, oversees the implementation of the business plan, and supervises management's administration. The Board meets at least four times a year. In accordance with legal provisions, it approves the financial statements, proposes dividends, and makes investment and financial policy decisions. The Board of Directors also determines the amount and the nature of the sureties, securities and guarantees that can be granted by the Chief Executive Officer on behalf of the Company. The Board's duties and responsibilities are set out in SCOR SE's bylaws (statuts).

- Meetings of the Board of Directors of the Company

At least five days before any meeting of the Board of Directors, the Chairman and Chief Executive Officer is required to submit a file to the Directors including all information that will allow them to participate in the discussions listed on the agenda, and notably any useful information upon the financial situation, the treasury situation and the liabilities of the Company, in a discerning and efficient manner. Furthermore, outside of Board of Directors meetings, the Chairman and Chief Executive Officer is required to submit to the Directors any information and documents necessary to complete their duties, and the Directors may submit requests for information to the Chairman and Chief Executive Officer. In addition, Directors may ask the Chairman and Chief Executive Officer to invite the principal top executives of the Company to attend Board of Directors meetings.

- Meetings held by videoconference or telecommunication

Pursuant to the provisions of Articles L. 225-37 and R. 225-21 of the French Commercial Code, the Internal Charter allows the Board of Directors to hold its meetings by videoconference or via telecommunications, providing that the identification of the participating Board of Directors members can be determined.

- Independence of Directors

The application of the notion of director independence is assessed on the basis of the following primary criteria, derived from the recommendations of the AFEP/MEDEF report. An independent director:

1. must not currently be, or have been within the last five years, an employee or corporate officer of SCOR;

   Generally, in order to be qualified as independent, a Director must not be or have been within the last five years an employee or corporate officer of a company consolidated by the parent company. However, the Group considers independent any external Director or any member of SCOR's Board of Directors as well as any member of the Board of Directors of SCOR's subsidiaries (such as SCOR Holding Switzerland, SCOR Switzerland AG, SCOR UK Company Ltd, or SCOR Reinsurance Asia Pacific Ltd) who satisfies all the other criteria shall be considered as being independent.
2. must not have received remuneration greater than EUR 100,000 per year from the Company within the last five years, excluding that received as directors' fees;
3. must not be an officer in a company in which SCOR directly or indirectly are a director, or in which an employee has been appointed as such, or in which one of SCOR's officers (currently or within the last five years) is a director;
4. must not be a significant client, supplier, investment banker, commercial banker to the Group or for which SCOR represents a significant share of the turnover. A significant share is a contribution to the turnover equal to the lesser of the following two amounts: more than 2% of SCOR's consolidated turnover, or an amount greater than EUR 100 million;
5. must not have a close family relationship with one of the Company's officers;
6. must not have been an auditor for the Group within the last five years;
7. must not have been one of SCOR's Directors for a period exceeding twelve years;
8. must not represent a shareholder of the Company owning more than 5% of the share capital or voting rights.

The following table presents the results of the review of the independence of each Director made by the Board of Directors in 2013, based on the proposal of the Compensation and Nomination Committee, with regard to the criteria stated above:

Criteria	1	2	3	4	5	6	7	8	Independent
Denis Kessler	No	No	No	Yes	Yes	Yes	Yes	Yes	No
Gérard Andreck	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Peter Eckert	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Charles Gave	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kevin J. Knoer (1)	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Daniel Lebègue	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Monica Mondardini	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Guillaume Sarkozy (2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Guylaine Saucier	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Jean-Claude Seys	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Claude Tendil	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Daniel Valot	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(1) Directors appointed by the Annual General meeting on 3 May 2012

(2) Representing Malakoff Médéric Group, Director

- Missions of the Lead Independent Director

Moreover, the Board of Directors on 4 November 2010 defined into the Internal Charter the Lead Independent Director role (the "Lead Independent Director"). The Lead Independent Director is appointed amongst the independent Directors by the Board of Directors upon proposal by the Compensation and Nomination Committee. He assists the Chairman and CEO in his duties, notably for the organization and functioning of the Board and its Committees and the monitoring of the corporate governance and internal control.

He is also in charge of assisting the Board concerning the good operation of the Company's corporate governance and advising the Board upon the operations on which the Board is convened to deliberate.

He convenes the independent Directors as often as needed and at least once a year. The Lead Independent Director of the Company chairs the Non-executive Directors Session.

Finally, he advises the Directors when they suspect being in a conflict of interest.

- Rights and obligations of Directors

Directors may receive training at their request on the specific nature of the Company, its business lines and its business sector. They agree to regularly attend meetings of the Board of Directors, committees of which they may be members, and general shareholders' meetings. Lastly, they are obligated to express their opposition when they believe that a decision of the Board of Directors is likely to be harmful to the Company.

- Accumulation of position as Director

The Internal Charter requires that candidates for Director inform the Board of Directors of the position they currently hold as director or officer in other entities in France and other countries, as the Board of Directors has the duty to ensure compliance with the rules regarding the accumulation of position as director. Once appointed, Directors must inform the Board of Directors of any appointment they hold as a company officer within a period of five days following the appointment. Finally, Directors must inform the Board of Directors of the position they have held as director in other entities during the course of the financial year within a period of one month following the end of this financial year.

Information concerning the positions held by the SCOR Directors is provided in Section 14.1.1 Information concerning the members of the Board of Directors.

- Limitations and restrictions on trading SCOR securities

The Internal Charter sets out the principal recommendations of the market authorities with regard to Directors trading the securities of their company.

First and foremost, the Internal Charter sets out the legal and regulatory provisions requiring confidentiality with regard to privileged information of which Directors could have knowledge while performing their functions.

Then, the Internal Charter requires Directors to register as owners of SCOR's equities that they themselves or their minor children are holding at the time they enter office or those acquired subsequently. In addition, the Internal Charter lays down certain restrictions on trading SCOR's securities:

- first, it is forbidden to trade in SCOR's securities while in possession of information which, when made public, is likely to have an impact on the share price. This restriction remains in effect two days after this information has been made public by a press release;

- in addition, it is forbidden to directly or indirectly conduct any transaction with regard to SCOR's securities during certain sensitive periods that the Group notifies to the Directors or during any period preceding an important event affecting SCOR and likely to influence its market price.

Lastly, Directors are required to inform the Company of all transactions conducted with regard to its securities, directly or by an intermediary, on their behalf or on behalf of a third party, by their spouse, or by a third party holding a power of attorney.

(C) PREVENTION OF RISKS OF CONFLICT OF INTERESTS

Each Director has a loyalty obligation to the Company. He or she shall not act in his or her own interest, against SCOR's interests, and must avoid any situation with risks of conflict of interests.

Through the Internal Charter of the Board of Directors, each Director undertakes not to seek or accept any function, benefit or situation from the Company or from the Group, directly or indirectly, that could jeopardize his or her independence of analysis, judgment or action, during the course of his or her functions as Director. He or she will also dismiss any direct or indirect pressure from other Directors, specific group of shareholders, creditors, suppliers or other third party.

The Board of Directors decided, in order to protect the corporate interests, to implement an internal control program to prevent risks of conflict of interest:

1. through a quarterly review by the Audit Committee of related party transactions, on which a report will be issued prior to examination by the Board of Directors;
2. through an annual review of each Director's situation, in order to analyze his or her independent status and potential existing conflicts of interests;
3. through the reinforcement of its Internal Charter, according to which any Director in a situation of conflict of interests undertake to resign from his or her position if the conflict situation is not solved;
4. through the adoption of a Code of Conduct that was communicated to all employees in 2010 and to all new hired employees. This code establishes reinforced requirements as regards the prevention of situations with risks of conflict of interests, and specifies the alert procedures ("whistleblowing"), which are reported to the Audit Committee by the Secretary General.

(D) MEETINGS OF THE BOARD OF DIRECTORS IN 2012DURING THE COURSE OF THE FINANCIAL YEAR 2012, THE COMPANY'S BOARD OF DIRECTORS HELD 6 MEETINGS ON THE FOLLOWING DATES:

- 7 March 2012
- 19 March 2012
- 3 May 2012 (2 meetings, one before the AGM and the second after it)
- 26 July 2012
- 30 October 2012

The duration of these meetings was approximately 2 to 3 hours in 2012.

The average attendance rate of the members of the Board was 91,6%.

During its meeting in 2012, the main topics which were discussed were:

- Approval of the quarterly, half-yearly, annual accounts
- Approval of the Registration Document and the Annual Report
- Risks analysis
- Solvency II project
- Group remuneration policy
- Stock allotment and subscription plan
- Assessment of the Board of Directors
- Review of acquisition plans

The following table displays the attendance of the members of the Board of Directors during 2012:

Board members	Attendance rate (%)
Denis Kessler	100
Gérard Andreck	100
Georges Chodron de Courcel, non-voting Director	83,3
Peter Eckert	100
Charles Gave	83,3
Kevin J. Knoer (2)	100
Daniel Lebègue	100
Monica Mondardini	50
Luc Rougé (1)	100
Guillaume Sarkozy (3)	83,3
Guylaine Saucier	100
Jean-Claude Seys	83,3
Claude Tendil	100
Daniel Valot	100

(1) Director whose appointment ended on 3 May 2012

(2) Director appointed by the Annual General meeting on 3 May 2012

(3) Representing Malakoff Médéric Group, Director

(E) COMMITTEES OF THE BOARD OF DIRECTORS

Since 2003, SCOR's Board of Directors has established four advisory committees to prepare the Board's proceedings and make recommendations to it on specific subjects.

1. The Strategic Committee

The Strategic Committee is composed of Denis Kessler (Chairman), Gérard Andreck, Georges Chodron de Courcel (Non-Voting Member), Peter Eckert, Charles Gave, Daniel Lebègue, Monica Mondardini, Malakoff Médéric Group (represented by Guillaume Sarkozy), Guylaine Saucier, Jean-Claude Seys, Claude Tendil and Daniel Valot (the 'Strategic Committee'), appointed by the Board of Directors and selected among the voting and non-voting members of the Board of Directors. Their term of office coincides with their term of office on the Board of Directors.

The Committee's mission is to study the development strategies and to examine any acquisition or disposal plan concerning an amount in excess of EUR 100 million.

The Chairman of the Committee may hear any employee or officer likely to provide relevant information for a clear understanding of a given point; the presence and information provided by this individual being limited to the relevant items on the agenda. The Chairman of the Strategic Committee must exclude the non-independent members of the Committee from the review of the discussions which might create an ethical problem or a conflict of interest.

On 4 November 2010, the Internal Charter of the Strategic Committee was modified by the Board of Directors.

In 2012, the Strategic Committee met on 5 occasions. These meetings lasted approximately 2 hours. Its work dealt with the whole strategy of the Group and in particular, the review of acquisition plans.

The average attendance rate of the Committee Members was 93.3%. The following table states the attendance rates of the members of the Strategic Committee in 2012:

Board members	Attendance rate (%)
Denis Kessler, Chairman	100
Gérard Andreck	100
Georges Chodron de Courcel, non-voting Director	80
Peter Eckert	100
Charles Gave	80
Daniel Lebègue	100
Monica Mondardini	60
Guillaume Sarkozy (1)	100
Guylaine Saucier	100
Jean-Claude Seys	100
Claude Tendil	100
Daniel Valot	100

(1) Representing Malakoff Médéric Group, Director

2. The Audit Committee

The Audit Committee is composed of Daniel Lebègue (Chairman), Guylaine Saucier, Jean-Claude Seys and Daniel Valot (the "Audit Committee"). Each of its members is independent. According to its Internal Charter, the Committee comprises between three and five members appointed by the Board of Directors of the Company and selected among the voting and non-voting members of the Board of Directors and, in compliance with the AFEP and MEDEF corporate governance code of listed corporations from December 2008. The term of their mandates coincides with their term of office on the Board of Directors.

Due to their past experience and the duties that they held during their career, each member of the Committee has a high level of competence in financial matters.

The Committee is responsible for reviewing the Group's financial situation, its compliance with internal policies, in addition to audits and reviews carried out by the auditors and by the internal control unit in charge of verifying the group accounts' quality and transparency.

The Audit Committee has adopted an Internal Charter, setting forth two imperative missions:

- Accounting mission, including the analysis of periodic financial statements, the review of the relevance of choices and correct application of accounting standard, the review of the accounting treatment of any material transaction, review of the scope of consolidation, review of off-balance sheet commitments, control of the selection and remuneration of statutory auditors, oversight of any accounting and financial reporting documents before they are made public;
- Ethical and internal control responsibilities. In this context, the Audit Committee is responsible for ensuring that internal procedures relating to the collection and auditing of data, guarantee the quality and reliability of the Group's financial statements. The Audit Committee is also in charge of reviewing agreements with related parties ("conventions réglementées"), analyzing and responding to questions from employees with regard to internal controls, the preparation of financial statements and the treatment of internal accounting books and records.

The Committee may consult the Chief Financial and Accounting Officer, the Chief Internal Auditor and external auditors on these issues. During the financial year 2012, it met with the auditors, the Group Chief Financial Officer (during the review of the financial statements) and the Chief of Internal Audit. The review of the financial statements has been accompanied with a presentation made by the auditors underlying the major results of their works, as well as with a presentation made by SCOR's Chief Financial Officer describing the risks exposure and its material off-balance sheets liabilities.

The Chairman of the Committee may hear any officer or employee likely to provide relevant information for a clear understanding of a given point; the presence and information provided by this individual being limited to the relevant items on the agenda. The Internal Charter of the Audit Committee, was approved by the Board of Directors on 18 March 2005 and modified by the Board of Directors on 4 November 2010.

During its four meetings in 2012, the Audit Committee discussions focused primarily on the following matters: review of the quarterly and annual financial statements, review of the internal audit report, management of the Group's debt, impact of the financial crisis upon the Group's assets, strategy plan, embedded value, impact of the litigations upon the financial statements, annual review of the work of the Audit Committees of Group subsidiaries, annual review of the Group Policies and Group Guidelines. The Audit Committee meetings lasted approximately 2 to 3 hours in 2012.

The average attendance rate of the Committee Members was 87.5%. The following chart states the attendance of the Audit Committee's members in 2012:

Board members	Attendance rate (%)
Daniel Lebègue, Chairman	100
Guylaine Saucier	75
Jean-Claude Seys	100
Daniel Valot	75

3. The Risk Committee

The Risk Committee members are Peter Eckert (Chairman), Charles Gave, Daniel Lebègue, Malakoff Médéric Group (represented by Guillaume Sarkozy as permanent representative), Guylaine Saucier, Jean-Claude Seys and Daniel Valot.

All members are independent.

The Committee is responsible for highlighting the main risks to which the Company is exposed, regarding both assets and liabilities and for ensuring that the means put in place to monitor and manage those risks have been effectively implemented. It examines SCOR's risks and its Enterprise Risk Management (ERM) policy.

The Committee met 4 times in 2012, primarily to discuss the following matters: analysis of the main exposures of the Group, risk appetite, retrocession policy and coverage, solvency and contemplated Solvency II, internal model of assets and liabilities and capital allocation management, standards and guidelines for assets management, internal control and Directors' and Officers' liability insurance.

The Risk Committee meetings lasted approximately 2 to 3 hours in 2012.

The average attendance rate of the Committee Members was 96.4%. The following chart states the attendance of the members of the Risk Committee in 2012:

Board members	Attendance rate (%)
Peter Eckert, Chairman	100
Charles Gave	100
Daniel Lebègue	100
Guillaume Sarkozy (1)	75
Guylaine Saucier	100
Jean-Claude Seys	100
Daniel Valot	100

(1) Representing Malakoff Médéric Group, Director

4. The Compensation and Nomination Committee

The Compensation and Nomination Committee is composed of Claude Tendil (Chairman), Georges Chodron de Courcel (Non-Voting Member), Charles Gave, Guylaine Saucier and Daniel Valot. According to its Internal Charter, the Compensation and Nomination Committee is composed of between three and five members appointed by the Board of Directors and chosen among the members of voting and non-voting member of the Board of Directors. The term of their mandate coincides with their term of office within the Board of Directors.

All the voting members of the committee are independent.

The Committee submits recommendations concerning compensation packages for the corporate officers and members of the Executive Committee of the Group, pensions, stock allotment plans and stock option plans or stock subscription plans to the Board of Directors and makes proposals concerning the composition and organization of the Board of Directors and its Committees. Its missions are described in the Internal Charter.

The Committee met 4 times in 2012. Its works dealt with the stock allotment and subscription plans, the modalities of remuneration of the Chairman and Chief Executive Officer and other members of the Executive Committee of the Group. The Committee focused on the renewal and composition of the Board of Directors. The Committee also worked on the general organization and the remuneration policy, and on the succession schemes of the key officers of the Group. It also does an annual review of the director's fees and expenses for the all Directors within the Group.

The Chairman of the Committee may hear any officer or employee likely to provide relevant information for a clear understanding of a given point; the presence and information provided by this individual being limited to the relevant items on the agenda.

The Internal Charter of the Compensation and Nomination Committee, was approved by the Board of Directors of the Company on 18 March 2005 and modified by the Board of Directors on 4 November 2010.

The Compensation and Nomination Committee meetings lasted approximately 2 to 3 hours in 2012.

The average attendance rate of the Committee Members was 100%. The following chart states the attendance of the members of the Compensation and Nomination Committee in 2012:

Board members	Attendance rate (%)
Georges Chodron de Courcel	100
Charles Gave	100
Guylaine Saucier	100
Claude Tendil, Chairman	100
Daniel Valot	100

5. Non-executive Directors Session

The non-executive Directors session has been put in place in 2012. It is composed of all voting and non-voting Directors, with the exception of employee Directors and corporate executive officers of the Company.

This session met twice in 2012 and has worked on the assessment of the Board of Directors.

(F) PRINCIPLES AND RULES STATED FOR THE DETERMINATION OF COMPENSATION AND IN-KIND BENEFITS FOR CORPORATE OFFICERS

The data on compensation for corporate officers appears in Sections 15 – Remuneration and benefits – and 17.2 – Information on shareholding and stock options or company stock purchases by members of administrative and management bodies.

Every year, the conditions of remuneration for corporate executive officers and Directors are made public through the documents released for the Annual General Shareholders' Meeting. The General Shareholders' Meeting that took place on 28 April 2010 set the Directors' fees envelop at a maximum of EUR 960,000 per year. This limit has not been changed since this date. Within the limits of this amount and upon the submission of the Compensation and Nomination Committee held on 10 February 2011, the Board of Directors held on 7 March 2011 fixed the conditions of the allotment, in order to encourage the attendance of the Directors. It was thus decided to award the Directors' fees, payable to each voting or non-voting Director as a fixed part, equal to EUR 28,000, payable in fourths and another part based on attendance by voting and non-voting Directors [(1)], amounting to EUR 2,000 per meeting and participant, except for the Chairman of the Audit Committee who receives an amount equal to EUR 4,000 per meeting as special fees for his function. The payment of the Directors fees is made at the end of each quarter. Moreover, the individual independent members of the Board received in 2012 the single sum of EUR 10,000 in Company's shares, that the Director commits to keep until the end of his appointment. The paid amounts have been properly used to that effect.

Directors

A table displaying the fees allocated individually to each Director or non-voting Director can be found in Section 15.1.1 of the Registration Document.

Certain Directors or the Non-Voting Director of SCOR are also members of the Boards of Directors for the Group's subsidiary companies and as a result of this, received Directors' fees in 2012. See Section 15.1.1 of the Registration Document.

With the exception of the Chairman of the Board of Directors and the Director representing the employees, the members of the Board are not entitled to stock option plans for the subscription or the purchase of shares nor stock allotment plans from the Company.

No retirement contribution (or commitment) has been paid for the benefit of the Directors.

Chairman and Chief Executive Officer

Compensation

There is no employment contract between Mr. Denis Kessler and the Company.

Following the recommendation of the Compensation and Nomination Committee, the meeting of the Board of Directors on 7 March 2012 decided that the Chairman and Chief Executive Officer:

- will receive a fixed gross annual sum of EUR 1,200,000, payable in twelve monthly installments; and
- will receive, a variable annual compensation, capped at EUR 1,000,000 determined as follows:
  - 50% on the basis of the achievement of personal objectives, defined annually at the beginning of each year by the Board of Directors of the Company on the recommendation of the Compensation and Nomination Committee; and
  - 50% on the basis of the achievement of financial objectives, defined annually at the beginning of each year by the Board of Directors of the company on the recommendation of the Compensation and Nomination Committee.

The variable compensation for year n will be paid in year n+1, as soon as the financial statement of the Company for year n is approved by the Board of Directors.

For 2012, the variable compensation of the Chairman and Chief Executive Officer has been determined according to the following criteria:

- financial criteria: Return on Equity (RoE) achieved by SCOR.
- personal criteria: implementation of Solvency II, pursue the reinforcement of the ERM and finalization of the internal model ; continuation of an active policy of increasing the value of the Group in the opinion of the investors and analysts; deepening of the employees management policy; consolidation of the Group's commercial positions; general management.

In the case of departure during financial year n:

- all the variable part of his compensation for year n-1 will be payable during year n as soon as the Company's financial statements for year n-1 are settled by the Board of Directors;
- in addition, in the case of dismissal, the amount of the variable part of his compensation for year n will be (i) determined on the basis of the variable compensation for year n-1 and prorated on the basis of the departure date for the current year n, and (ii) paid as soon as the Company's financial statements for year n-1 are settled by the Board of Directors.

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(1) The non-voting Directors does not receive any Directors fees for the Strategic Committee

In the event of termination of the Chairman and Chief Executive Officer, the benefits he may be allocated would be determined according the following situations:

- In the event that the Chairman and Chief Executive Officer is dismissed for misconduct or following a notoriously negative performance of the Company (non-achievement of the performance condition (C_n) as described below, and for at least two years during the three previous) no compensation will be due;
- In case of his departure is imposed or a dismissal ad nutum mainly for typical difference of opinion regarding the Group's strategy, the Chairman and Chief Executive Officer will benefit from a cash payment equal to the amount of fixed and variable compensations paid to him by the Group for the two financial years prior to his departure. This payment is subject to the satisfaction of the performance condition (C_n) defined below for at least two out of the three years preceding the date of departure of the Chairman and Chief Executive Officer.
- In case of his departure is imposed or a dismissal resulting from the event of a hostile takeover bid leading to a change in control situation of the SCOR group, the Chairman and Chief Executive Officer will benefit from:

  a cash payment equal to the amount of fixed and variable compensations paid to him by the Group for the two financial years prior to his departure. This payment is subject to the satisfaction of the performance condition (C_n) as defined below for at least two out of the three years preceding the date of his departure.

  Furthermore, the performance shares and stock-options which have been granted prior to his departure will be subject, in their entirety, only to performance conditions of each plan as approved by the Board of Directors at the time of the grant.

  The criteria for the performance condition (C_n) will be available in the annual report of the Board of Directors.

  The performance condition (C_n), determined by the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, will be met for the year n if at least 3 out of 4 criteria below are fulfilled.

  (A). SCOR financial strength by S&P rating must be maintained (minimum) “A” on average in year n-1 and n-2;

  (B). SCOR Global P&C’s net combined ratio must be less than or equal to 102% on average in year n-1 and n-2;

  (C). SCOR Global Life’s technical margin must be higher than or equal to 3% on average in year n-1 and n-2;

  (D). The SCOR group’s ROE must be higher than 300 points above the risk-free rate on average in year n-1 and n-2.

  The Board of Directors, upon the recommendation of the Compensation and Nomination Committee will observe whether or not the performance conditions have been met.

Stock option and free share allotment plans

On meeting on 3 May 2012, the Board of Directors, upon authorization granted by the Extraordinary general meeting of the Shareholders on 3 May 2012, and upon the recommendation of the Compensation and Remuneration Committee of 19 March 2012, decided to allot 125,000 performance shares to the Chairman and Chief Executive Officer. The granting will be effective at the end of a vesting period of two years and subject to the satisfaction of performance conditions as defined by the Compensation and Nomination Committee (see Section 20.1.6.18, Note 18 – Stock Options and Share Awards). Such granting is also submitted to a non-transferability period of two years at the end of which the shares will be available and be freely assigned. The Chairman and Chief Executive Officer shall retain 10% of these shares in the registered form until he ceases to hold his duties of corporate officer. He shall also acquire on the market un number of shares equal to 5% of the shares freely assigned to him, as soon as these free shares become transferable.

An allotment of 125,000 shares subscription options to the benefit of the Chairman and Chief Executive Officer was decided on 23 March 2012 by the Board of Directors held on 19 March 2012, upon authorization granted by the Extraordinary general meeting of the Shareholders on 4 May 2011, and upon the recommendation of the Compensation and Remuneration Committee of 19 March 2012. The exercise of these subscription options is subject to the satisfaction of the same performance conditions as those of the performance shares. The Chairman and Chief Executive Officer shall retain 10% of the shares due to the exercise of the options in the registered form until he ceases to hold his duties of corporate officer of the Company.

Life insurance

In accordance with the decision taken by the Board of Directors on 21 March 2006, the Chairman and Chief Executive Officer benefits from specific life insurance to cover the risks inherent in the duties of Chairman and Chief Executive Officer of the Company, in an amount equivalent to three years of fixed and variable compensation; the insurance is obtained by the Company.

Benefits in kind

As the Company representative, the Chairman and Chief Executive Officer is granted with a company car with a shared driver. The insurance, maintenance, fuel and all costs related to the driver are paid by the Company.

Moreover, the Chairman and Chief Executive Officer receives benefits in kind, of the following nature:

(a) a health insurance policy under the terms of a contract dated 16 September 1988;

(b) an “all causes” death or permanent disability insurance policy for Company Executives, dated 30 June 1993 and

(c) An death or permanent disability insurance for an accident, also and especially underwritten for the executives on the Group on 1 January 2006 It is specified that these collective insurances are renewed on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing ones.

Retirement

Like all the Group’s Executive officers based in France and employed by the Group as at 30 June 2008, the Chairman and Chief Executive Officer benefits from pension coverage capped at 50% of the reference salary, provided he has been with the Group for a minimum of five years. The rights to this pension are vested progressively, based on seniority over a period of 5 to 9 years, on the basis of the average compensation received over the last five years with the Group. The right to a supplementary pension is only acquired under the condition notably that the beneficiary is a corporate officer or an employee of the Company when he claims his rights for the pension, according to the rules in force at that time.

Powers of the corporate officers

At its meeting on 18 April 2002 and in compliance with Article L. 225-51-1 of the French Commercial Code and Article 16 of SCOR’s bylaws (“Executive Management”), the Board of Directors of the Company decided that the management of the Company will be carried out under his responsibility by the Chairman of the Board of Directors, with the title of Chairman and Chief Executive Officer, who may be assisted by a Deputy Chief Executive Officer.

Denis Kessler joined the Group on 4 November 2002 with the goal to sort it out as it was facing a very difficult financial situation. The Board of Directors considered that, in order to achieve such mission, it was preferable to entrust the powers of Chairman and of Chief Executive Officer to Denis Kessler.

No limitation on the powers of the Chairman and Chief Executive Officer, other than those stipulated by law, is included in the bylaws or any decision of the Board of Directors of the Company.

General meetings of the Shareholders

The modalities of the participation of the Shareholders to the General meetings and notably the main powers of the Shareholders’ General meetings, the description of the Shareholders’ rights as well as the modalities of the exercise of the voting rights are set forth by the Article 19 of the Company’s by-laws, an electronic version of which is available on SCOR’s web site (www.scor.com).

Information required by Article L.225-100-3 of the French Commercial Code

The information referred to in Article L.225-100-3 of the French Commercial Code is made public in the Annual Financial report which is included in this Registration Document (see Appendix E for the cross reference table to Annual Financial Report)

II. Internal control and risk management procedures

Introduction

This report was prepared with the contribution of the Risk Control Department, the risk management departments of the operating companies, the Group Internal Audit Department, the General Secretary's Department and the Finance Department. It was presented to the Audit Committee on 4 March 2013 and approved by the Board of Directors of SCOR SE ("the Company") on 5 March 2013.

Because of the international activity of the Group, and to ensure a Group wide coherent approach for managing risks and operating the internal control system, the Group uses the COSO 2 framework "Enterprise Risk Management – integrated framework" published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in developing and formalizing the risk management and internal control systems.

The four general objectives sought through the application of this framework are:

(1) to ensure that strategic objectives are properly implemented in the Group,
(2) to ultimately achieve better operating efficiency and use of resources,
(3) to ensure compliance with applicable laws and regulations,
(4) to ensure reliable accounting and financial information.

The use of this framework requires us to cover the eight components set forth by the COSO 2, i.e.:

(1) defining the internal environment,
(2) ensuring objectives are set,
(3) performing a risk identification,
(4) performing a risk evaluation
(5) defining a risk response,
(6) documenting and formalizing control activities,
(7) presenting the information and communication process,
(8) ensuring monitoring of the risk management and internal control systems.

The structure of this report is in line with the eight components of the COSO 2:

- components 1 and 2 are being dealt with in the paragraph "Internal environment and setting of objectives"
- components 3, 4 and 5 are described in the paragraph "Identification and assessment of risks".
- Components 6, 7, and 8 are respectively dealt within the paragraph "principal activities and participants of risk control", "information and communication", "internal control system monitoring"
- The elements concerning accounting and financial reporting are separate and are presented in the last part.

Monitoring of the internal control procedures falls under the remit of the Group General Management. Since September 2009 SCOR's ERM is rated "strong" by Standard & Poor's.

Like any internal control system, the Group's system cannot absolutely guarantee that the risks of not achieving the COSO objectives will be totally eliminated. For example, among the various limitations inherent in the effectiveness of internal controls relating to the preparation of financial documents, those involving decision-making errors based on human judgment are particularly high in a reinsurance company. In effect, the accounting data are subject to numerous estimates, primarily because of the evaluation by the reinsurer of claim reserves, either those not yet declared to the ceding companies or the reinsurer, or those for which development is uncertain or subject to a number of assumptions.

(A) INTERNAL ENVIRONMENT AND SETTING OF OBJECTIVES

General organization

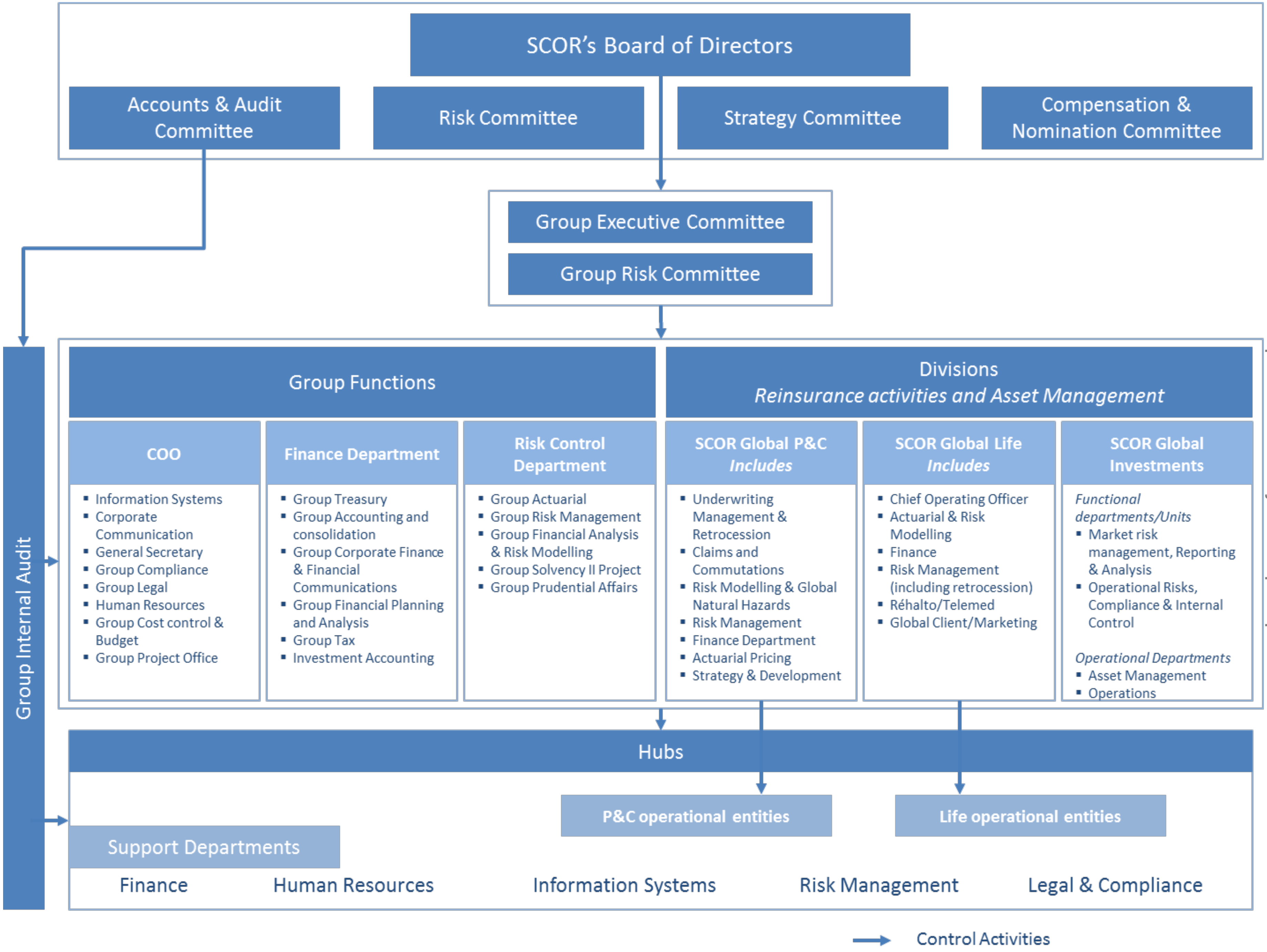
The Group is organized around two main reinsurance business activities and one asset-management activity:

- Property and Casualty Reinsurance operating activities are managed by the division SCOR Global P&C. These activities include the following business areas: Property and Casualty Treaties, Specialty lines, Business Solutions (facultative), Joint-ventures and Partnerships. This division hosts functional departments,
- Life Reinsurance operating activities are managed by the division SCOR Global Life. This division hosts functional departments,
- SCOR Global Investments SE one hand, regulated by the "Autorité des Marchés Financiers" (AMF) and fully operational since 2009, is the company managing SCOR's assets. On the other hand, SCOR Alternative Investments SA, regulated by the "Commission de Surveillance du Secteur Financier" (CCSF) in Luxemburg since the 8 July 2011, manages the Atropos fund launched the 31 August 2011.

The Group SCOR consists of the parent company SCOR SE, a European company having its registered office in Paris, avenue Kléber (France). Beyond its responsibilities of a parent company, the Company has operational responsibilities for cash management and for the retrocession of the Group's operating entities and functional responsibilities.

Following several acquisitions, in particular in 2006 and 2007, the Group has set up a functional organization structured around regional management platforms, or Hubs": Cologne, London, Paris and Zurich for Europe, Singapore for Asia and for the Americas' hub, New York and Charlotte (since August 2011 for the life reinsurance business). Each subsidiary, branch, and representation office has a functional link to a given Hub. Each Hub includes the following functions: a Legal and Compliance Officer, a Head of Information Systems, a Head of Finance, a Head of Human Resources and a Risk Manager. Moreover several Group functions are carried out from different locations in order to fully benefit from the competencies disseminated across the world.

Following the organization of the Group within six "Hubs", the local support functions are gradually assumed by entities especially dedicated and set up in each Hub. This organization enables to create centers of expertise and to strengthen the coherence and control of our activities. Thus the head of Hub is responsible for defining the business continuity plan and implementing it in all locations within his Hub. Furthermore, the Hub is a key element for the implementation of Group procedures and policies.



Group Internal Control System: the participants

Within this environment, control responsibilities are exercised as follows:

- SCOR's Board of Directors relies on the Audit Committee and the Risk Committee to exercise its control responsibility over the objectives it has set for the Company. These committees are both chaired by independent directors;
- SCOR is represented in the governance bodies of its principal subsidiaries. Eventually, SCOR's Board of Directors, following a recommendation made by the Compensation and Nomination Committee, has decided to appoint independent directors of SCOR in each council of the principal foreign subsidiaries;
- SCOR's Executive Committee (the "COMEX") is chaired by the Chairman and Chief Executive Officer of the Company. The COMEX defines the procedures for implementing the strategy decided by the Company's Board of Directors, the underwriting plan, the financial policy, the investment policy, the risk management policy, and the management of the resources. In addition, the COMEX supervises the functioning of the Group and the Hubs through a quarterly monitoring of the bodies contributing to the sound administration of the Group. It meets on a weekly basis and all the COMEX members report to the Chairman and Chief Executive Officer of SCOR SE. In addition to the CEO, the COMEX is currently made up of:
    - The Chief Financial Officer (CFO), representing the Finance Division
    - The Chief Risk Officer (CRO) and his deputy, representing the Risk Management Division
    - The Chief Operating Officer (COO), representing the Operations Division
    - The SCOR Global P&C Chief Executive Officer (CEO) and his deputy, representing the management of SCOR Global P&C (SGP&C)
    - The SCOR Global Life Chief Executive Officer (CEO) and his deputy, representing the management of SCOR Global Life (SGL)
    - The SCOR Global Investments Chief Executive Officer (CEO), representing the management of SCOR Global Investments
- established in 2011, the Group Risk Committee meets quarterly and is a dedicated body of the COMEX in charge of the monitoring of the internal control system and risk management framework. The Group Risk Committee is made up of the COMEX members and of one additional voting member, the Group Chief Economist. Other assurance functions such as the risk management and control functions of the divisions, the Director of the Group Internal Audit are regularly convened to the Group Risk Committee meetings. Role and responsibilities of the Group Risk Committee are set out in its internal charter.
- monitoring of the internal control procedures falls under the remit of the Group General Management. The Group departments and functional or transversal departments of SCOR Global P&C, SCOR Global Life and SCOR Global Investments invested with a control responsibility have the task of defining and controlling the implementation of rules pertaining to the areas of their responsibility and applicable to all of the Group's entities. These rules, and the participants, are described in detail in part c) of this report on control activities;
- the Hubs' support departments, the operational entities of SCOR Global P&C and SCOR Global Life and the operational departments of SCOR Global Investments must apply the rules defined above. They carry out all of the first-level controls related to business management and ensure compliance with regulatory, accounting and fiscal laws, at both local and Group levels;
- the Head of Group Internal Audit Department reports directly to the Chairman and Chief Executive Officer of the Company and functionally to the Audit Committee of the Board of Directors of the Company. This standing gives it the necessary independence, and allow it the largest possible room for investigation, while at the same time ensuring the effective and timely implementation of its recommendations. The Group Internal Audit eventually checks independently the effectiveness and relevance of the internal control procedures for all the Group's entities whatever the area following a methodical risk based approach in accordance with the "International Standards for the Professional Practice of Internal Auditing" set out by the Institute of Internal Auditors and the Institute's Code of Ethics. the SCOR Internal Audit Charter, approved by the Audit Committee, defines the position within the organization, the role and areas of activity, the principles and main operating procedures of the Group Internal Audit Department.

Enterprise Risk Management and Group internal control approach

The main tasks of the Group Risk Management Department (GRM) are to further develop the Enterprise Risk Management (ERM) framework and to promote an ERM culture within the Group so that risks are managed consistently within each department.

The Group Risk Management Department is supported in these tasks by the departments in charge of Risk Management at SCOR Global P&C, SCOR Global Life and SCOR Global Investments. In addition the Hub risk managers are involved in these tasks at a local level. Compliance to local regulations and constraints is ensured by Hub compliance officers.

SCOR operates an “Internal Control System Competence Center” (ICS-CC) which reports to the Group Risk Management Department. Core objective of this competence center is to bundle the ICS knowledge in order to foster a consistent group wide ICS approach and application of ICS standards. The ICS-CC consists of experts, who are dedicated to the coordination of the internal control activities formalization within SCOR, SCOR Global P&C and SCOR Global Life and support the relevant business process owners if necessary.

The approach used to develop the internal control system is specified in the ICS Group Policy and monitored by the Board Risk Committee of the Company. The policy sets out the reference framework and details the Group principles, the responsibilities of the different participants in internal control and the quality requirements. The principal characteristics of the internal control cycle are as follows:

- a risk-based approach, i.e. addressing risks which, if not controlled, could exceed the risk tolerance limits defined by the Group (critical risks). The optimal risk response is obtained through appropriately designed key controls at company level, IT level and process level,
- on a process level, appointment of global process owners (GPO) at the Company, SCOR Global P&C, SCOR Global Life and SCOR Global Investments levels and local process owners (LPO). The GPOs’ responsibility is to document the processes, identify the related critical risks, define the appropriate key controls and to ensure their deployment and application in the various entities of the Group. The LPOs’ main responsibilities are to assess processes, risks and controls on a local level based on the defined global process and to ensure application of risk based control activities,
- monitoring, upon completion of the initial documentation through a self-assessment procedure on the maturity (quality) of processes and controls by their owners,
- through its periodic missions the Group Internal Audit Department assesses the internal control system and its roll-out in accordance with its risk-based audit planning. An insufficient level of maturity or quality requires an action plan to be established.

Group standards and Group References

Group business standards and practices are governed by Group Policies established in a uniform format, by the operational divisions (SGP&C, SGL, SGI) and central functions (Finance, Risks, Operations). Group policies are approved by the Group COMEX and are submitted annually to the Audit Committee and to the Board of Directors of the Company. These Group policies are not intended to enumerate all the rules governing SCOR’s activities in the different countries in which the Group operates, but rather to establish certain rules intended to ensure that SCOR Group companies and employees share a common understanding of the Group’s Standards and that they work in compliance with these standards.. When approved, these documents are made available to employees on the SCOR intranet on a dedicated page where Group policies are all grouped together. In 2012 four new Group Policies were published and eight existing Group Policies were amended reflecting the latest legal and other requirements.

The Group standards and references cover a wide range of activities, including the compliance area for which the framework has been further strengthened in 2012, in particular tightened requirements and other developments. More specifically four Group Compliance Policies were updated and one new Group Compliance Policy was published. The main changes can be summarized as follows:

- The Group Code of Conduct was updated and replaced the version dated March 2010 in response to business and legal developments and as such, this document is designed to provide guiding principles in a rapidly-changing environment. The amendments include, amongst others, specific reminders on the importance to comply with both national and international applicable anti-bribery laws and on the serious consequences of violating applicable laws or regulations and an explicit statement that SCOR prohibits retaliation against any employee for reporting in good faith any violation of laws or regulations or the principles of the Code. The updated Code also reflects a commitment to further integrate sustainability considerations as outlined in the “Principles for Sustainable Insurance” developed under the aegis of the United Nations Environment Programme Finance Initiative (UNEP-FI) of which SCOR became a founding signatory last summer.
- The Group Guidelines on Sanctions and Embargoes were updated to emphasize in more detail the importance of compliance with applicable sanctions regulations and to give further guidance on due diligence and sanctions screening required (including the use of sanctions exclusion clauses). Regular updates on key sanctions and embargoes regimes were published and made available to underwriters, claims and accounting staff and the topic was also addressed in training initiatives for underwriters and others.
- A Group Conflict of Interest Policy was issued outlining possible scenarios of conflict of interests and how such conflict of interest needs to be handled. This Policy aims at identifying and managing conflict of interest arising in relation to SCOR’s various business lines and its group activities under a comprehensive conflict of interest policy. It also summarizes implemented Group policies and procedures designed to anticipate and manage conflict of interest situations and outlines when the Hub General Counsel/Compliance Officer need to be contacted.

- To embed the latest Group Compliance Policies and other legal & compliance requirements (e.g. anti-fraud, anti-bribery, anti-money laundering, anti-trust/competition law) as per latest developments into the organization, training sessions targeted for underwriters, claims and accounting staff were also held during 2012 in all Hubs and other locations.

Setting of objectives

SCOR has implemented and formalized for several years 3 year strategic plans. The strategic plan, "Strong Momentum" (SMV1.0) covering the years 2010 to 2013 was approved by the Board in July 2010. It has been updated and publicly presented on the 7 September 2011 following the acquisition of Transamerica Re and the sale of our U.S. equity indexed annuity business. The updated strategic plan reaffirms the three objectives set out in the initial version of the plan SMV1.0, i.e.: the optimization of the Group's risk profile, a "AA" level of financial security and a profitability target of 1,000 basis points above the risk free-rate over the cycle. "For the new initiatives set in the initial plan, SCOR has reinforced its ERM through the development of specific indicators reported on a quarterly basis to the Group Risk Committee and the Board Risk Committee of the Company in order to enable them to benefit from an overall overview of the development of these initiatives.

As mentioned here before, the COMEX defines the procedures for implementing the strategy and reviews the consistency of the operational plans or policies (e.g. underwriting, finance, retrocession, information technology) with the strategic plan. The COMEX also ensures that there is an optimal risk-based allocation of capital and diversification. Under the responsibility of the Group Chief Risk Officer, the Capital Shield Strategy sets risk limits to ensure a protection of the Group's capital in line with the strategic plan's objectives. The Capital Shield Strategy is approved and monitored by the Group Risk Committee and the Board Risk Committee.

The clarity and precision of strategic objectives and their implementation within the Group ease the identification, evaluation and control of risks, whatever their nature (e.g. underwriting risk, market risk, and operational risk), possibly caused by these objectives.

(B) IDENTIFICATION AND ASSESSMENT OF RISKS

Several processes for identifying and assessing risks have been implemented to approach risk from different angles and to deal with them in an exhaustive manner. These include:

- A risk information process : every quarter, the Group Risk Committee reviews the "Group Risk Dashboard" which describes and assesses the major risks the Group is exposed to. This report assembles various risk assessments from different identification and assessment processes for all risk categories.
- A Risk Enquiry process: the methodology of this process is based on interviews carried out by members of the risk functions at divisional and hub levels with senior management and subject matter experts. The risks identified during the interviews are described, assessed and assigned to risk owners. In addition, existing and planned actions mitigating the risks are documented. The Risk Enquiry can take on various forms depending on local specificities.
- An Emerging Risks process: emerging risks are subject to a specific process of identification and analysis. A dedicated collaborative site has been created on the Group's intranet allowing designated observers, who are experts in their field, to collate market information, articles or studies on topics that might constitute emerging risks. In addition, a special email address allows all Group employees to submit information. This information is processed by a Committee administered by the Group Risk Management Department and composed of members of the risk management function in the Division (SCOR Global P&C, SCOR Global Life, SCOR Global Investments) and of the Group actuarial function, Group Legal Department and Group Competitive Intelligence unit which is hosted by the Information Systems Department.
- An Extreme Scenarios process: this process aims to review and assess the potential impact of selected extreme scenarios. Subject specific working groups constituted of experts across the Group, coordinated by the Group Risk Management Department with the support of the divisional chief risk officer of SCOR Global P&C and SCOR Global Life, then perform quantitative studies which are summarized in specific reports. The Group Chief Risk Officer presents any major scenario, if any, which exceeds the Group's risk tolerance to the Group Risk Committee and to the Board Risk Committee of the Company.

(C) PRINCIPAL ACTIVITIES AND PARTICIPANTS OF RISK CONTROL

Because of its activities, SCOR SE is exposed to many risks: reinsurance related risks, market risks and other risks (e.g. liquidity, rating). These risks are detailed in the part 4 – Risk Factors of the Registration Document. This report does not detail these risks, but aims at summarizing the principal activities and participants of Risk Control for the following important areas.

- activities related to reinsurance,
- asset management,
- accounting management,
- Central functions.

The control activities described below are considered as the principal activities for controlling risks specific to those areas. In accordance with SCOR's internal control concept, these control activities are performed on group or company level, on core business and investment process level, or on supporting process level.
The formalization is being revised in accordance with the new Group standards.

i) Activities related to reinsurance

SCOR uses an internal model for determining economic capital managed by the Group Financial Analysis & Risk Modeling Department of the Group Risk Control Department, necessary to implement its underwriting and asset management policies and guidelines. Economic capital is allocated to SCOR Global P&C, SCOR Global Life and to the asset management, and constitutes the reference for deciding and verifying the profitability expected from each of them;

The operating and control procedures concerning underwriting, pricing, administration of reinsurance contracts and claims management are validated by SCOR Global P&C and SCOR Global Life and are applied to all underwriting segments of the company in question, regardless of location.

For SCOR Global P&C:

- Most of the business underwritten is renewed on agreed dates. This situation enables SCOR to establish annual underwriting plans, both qualitative (description of the environment) and quantitative (activity budget). These plans are approved by the COMEX. ;
- A quarterly review of technical results is performed by business area (Property and Casualty Treaties, Specialty Lines, Business Solutions (Facultative), joint ventures and partnerships) and region (EMEA (Europe, Middle East & Africa), Americas, Asia-Pacific). The review enables to analyze technical results by underwriting year, by nature and by line of business;
- Underwriting and pricing guidelines, defined by SCOR Global P&C, specify the underwriting capacities delegated to each underwriter in each entity, as well as the underwriting rules and principles to be complied with. They follow update and approval processes as well as a formalism.
- Business opportunities going beyond the stipulations of the guidelines thus defined are subject to special referral procedures at two key levels: (1) by its Underwriting Management and Retrocession Department; and if need be by the Group Legal Department, (2) and for cases which may have a significant impact on the balance sheet (thresholds and/or conditions defined in a procedure or specific guidelines) by the Group Risk Management Department;
- Concerning claims management, the definition of a global claims and commutations management policy for all Treaty, Facultative and Specialty business of SCOR Global P&C is carried out by the Claims & Commutations Department; this department manages major, serial, contentious and latent claims. In addition, audits of the clients' claim departments are conducted by claim experts from the principal entities of SCOR in order to review important files and to provide technical support to these cedants;
- Cross reviews are initiated by SCOR Global P&C's Risk Management to evaluate the quality of underwriting, pricing and claims handling of particular business units or certain lines of business, to identify and assess risks, to evaluate the appropriateness and effectiveness of controls and to propose risk-management measures, including mitigating actions;
- The Risk Modeling & Global Natural Hazards Department is in charge of monitoring accumulations. A "Cat" committee meets regularly to review the accumulation reporting package and decide or arbitrate the allocation of Cat capacities by country. Earthquake and storm risks are managed by market models (AIR and RMS) in the regions considered to be the most exposed;
- Risks specific to the administration of contracts are subject to controls performed at the level of the subsidiaries and branches. SCOR's Group Information System includes multiple automatic controls and additional control tools;
- SCOR Global P&C Underwriting Management and Retrocession Department establishes and implements the external retrocession plan for P&C activities. This department is responsible for its proper application, for monitoring the solvency of the retrocessionaires, the related counterparty risks and, when necessary, for the collection of balances due;
- In order to ensure an adequate and efficient control of the reserves, a report is established on a yearly basis by the Group Actuarial Department, where the Group Chief Actuary gives his opinion on year end booked reserves' adequacy. The main objective of this report is to provide the Executive committee as well as the Board Audit Committee an overall opinion on the reserving adequacy of the P&C division but also to highlight the inherent uncertainties surrounding this assessment. The control of the reserves by the Group Actuarial Department is articulated around three axis:
    - a quarterly follow up of the claims evolution for each segment through adequate actuarial reporting procedures;

- an internal annual actuarial analysis, including a review of all segments and a full analysis of the segments that may have a substantial impact on SCOR's balance sheet. This analysis is recorded in the Group Actuarial annual report;
- an external annual review of SCOR Global P&C division reserves adequacy, in addition to several external reviews already required by local regulators (Canada, Australia and Hong Kong).

For SCOR Global Life:

- Business is underwritten throughout the year, the share of renewable business being comparatively low. The life business plan is updated on a quarterly basis with the business actually underwritten. These plans are approved by the COMEX;
- A quarterly review of technical results is performed by region (i.e. France, Germany, UK/Ireland, Rest of Europe, North America, Asia/Pacific, Middle East, Others) and by line of business;
- Underwriting and pricing guidelines, defined by SCOR Global Life, specify the underwriting capacities delegated to each entity, as well as the underwriting rules and principles to be complied with. Updates and revisions follow formalised approval processes;
- Business opportunities going beyond the stipulations of the guidelines thus defined are subject to special referral procedures at two key levels: (1) by the Central Actuarial & Underwriting Department and where applicable the Risk Management Department, the Finance Department of SCOR Global Life, and the Group Legal Department, (2) for cases which may have a significant impact on the balance sheet (thresholds and/or conditions defined in a procedure or specific guidelines) by the Group Risk Management Department;
- Claims exceeding a predefined threshold are reviewed by the Central Actuarial & Underwriting Department of SCOR Global Life;
- Cross reviews are commissioned by SCOR Global Life's CEO to evaluate the quality of underwriting, pricing, medical underwriting and claims handling of particular business units, to identify and assess risks, to evaluate the appropriateness and effectiveness of controls and to propose risk-management measures, including mitigating actions;
- For SCOR Global Life, scenarios are established in conjunction with the Risk Management Department of SCOR Global Life in order to define the need for retrocession coverage; the retention and retrocession structure is revised every year and subject to SGL COMEX and Group Chief Risk Officer approval;
- Risks specific to the administration of contracts are subject to controls performed at the level of the subsidiaries and branches. SCOR's Group Information System includes multiple automatic controls and additional control tools;
- The Group Chief Actuary gives his opinion on the reserves adequacy with regards to products or portfolios whose estimation is particularly difficult to assess. The scope under the review of the Group Actuarial Department, includes Guaranteed Minimum Death Benefit (GMDB) products, long term care in France, health, and finally mortality and critical illness in UK /Ireland and health business, and mortality in the U.S.. The Group Actuarial Department does not intend to provide a second best estimate to be compared with SCOR Global Life's but verifies the adequacy of the assumptions leading to the life division's best estimates. In some cases, the Group Actuarial Department applies a global approach and calculates a confidence interval in order to check that the reserves booked are within the said confidence interval. Similar to the P&C side, an annual report is established by the Group Actuarial Department, where the Group Chief Actuary gives his opinion on the adequacy of the reviewed booked reserves. The main objective of this report is to provide the COMEX as well as the Audit Committee an opinion on the reviewed reserving adequacy of the Life division but also to highlight the inherent uncertainties surrounding this assessment.

ii) Asset management

- The Group has harmonized the principles governing asset management: the Statement of Group Investment Principles defines the Group's governance in terms of asset management and the Manual of Group Investment Guidelines determines the conditions in which SCOR Global Investments will implement, on behalf of all Group subsidiaries, the investment policy as defined by the Group's Investment Committee; both of these documents have been approved by the Group's COMEX;
- Investments going beyond the stipulations thus defined are subject to special referral procedures managed by the Group Risk Management Department;
- In 2008, SCOR Global Investments SE was specially created to manage all of SCOR's financial assets and obtained on 15 May 2009 approval from the French financial market regulatory body (AMF) as an asset management company. To this end, the management and control procedures have been revised and investment decisions are implemented by SCOR Global Investments in accordance with the directives of the Group Investment Committee and with the investment guidelines. The Group Investment Committee meets at

least once every quarter. Its role is to coordinate tactical asset allocation on a Group level and to supervise the application of objectives by the asset management company, observing the constraints established;

- SCOR has outsourced the asset management of its assets. SCOR Global Investments provides SCOR with a regular reporting used for the monitoring of the portfolios. SCOR Global Investments controls the consistency and the completeness of the data used for the valuation of the assets ;
- The investment portfolios managed by external service providers are reviewed during quarterly investment committees, attended by the external fund managers, the Senior Managers of the subsidiary in question and representatives of SCOR Global Investments;
- The information systems used by SCOR Global Investments monitor transactions on publicly traded securities (audit trail, valuation of securities). Assets owned by all Group entities are since 2009 monitored in one central information system and the accounting tools implemented in Paris in 2008 have been deployed in the Group's subsidiaries. Risk monitoring tools are being deployed as well;
- A head of Compliance and Internal Control was appointed in 2009 in order to meet the requirements of the regulatory body. His role is to implement an effective internal control program which covers all activities relating to financial asset management.

iii) Accounting management

Refer below to (F) Financial Reporting .

iv) Central functions

The Group's central functions, different from the finance and communication functions dealt with in parts (D) and (F) thereafter, comprise Risk Management, Treasury, Budget & Forecasting and functions relating to legal and tax issues, information systems, human resources and general service departments. These include:

- the Group Risk Management Department's primary focus is to develop and manage ERM mechanisms, promote ERM concepts throughout the Group and perform a second-level control over reinsurance underwriting as mentioned above;
- the Group Treasury Department manages the Group's operating cash flow, directly or indirectly and carries out a weekly centralized reporting of the Group's cash situation;
- control of the Group information system stands at two complementary levels: IT processes and business processes all covered by IT solutions. For IT processes a unit, with the Group Information System Department, deals with all issues of information system security. Periodic audits of information security applications and procedures are conducted. For a number of years, SCOR has been improving its control procedures based on the COBIT guidelines (Control objectives for information and technology) covering the risks listed in the 12 major processes of COBIT, relating to the development, evolution and use of solutions, and access to databases. The IT business continuity plan has been reviewed and reinforced, including the migration of the production centers to a private cloud where the data is constantly replicated to a second remote site. In addition, the employees can be temporarily moved to any other Group Hub office, or even work from home with their laptop or personal computer.;
- the budgetary control system for general expenses is organized and managed by the Group Cost Control & Budget Department;
- the Group Financial Planning & Analysis Department establishes an annual financial plan for the Group by company and monitors actual data in relation to this plan on a quarterly basis. A presentation of the results of the analysis is made to the COMEX every quarter;
- the objective of the Group Tax Department is to ensure that the various entities of SCOR meet their tax obligations and promote the use of best practices in this domain;
- the General Secretary contributes on his side to the management of the following functions: (i) legal and functional governance of the Group, (ii) compliance, in connection with the Group Compliance Officer who reports to the General Secretary, (iii) regulatory control for the Group and coordination of the legal entities with the legal departments at hub level, (iv) Group's insurance policies, in particular with respect to D&O and professional liability;(v) follow up of the Group Structuring (optimization of the Group structure and its entities).
- the Group Legal Department exercise a control function in areas such as the entry into agreements and the supervision of major disputes. This department is also involved where relevant in the aforementioned control with regards to underwriting of reinsurance business. It also monitor compliance with the Group's filing obligations, including toward the "Autorité des Marchés Financiers" (AMF) and the Six Swiss Exchange (SWX);
- The Prudential Affairs Department guides the group in its regulatory environment. It ensures the group actively positions itself vis-à-vis the different jurisdictions and requirements to which it is exposed or could be exposed. It also coordinates the preparation to new regulations, especially for the Solvency II project;

- The Group Project Office monitors the project portfolio and defines standard project methodology. The Group Project Office regularly provides to the management key indicators on the project portfolio for an effective control of their status.

(D) INFORMATION AND COMMUNICATION

- Financial communication:

The establishment and centralization of all financial information - particularly press releases, intended for the market, investors, financial analysts, and the press - are the responsibility of the Corporate Communications Department and the Group Corporate Finance and Financial Communications Department, which respects a formalized process. Financial information intended for rating agencies is the responsibility of the Group Corporate Finance and Financial Communications Department. All of this information is ultimately controlled by General Management.

Concerning the Registration Document, a specific process has been implemented to ensure the contribution of all relevant departments and the consistency of the information provided. A final edit is made by members of the COMEX.

The Corporate Communications Department systematically and simultaneously publishes regulated information, including press releases, via a professional host included in the official list published by the AMF and on SCOR's website (www.scor.com).

- Internal communication:

SCOR strives to make all documents deemed important available to all SCOR employees on SCOR's intranet. Furthermore, SCOR has increased the use of collaborative sites enabling it to share and retain document history or to collect and centralize information specific to certain subjects (e.g. emerging risks) from various sources.

(E) INTERNAL CONTROL SYSTEM MONITORING

Monitoring of the internal control procedures falls under the remit of General Management which is supported by two departments:

- the Group Risk Management Department
- the Group Internal Audit Department

Through its Internal Control Competence Center, the Group Risk Management Department monitors the documentation and formalization status of the processes deemed critical, according to Group standards. Besides the activities depicted in section A of this report, the Group Risk Management Department monitors the main risks to which the Group is exposed. A quarterly dashboard with Key risk indicators is reported to the Group Risk Committee and the Board Risk Committee.

The Group Internal Audit provides independent, objective assurance and consulting services designed to add value and improve an organization's operations. The internal audit activity helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. Furthermore, the Group Internal Audit must inform the senior managers and heads of operating and functional units of any unsatisfactory conditions or risks.

The Group Internal Audit elaborates a yearly audit plan in a risk-based manner, taking the organization's risk management framework and including risk appetite levels set by management for the different activities, or parts of the organization, into account. The input of Senior Management and the Board is considered in this process. Once reviewed and approved by the Audit Committee, it is communicated to COMEX members and put on the SCOR portal.

The Group Internal Audit carries out a quarterly follow-up process to monitor and ensure that management actions agreed in the audit reports have been effectively implemented or that senior management has accepted the risk of not taking action. The follow-up results are provided to the Management and the Audit Committee.

The Audit Committee receives at least on a quarterly basis a report on the Internal Audit activities.

Furthermore , the Finance Department manages the "management representation letters" process, detailed in part (F) on financial reporting, which also incorporates certain points relative to internal control of accounting and financial reporting.

(F) FINANCIAL REPORTING

The accounting and finance function is the responsibility of the Chief Financial Officer (CFO), who manages all financial areas in order to have an overall view of the Group's technical and financial results.

The CFO does not, however, exercise direct control over all accounting information systems and relies on the accounting departments of operating companies, who provide him with quarterly consolidation packages, as well as on the accounting departments of SCOR Global P&C, SCOR Global Life and SCOR Global Investment who assist him in coordinating aspects relative to the processes, methods and reporting.

General accounting for SCOR subsidiaries is supported by two main auxiliary group of accounting systems, namely (1) technical reinsurance accounting: premiums, claims, commissions, technical reserves, value of business acquired (VOBA), deferred acquisition costs (DAC), funds held; and (2) financial asset accounting: securities, bank accounts, investment income and expenses.

The processes described below concerning reinsurance accounting and calculation of technical reserves, which are predominantly within the single technical information system (OMEGA), are being applied by Group entities. A high level of control already exists in Omega. Its reengineering which has been decided as a strategic project in July 2010 by the Board of the Group and by the Executive Committee will even reinforce this strong internal control.

Concerning reinsurance accounting, numerous regular controls are conducted directly (automatic and systematic, or for consistency or by testing) by the Technical accounting teams located in the subsidiaries using both Group tools and Group or specific control reports. Quarterly inventories are also subject to specific control procedures.

Concerning SCOR Global P&C:

The calculation of technical reserves (including IBNR - Incurred But Not Reported) having a significant impact on the balance sheet and income statement, is largely based on contractual and accounting data, the relevance of which is verified upstream. This calculation of technical reserves inventories is subject to the following successive controls:

- by the actuaries in charge of reserving through control reports for which the proper implementation is verified by the Group Actuarial Department;
- by the Chief Actuary, particularly for methods, tools and results;

Concerning SCOR Global Life:

The recognition and measurement of technical reserves (in particular mathematical reserves) and related intangible assets and related deferred acquisition costs are largely based on contractual and settlement data and subject to the following controls:

- the reinsurance treaties are either reviewed individually or are pooled within an affiliation treaty based on certain criteria defined in advance;
- the treaties are then subject to reserving estimates, which are reviewed at each quarterly closing either by the actuaries or at meetings attended by underwriters, technical assistants and actuaries.
- a quarterly liability adequacy test performed for portfolios that are subject to broadly similar risks and managed together as a single portfolio.

Finally, reinsurance technical results are analyzed quarterly by the finance departments of SCOR Global P&C and SCOR Global Life. The Group Chief Actuary establishes reports on the adequacy of the reserves of SCOR Global P&C and on the adequacy of the majority of reserves of SCOR Global Life.

Monitoring of financial assets and cash flow is provided through various operating methods. The information systems used provide an audit trail of the transactions carried out. In certain entities, accounting activities are delegated to external service providers; controls implemented by these entities make it possible to verify the proper recording of accounting data and consistency of the figures. “Cash” reconciliations are made on a daily basis, for the most part, and securities are reconciled the following day (D+1) with reports from the various custodians. Portfolios managed directly are monitored in real time.

The implementation of a new information system which enables to book, value and monitor of assets owned by all Group entities improves substantially the investment accounting model. These accounting tools have been substantially deployed throughout the Group’s principal subsidiaries. The completion of this project in early 2011 improved the investment accounting organization, definition of roles, responsibilities and processes.

Regarding the process of aggregating and consolidating accounting data by the Group Accounting Department, current internal control is ensured:

- by the use of general and consolidation accounting software shared by all Group entities;
- by the definition by the Group Accounting & Consolidation Department of a closing process, clear responsibilities and a detailed financial statement closing schedule, which is monitored, in the closing period, on a daily basis;
- by a definition of responsibilities for controlling the integration of auxiliary accounting systems;
- by the centralized management of charts of accounts;
- by the works of the IFRS Centre of Excellence whose objectives are to (1) communicate developments and standards to all contributors and (2) coordinate justifications and documentations of accounting processes for complex operations.

At the end of 2009, SCOR decided to fully review all its Finance applications by launching a Group wide “one ledger” Program. The main objective of this Program is to simplify, through an innovative approach based around SAP, and vastly improve the Finance function for all SCOR entities. This program includes:

- one single chart of accounts (with minimum local specificities, aligned with existing source systems),
- one system for one IT solution,
- streamlined, integrated and standardized processes across the Group,
- limited mappings between systems,

- extended capabilities for Reporting (including drilldown from Financial to source system data) ,
- enhanced audit trail.

The initial phases of this Program of defining the business requirements and developing a Core Solution (design, build & test) are completed, and the Core Solution has been validated. This solution has been rolled-out in 2012 and 5 Hubs are now fully operational in the new environment : London, Zurich, Singapore, Cologne and Paris. "One ledger" will be implemented during 2013 in America's Hub.

Control of the quarterly consolidation procedure under IFRS is provided in particular through:

- use of a market recognized consolidation software package ("SAP BFC") and common to all Group entities, which ensures the whole consolidation process through automated and formalized controls;
- the formalization of the reconciliations between the systems or auxiliary accounting methods with the general and consolidation accounting systems;
- at least three levels of control of the consistency and completeness of the consolidation package, one by the entity in question, another by the finance departments of SCOR Global P&C and SCOR Global Life and the third by the Group Finance Department;
- systematic analyses of the results, shareholders' equity, taxation and cash flow;
- internal monitoring of changes in legislation and accounting standards, together with the Group's external consultants and auditors;
- daily monitoring of the closing process of each of the Group entities;
- an audit performed by external auditors as at 31 December 2012 and a limited review as at 30 June 2012.

In addition, and without calling into question the implementation of internal control rules by SCOR and its managers, General Management requests, within the framework of the reporting and quarterly consolidation procedure, that all local managers of Group entities, as well as Senior Managers of SCOR Global P&C and SCOR Global Life, make a specific quarterly statement to the Chairman and Chief Executive Officer, and to the Group Chief Financial Officer in the management representation letters as to the reliability and fair presentation of the accounts of the entities they manage and the effectiveness of the internal controls. The results are analyzed and monitored by a committee including the General Secretary of SCOR, the Group Accounting Director, the accounting departments of SCOR Global P&C and SCOR Global Life, and the Head of the IFRS Centre of Excellence. The key points are communicated to the Executive Committee.

Conclusion on the control procedures implemented

SCOR believes that its risk management and internal control systems are appropriate and adapted to its activities and is engaged in an ongoing process to improve its internal control standards and their implementation. In 2012, the Group has pursued its efforts on compliance issues as briefly summarized in this report and enhanced its risk governance through the Group Risk Committee .