

Press Release

January 29, 2019 - N° 3

SCOR initiates criminal actions against Thierry Derez and Covéa for breach of trust and concealment of breach of trust

SCOR just learned with great surprise and astonishment that, during market operating hours, Covéa issued a press release stating that “a transaction with SCOR is no longer part of its strategic options”. SCOR has decided to bring this matter to the attention of the Autorité des Marchés Financiers (AMF).

SCOR had not previously been informed of Covéa’s change of position. SCOR strongly denies the claim by Covéa that there were “continued attacks and hostile tactics targeting Covéa”. In particular, SCOR has made no public statement on Covéa and its intentions since November 13th 2018.

SCOR has had serious doubts since last August about the intentions and behavior of Thierry Derez and Covéa. These doubts are now substantiated.

Given the seriousness of the facts and evidence brought to the attention of SCOR and its governance bodies relating to the misconduct committed to the detriment of SCOR, in the context of the preparation and submission by Covéa of its unsolicited proposed combination with the SCOR group, SCOR has been compelled to initiate legal actions against Thierry Derez (Chairman and Chief Executive Officer of Covéa SGAM, Chairman of Covéa Coopérations and former director of SCOR in his personal capacity), Covéa SGAM and Covéa Coopérations as legal entities¹, Barclays (Covéa’s financial advisor and financing bank) and Rothschild. These legal actions consist of:

- a criminal action, by way of a direct prosecution (“*citation directe*”) before the Criminal Court of Paris (“*Tribunal correctionnel de Paris*”), against Thierry Derez, for breach of trust (“*abus de confiance*”);
- a criminal action, by way of a direct prosecution (“*citation directe*”) before the Criminal Court of Paris (“*Tribunal correctionnel de Paris*”), against Covéa, for concealment of breach of trust (“*recel d’abus de confiance*”); and
- a civil action against Rothschild in France and against Barclays before the High Court of Justice of London, for serious breach of confidence and trade secrets.

SCOR also intends to initiate the following legal actions against Thierry Derez and Covéa:

- a civil action (“*action en responsabilité civile*”), before the Commercial Court of Paris (“*Tribunal de commerce de Paris*”), against Thierry Derez, for serious breach of his legal and fiduciary duties and obligations as a director of SCOR in his personal capacity (regarding in particular loyalty, conflicts of interest, and confidentiality) as well as SCOR’s trade secrets (“*secret des affaires*”); and

¹ Referred to together as “Covéa” in this press release.

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- a civil action (“*action en responsabilité civile*”), before the Commercial Court of Paris (“*Tribunal de commerce de Paris*”), against Covéa, for having directly participated in and benefitted from the serious breaches by Thierry Derez.

These proceedings are intended to sanction and remedy the alleged criminal and civil misconduct having resulted from, *inter alia*, the unlawful misappropriation, disclosure, communication and use of SCOR's sensitive and strictly confidential documents and information which Thierry Derez had access to as a director of SCOR in his personal capacity. The SCOR group considers in particular that this unacceptable misconduct was committed with the aim of wrongfully favoring the preparation and submission by Covéa of its unsolicited proposed combination with SCOR. This serious misconduct has compelled SCOR to bring actions before the relevant courts.

SCOR was informed by Credit Suisse in November 2018 of its decision, for reasons of compliance with the laws and regulations in force, to withdraw its support for any plans by Covéa to take control of SCOR. SCOR commends this decision by Crédit Suisse, which is to its credit.

SCOR intends to inform the relevant regulatory authorities in France and abroad of these legal actions.

SCOR points out that:

- during its meeting held on August 30, 2018, its Board of Directors unanimously decided to refuse to initiate discussions with Covéa regarding its unsolicited proposed combination with SCOR, which had been submitted to SCOR on August 24, 2018, *i.e.*, more than seven months prior to the expiry of the standstill undertaking entered into, and published on April 11, 2016, by Covéa not to increase its shareholding in SCOR in excess of 10% of the share capital. SCOR's Board of Directors reviewed the terms and conditions of this unsolicited proposal in detail and determined that it was fundamentally incompatible with SCOR's strategy of independence, which is a key factor of its development, that it would jeopardize its strong value-creating strategy and that it reflected neither the intrinsic value nor the strategic value of SCOR. As a result, given, *inter alia*, its detrimental consequences for the Group, its shareholders and its employees, SCOR indicated in its press release dated September 4, 2018 that any public bid by Covéa would be deemed hostile;²
- during its meeting held on September 21, 2018, following in particular Covéa's renewed expressions of interest in an allegedly "friendly" combination with SCOR despite the fact that SCOR's Board of Directors had already unanimously rejected Covéa's unsolicited proposal on August 30, 2018, SCOR's Board of Directors decided, unanimously, to reaffirm in all respects its refusal to enter into discussions with Covéa and to note that the procedure and methods used by Thierry Derez and Covéa to prepare, submit and make public this proposed combination, as well as their renewed expressions of interest, can only be considered as hostile and unfriendly and disrupted the functioning of the Company;³ and

following multiple reminders by SCOR to Thierry Derez regarding his obvious situation of conflict of interests due to Covéa's unsolicited proposed combination and the opinion rendered on October 30, 2018 by the *Haut Comité de Gouvernement d'Entreprise*

² Please refer to SCOR's press release dated September 4, 2018 "SCOR Reaffirms its Independence and Acknowledges Covéa's Decision to Withdraw its Proposal on a Potential Combination."

³ Please refer to SCOR's press release dated September 27, 2018.

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consulted by SCOR regarding the situation of Thierry Derez, the latter was finally compelled to resign from SCOR's Board of Directors on November 13, 2018⁴

The SCOR group strongly condemns the serious misconduct committed by Thierry Derez and by Covéa. It remains fully committed to defending its rights.

This publication is an ad hoc disclosure pursuant to Article 17 of Regulation (EU) No 596/2014 of 16 April 2014.

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⁴ Please refer to SCOR's press release dated November 13, 2018 "SCOR Acknowledges Thierry Derez's Decision to Resign from his Position as a Member of SCOR's Board of Directors, Following the Opinion Rendered by the Haut Comité de Gouvernement d'Entreprise."



The Art & Science of Risk

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Please refer to the 2017 reference document filed on February 23, 2018, under number D.18-0072 with the French Autorité des marchés financiers (AMF) posted on SCOR's website www.scor.com (the "Document de Référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group. As a result of the extreme and unprecedented volatility and disruption of the current global financial crisis, SCOR is exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.

The Group's financial information is prepared on the basis of IFRS and interpretations issued and approved by the European Union. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".