SCOR SE

APPROVAL BY THE GENERAL MEETING OF 30 JUNE 2021 OF THE COMPENSATION POLICIES FOR THE GROUP'S CORPORATE OFFICERS

In accordance with the article R. 22-10-14 IV of the French Commercial Code (*Code de commerce*)

The General Meeting of 30 June 2021 approved the compensation policies for the Chairman and Chief Executive Officer and Directors as presented in the Universal Registration Document (page 93). The compensation policy for the Directors has been amended by the Board of Directors during its meeting on May 17, 2021 as indicated in the convening notice brochure published on the Company's website.

Resolutions	Result of Vote
6th Resolution Directors' Compensation policy	Approved at 99.09%
8th Resolution Compensation's policy for Mr. Denis Kessler as Chairman and Chief Executive Officer	Approved at 63.15%

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Corporate Officers' compensation policy

In accordance with Article L. 22-10-8 of the French Commercial Code, the following paragraphs present the components of the compensation policy applicable to all of the Group's corporate officers (directors and the Chairman and Chief Executive Officer), which will be submitted for approval by the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2020.

This compensation policy is based on the principles described below, which are consistent with the principles set forth in the overall compensation policy in force within the SCOR Group. This policy is rigorously applied by the Compensation and Nomination Committee as part of its work.

The compensation policy for the Group's corporate officers is adopted by the Board of Directors and reviewed annually in light of the recommendations of the Compensation and Nomination Committee, based on a precise analysis of all of its components.

The compensation policy takes into account the corporate interest of the Company and its subsidiaries and contributes to the business strategy as well as to the sustainability of the Company by allocating a variable portion to the directors subject to effective attendance at meetings of the Board of Directors or of its Committees, and variable to the Chairman and Chief Executive Officer subject to the achievement of performance objectives. The compensation policy encourages the active contribution of corporate officers to the Group's business, by rewarding either their effective participation in meetings of the Board of Directors and its Committees, or their direct contribution to the Group's performance.

In addition, the review of the corporate officers' compensation policy takes into account the opinions expressed by shareholders through their votes at Shareholders' Meetings as well as via the active dialogue maintained with them by the Company, including discussions in the presence of the Lead Director. The compensation and employment conditions of the Company's employees are also an integral part of the process of determining and reviewing the compensation policy. They are considered as part of the analysis of the consistency of the compensation structure implemented by the Company. The compensation policy is established in accordance with the measures implemented by the Company to prevent conflicts of interest. Therefore, the Chairman and Chief Executive Officer is not a member of the Compensation and Nomination Committee and does not attend the discussions of the Board of Directors relating to his compensation.

The compensation policy is established in compliance with the legal and regulatory provisions and following the recommendations of the AFEP-MEDEF corporate governance code.

Pursuant to the Act of July 3, 2008 implementing European Union Directive 2006/46/EC of June 14, 2006, SCOR refers to the AFEP-MEDEF corporate governance code in preparing the report to be issued in accordance with Article L. 225-37 of the French Commercial Code.

The compensation conditions of the corporate officers are made public annually, through the documents disclosed for the Shareholders' Meeting.

The changes in relation to the compensation policy for the Chairman and Chief Executive Officer presented in 2020 – are specifically identified in the relevant sections.

I. Directors' compensation policy

In accordance with the provisions of Article L. 22-10-8 II of the French Commercial Code, the Shareholders' meeting of June 30, 2021, has been requested to approve the compensation policy of the directors of the Company.

Since the Board of directors, during its meeting on May 17, 2021, decided to submit to the combined General meeting of shareholders of June 30, 2021, under the seventh resolution, the proposition to increase the envelope of the fixed annual amount of the directors' compensation from EUR 1,550,000 to EUR 1,755,000 in view of the increase in the number of directors as proposed to the General meeting, in accordance with the Board of directors' report on the draft resolutions presented in the Shareholders' Meeting brochure of June, 30, 2021, the compensation policy of the directors of the Company, mentioned in the Corporate Governance Report as presented in page 93 of the 2020 Universal Registration Document, has been updated.

The terms and conditions for the allocation of the directors' compensation mentioned below and in section 2.2.1.4.1 of the 2020 universal registration document remain unchanged.

This compensation policy mentioned in the present report of the board on draft resolutions, will be applicable for the current fiscal year, i.e. fiscal year 2021, and will remain in force until the next general meeting convened to approve the accounts of the fiscal year ended on December 31, 2021.

On the proposal of the Compensation and Nomination Committee and within the limit of the maximum aggregate amount of the compensation for the directors, the Board of Directors set the terms and conditions for the allocation of the compensation so as to encourage the attendance of the directors and to be compliant with the AFEP-MEDEF corporate governance code which stipulates that directors' compensation should consist primarily of a variable portion.

The directors' individual compensation is allocated as follows, within the limit of the annual maximum aggregate amount set by the Shareholders' Meeting:

• a fixed portion in an annual amount of EUR 28,000, payable at the end of each quarter. For non-French resident directors, an additional EUR 10,000 per year is allocated. It should be noted that the Board of Directors at its meeting on February 23, 2021, decided, given the health crisis, to suspend this allocation to non-French resident directors for the financial year 2021:

• a variable portion based on the effective presence of the directors at meetings of the Board of Directors and its Committees, in an amount equal to EUR 3,000 per Board or Committee meeting they attend, except for the Chairs of the Audit Committee, Risk Committee, Compensation and Nomination Committee, Corporate Social and Societal Responsibility and Environmental Sustainability Committee, Crisis Management Committee and Non-Executive Directors' Sessions, who receive an amount equal to EUR 6,000 for each meeting they chair.

Moreover, the non-executive members of the Board of Directors, who are individuals, except for the directors representing employees, receive an amount of EUR 10,000 each year to invest in SCOR shares.

Except for the Chairman and Chief Executive Officer and the directors representing employees, the members of the Board of Directors are not entitled to Company stock option plans or free share allocation plans, nor to any variable compensation other than the compensation related to their attendance at meetings.

No pension contributions (or commitments) are made on behalf of the directors, except for the Chairman and Chief Executive Officer, in the exercise of their duties.

Lastly, the directors representing employees have an employment contract under which they receive compensation in accordance with the principles of the Group's overall compensation policy. They also fall under the policy presented above as part of their duties as directors representing employees.

II. Compensation's policy for Mr. Denis Kessler as Chairman and Chief Executive Officer for 2021

In accordance with the provisions of Article L. 22-10-8 II of the French Commercial Code, the compensation policy of Mr. Denis Kessler, Chairman and Chief Executive Officer, as presented in the report of the Board included in pages 93 to 99 of the 2020 Universal Registration Document and mentioned below was submitted to the combined General meeting of Shareholders of June 30, 2021.

The compensation policy set out below will be applicable for the current fiscal year, i.e. fiscal year 2021, and will remain in force until the next annual General Meeting convened to approve the accounts of the fiscal year ended on December 31, 2021.

According to the recommendations of the AFEP-MEDEF Code, there is no employment contract between Mr. Denis Kessler and the Company.

The information relative to the term of the office of Mr. Denis Kessler and its conditions of dismissal appear in Section 2.1.5.1 – Corporate Officers, in the 2020 Universal Registration Document.

Governance

The Board of Directors of SCOR SE decided, at its December 12, 2008 meeting, to apply the recommendations of the AFEP (Association Française des Entreprises Privées, the French association of large companies) and MEDEF (*Mouvement des Entreprises de France*, the French business confederation) to the compensation of the executive corporate officer of SCOR, considering that they are in line with SCOR's corporate governance principles.

As part of the preparation of the compensation policy for the Chairman and Chief Executive Officer for 2021, the Compensation and Nomination Committee and the Board of Directors paid particular attention to taking into account the votes of the shareholders on the compensation policy at the Shareholders' Meeting of June 16, 2020 as well as the opinions expressed by certain shareholders as part of the active shareholder dialogue with them.

In a context marked by a dispute with Covéa (see Section 4.6.25 – Litigation of the 2019 URD) as well as by an activist opposition, the approval rates for the resolutions relating to the total compensation and benefits of the Chairman and Chief Executive Officer were 78.04% for the resolution relating to the previous financial year and 68.94% for the resolution relating to the compensation policy.

Taking note of these results, and while considering the particular circumstances that led to them, the Compensation and Nomination Committee carried out an in-depth review of the compensation policy, based on a detailed presentation by the General Secretariat and the Lead Independent Director of the opinions expressed by the shareholders before and after the Shareholders' Meeting. This presentation was submitted to the Committee at its July 2020 meeting and was then updated for its November 2020 and February 2021 meetings.

At these meetings, the Compensation and Nomination Committee noted that several recent changes to the compensation of the executive corporate officer effectively met the views expressed by some shareholders. In particular:

• the replacement in 2020 of the linear scale for calculating the portion of variable annual compensation relating to the target ROE by a tiered scale that is systematically less advantageous, particularly in the event that the achieved ROE is below the target ROE (minimum threshold raised from 30% to 50% of the target), which has introduced a high level of requirement. As an illustration, when the new scale is applied to the annual variable compensation to be paid in 2021 for 2020, no payment is made under this criterion;

• the addition of a performance condition based on SCOR's Total Shareholder Return (TSR) compared to a panel of peers in the resolutions on performance shares and stock options submitted to the Shareholders' Meeting, which allows for a better alignment of interests with the shareholders.

The above changes form an integral part of the compensation policy proposed for the executive compensation policy for 2021.

Principles and rules for determining the Chairman and Chief Executive Officer's compensation

The compensation policy for the Chairman and Chief Executive Officer is set by the Board of Directors and reviewed annually in light of the recommendations of the Compensation and Nomination Committee.

This compensation policy is based on the principles described below, which are consistent with the principles set out in the SCOR Group's overall compensation policy and rigorously applied by the Compensation and Nomination Committee as part of its work, both in creating and updating the compensation policy submitted to the Board for the Chairman and Chief Executive Officer and in making proposals about the compensation to be granted.

During their deliberations on his personal situation, in which the Chairman and Chief Executive Officer does not take part, the Compensation and Nomination Committee and the Board of Directors ensure that the compensation policy for the Chairman and Chief Executive Officer is in line with the corporate interest and business strategy of the Company and contributes to its sustainability.

Exhaustiveness

Each component comprising the compensation and benefits is analyzed individually and then collectively, in order to reach an appropriate balance between fixed and variable, individual and collective and short- and long-term components, including the benefits payable at the end of his term of office under the supplementary pension plan.

Compliance

The compensation policy was established in accordance with the recommendations of the

AFEP-MEDEF corporate governance code as revised in January 2020.

Talent management and alignment of interests

The compensation policy constitutes a tool that enables the Group to attract, motivate and retain talents at the highest level, and to meet the expectations of shareholders and other stakeholders, notably in terms of transparency and the link between compensation and performance.

The compensation policy for the Chairman and Chief Executive Officer is aligned with the compensation policy applied to the Group's employees. For all Partners within the Group around the world, the components comprising their compensation follow a similar structure and include several dimensions: a fixed portion and a variable portion, a portion that is paid immediately and a portion that is deferred, and an individual portion and a collective portion.

The Group's compensation policy favors performance shares and stock options over cash compensation, which distinguishes SCOR from most of its peers. This policy allows maximum alignment with the interests of shareholders, during the performance measurement period (three or six years) and beyond, through the holding of SCOR shares over time. In particular, it encourages long-term performance. It also allows costs to be kept under control, since taxation and employer charges on performance shares are, in France, lower than those on cash compensation.

The performance conditions, both for the collective portion of the variable annual compensation and for the performance shares and stock options, are perfectly aligned with SCOR's strategic objectives: profitability and solvency.

The performance condition based on solvency is consistent with the Group's risk appetite and notably avoids encouraging excessive risk-taking.

The individual objectives for the Chairman and Chief Executive Officer are proposed each year by the Compensation and Nomination Committee and set by the Board of Directors with the ambition of guaranteeing the resilience of the Company and the creation of value for shareholders. Individual objectives related to corporate social responsibility are also set for the Chairman and Chief Executive Officer.

Comparability and competitiveness

According to a decision by the Board of Directors, changes to the Chairman and Chief Executive Officer's compensation are determined in the light of benchmark analyses.

Consequently, market studies are regularly conducted by an external company for the Compensation and Nomination Committee, in order to ensure the competitiveness of the amount and structure of the Chairman and Chief Executive Officer's compensation compared to a panel of peers including the main global reinsurers selected by premium income and for which information on the pay of top management is available (Alleghany, Arch Capital Group, Axis Capital Holdings, Everest Re, Great West Lifeco, Hannover Re, Munich Re, Reinsurance Group of America and Swiss Re). The benchmark study was conducted by Mercer in 2020 based on available data for the previous year. The Chairman and Chief Executive Officer's total compensation for 2019 was equal to 91% of the median.

Structure of the Chairman and Chief Executive Officer's compensation

The structure of the Chairman and Chief Executive Officer's compensation is in line with market practice and is mainly composed of cash compensation, including a fixed portion and a variable annual portion, as well as variable long-term compensation and a supplementary pension plan.

Fixed compensation

Determination

The fixed compensation of the Chairman and Chief Executive Officer, payable in 12 monthly instalments, is determined on the basis of:

• the level and complexity of his responsibilities;

• his career path, professional experience and expertise;

• market analyses with regard to comparable functions (external competitiveness);

• consistency with regard to other Group functions (internal equality).

Changes

The Board of Directors has decided that the fixed compensation of the Chairman and Chief Executive Officer may only change in the event of a significant change in his scope of responsibility or a discrepancy in terms of the positioning of his compensation versus the market. In these specific situations, any adjustment to the fixed compensation, along with the motives behind such adjustment, will be made public.

For 2021, the Board of Directors decided at its February 23, 2021 meeting that the fixed compensation would remain at EUR 1,200,000. This amount has been unchanged since January 1, 2008.

Recruitment

The Board of Directors has decided that, should a new Chief Executive Officer be appointed, these same principles will apply.

Compensation of the Chairman and Chief Executive Officer in his capacity as a director

As a director of SCOR SE, the Chairman and Chief Executive Officer receives directors' compensation, which is allocated under the conditions set out in Section 2.2.1.4.1 – Directors' compensation policy.

It should be noted that the Chairman and Chief Executive Officer does not receive compensation for his other directorships in SCOR Group subsidiaries.

Variable annual compensation

Objective

The variable compensation is designed to encourage the Chairman and Chief Executive Officer to achieve the annual performance objectives set by the Board of Directors on the proposal of the Compensation and Nomination Committee, in line with the Company's strategy. In accordance with the AFEP-MEDEF corporate governance code, the potential amount of variable compensation is expressed as a percentage of the fixed compensation.

More specifically, the variable portion depends on financial and personal objectives representing the overall expected performance, and there is no minimum guaranteed amount.

Structure of the variable compensation

The target variable annual portion of the Chairman and Chief Executive Officer's compensation is based on transparent and demanding objectives tailored to the Group's sector of activity.

It is determined as follows:

• 50% on the basis of the achievement of financial objectives, set at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee; and

• 50% on the basis of the achievement of personal objectives (quantitative or qualitative), set at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee.

The personal objectives are mainly set based on the following categories:

• Solvency;

• Strategy;

• Risk management;

• Corporate Social Responsibility (CSR).

Each year, the Board of Directors examines, and then validates, the number, description and weight of the personal objectives.

At the end of each year, and for each objective, the achieved result compared to the expected target is communicated, with a justification for the achievement rate.

Under the conditions set out below, the Board of Directors enjoys a discretionary power in the application of the compensation policy for the Chief Executive Officer's variable annual compensation, in order to ensure that the latter correctly reflects the Group's performance. In the event that new circumstances or events – unforeseeable when the compensation policy was determined – occur during the financial year, which significantly impact – either upwards or downwards – the level of achievement of the performance criteria attached to the variable compensation, the Board of Directors may decide, on a proposal from the Compensation Committee, to use this discretionary power, on the condition of continuing to respect the principles set in the compensation policy and providing shareholders with a clear, precise and full explanation of its decision. This discretionary power would only apply to a limited portion of the annual compensation and could increase or decrease the theoretical amount achieved, in application of the performance criteria, for the financial year (with a range of maximum of plus or minus 20%), without this amount ever exceeding the overall ceiling set in the compensation policy.

Performance thresholds

The target variable annual compensation represents 100% of the fixed compensation.

In accordance with the compensation policy applicable to all Partners within the Group, a multiplier may be applied to the financial objectives (capped at a maximum of 130% of the target) and the personal objectives (capped at a maximum of 150% of the target) attached to the annual variable compensation of the Chairman and Chief Executive Officer in the event of outperformance, increasing the ceiling on the variable annual compensation of the Chairman and Chief Executive Officer to 140% of his target variable annual compensation.

In order to take into account the shareholder votes on the compensation policy as well as the opinions expressed by certain shareholders, the Board of Directors has decided in 2020 to make the calculation of the portion of variable annual compensation related to the financial objective more demanding, and to pay it in accordance with the table below:

Ratio between the observed ROE and the Target ROE	Proportion of the target paid
From 130%	130%
Between 120% and 129.99%	120%
Between 110% and 119.99%	110%
Between 100% and 109.99%	100%
Between 90% and 99.99%	90%
Between 80% and 89.99%	80%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	0%

The new calculation method is systematically more demanding than the method set out in the compensation policy applicable to the Group's Partners, which provides for a linear payment equal to the achieved ROE/target ROE ratio, with a floor at 30% and a ceiling at 130%, and which was also applied until 2019 (as part of the calculation of annual variable compensation due related to 2018) to the Chairman and Chief Executive Officer.

Moreover, the Group policy states that an additional exceptional bonus ("Exceptional Contribution Bonus" – ECB) may be awarded in recognition of participation in and high contribution to the success of specific strategic projects. The ECB may reach a maximum of 25% of the target variable annual compensation of the Chairman and Chief Executive Officer.

Therefore, the total variable annual compensation of the Chairman and Chief Executive Officer may not exceed 165% of his target variable annual compensation or, consequently, 165% of his fixed annual compensation.

Payment conditions

The variable compensation for year "Y" is paid during year "Y+1". In accordance with the applicable regulatory provisions, the payment of the variable annual compensation is subject to the approval of the Shareholders' Meeting.

Termination of duties

In order to take into account the shareholder votes on the compensation policy and the opinions expressed by certain shareholders, the Board of Directors has taken the following decisions about the compensation arrangements in the event that the Chairman and Chief Executive Officer leaves during the year:

Should the Chairman and Chief Executive Officer leave during the current year:

• his variable compensation for the previous year will be payable during the current year;

• in the event of dismissal, the amount of his variable compensation for the current year will be determined by the Board of Directors prorata temporis to his presence within the Group, without applying any other specific provision;

• no variable portion will be paid for the current financial year in the event of dismissal for misconduct.

Recruitment

The Board of Directors has decided that, in the event that a new Chief Executive Officer is appointed, these same principles will apply, it being specified that if the appointment is made during the current year, the amount due will be prorated based on new Chief Executive Officer's presence within the Group. Nevertheless, if an appointment is made during the second half of the year, performance will be assessed at the discretion of the Board of Directors on the proposal of the Compensation and Nomination Committee.

Moreover, the Board of Directors may also decide to allocate an amount designed to compensate the new Chief Executive Officer – if hired from a company outside the Group – for any loss of variable annual compensation due to their departure from their previous employer, it being specified that the payment of such compensation is subject to the approval of shareholders, in accordance with Article L. 22-10-34 of the French Commercial Code.

Exceptional compensation

No exceptional compensation has been paid by the Company over the past few years.

The Board of Directors has decided that the Chairman and Chief Executive Officer will not receive any exceptional compensation for the financial year ending December 31, 2021.

Long-term variable compensation

The Board of Directors considers that long-term variable compensation, which is a significant component of the compensation of all the Group's Partners (around 25% of the workforce), is particularly well suited to the office of Chairman and Chief Executive Officer, given the expected level of his direct contribution to the long-term, overall performance of the Company. This compensation policy favors stock options and performance shares over variable cash compensation, thereby promoting a strong alignment of the interests of the beneficiaries with those of the shareholders, both during the performance measurement period and beyond, through the holding of the shares.

At its February 23, 2021 meeting, the Board of Directors decided that a maximum of 125,000 performance shares and 100,000 stock options could be allocated to the Chairman and Chief Executive Officer in 2021.

The performance shares would vest three years after the allocation date (provided the beneficiary is still with the Group) and would be subject to performance conditions over three calendar years, i.e. 2021, 2022 and 2023 for the plans allocated in 2021.

The stock options would be exercisable at the earliest four years after the allocation date (provided the beneficiary is still with the Group) and would be subject to performance conditions over three calendar years, i.e. 2021, 2022 and 2023 for the plans allocated in 2021.

Performance conditions

The Board of Directors has decided that all stock option and performance share allocations made to the Chairman and Chief Executive Officer should be subject to performance conditions that are aligned with the main strategic objectives of SCOR as set out below.

These performance conditions are identical to those applicable to other Group beneficiaries and depend on demanding levels and full transparency, with the results measured based on public data.

Each year, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, confirms or determines the performance conditions along with their weight, targets and achievement levels, based on the authorizations granted by the Shareholders' Meeting. All of these conditions are made public every year in this document.

For 40% of the allocation:

• Achievement over the performance measurement period (three years) of an average ROE equal to the average of SCOR's strategic target ROE over the same period (the "Target ROE").

• If the observed average ROE is lower or higher than the Target ROE, the shares will vest/the stock options will be exercisable according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares that will vest/the options that can be exercised under this criterion
From 100%	100%
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	0%
In any case, if the observed average ROE is lower than 5%, the proportion of the shares that will vest/the stock options that could be exercised under this criterion will be 0%.	

For 40% of the allocation:

• Achievement over the performance measurement period (three years) of an average solvency ratio that is at least equal to the average of SCOR's strategic target solvency ratio over the same period (the "Target Solvency Ratio" 1);

• If the observed average solvency ratio is lower or higher than the Target Solvency Ratio, the shares will vest/the stock options will be exercisable according to the linear scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	**Proportion of the shares that will vest/the options that can be exercised under this criterion**
Higher than or equal to 0 percentage points	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

For the remaining 20% of the allocation:

• SCOR's ranking within a panel of peers 2 based on the average Total Shareholder Return (TSR) 3 (assuming that dividends are reinvested) of each company over three years (from January 1, 2021 to December 31, 2023).

The shares will vest/the stock options will be exercisable according to the table below:

SCOR's ranking within a panel of peers based on the TSR achieved over the reference period	**Proportion of the shares that will vest/the options that can be exercised under this criterion**
1st to 4th	100%
5th	50%
6th to 9th	0%

The achievement of these performance conditions will be assessed by the Compensation and Nomination Committee and validated by the Board of Directors.

In addition, notwithstanding the total or partial achievement of the performance conditions described above, the vesting of the shares and the right to exercise the stock options would be subject, in any event, to compliance by all the beneficiaries with the Group's ethical principles as described in the Group's Code of Conduct (the "Group Code of Conduct"). The Group Code of Conduct covers mandatory aspects of corporate responsibility, including: demonstrating integrity, protecting data and privacy, combating corruption, strictly complying with sanctions and embargos, preventing money laundering, ensuring transparency, promoting equal opportunities at work, encouraging ethical issues to be notified via a whistleblowing procedure, and promoting and respecting the principles of the United Nations Global Compact.

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1 If the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

2 The peers in the panel include: Allianz, Aviva, Axa, Generali, Hannover Re, Munich Re, Swiss Re, Zurich Insurance Group. In the event that one of the peers is no longer listed, the Board of Directors will define an appropriate substitute that will replace the outgoing peer for the entire reference period.

3 In order to limit the impact of currency movements on share prices, the TSR will be measured in euros for all of the companies in the panel.

In the event of a breach of the Code of Conduct, for instance in the event of fraud, no shares will vest, and no stock options could be exercised (clawback policy).

In addition, notwithstanding the total or partial achievement of the performance conditions described above, the vesting of the shares and the right to exercise all or some of the options would be subject, in any event, to the fulfilment of the corporate social responsibility (CSR) training obligation.

Presence condition

Other than in specific cases 4, the vesting of the performance shares and the right to exercise the stock options are subject to the Chairman and Chief Executive Officer remaining with the Group until the end of the vesting period.

In order to take into account the shareholder votes on the compensation policy as well as the opinions expressed by certain shareholders, the Board of Directors, on the proposal of the Compensation and Nomination Committee, has decided to abolish the full waiver of the presence condition in the event of forced departure for reasons other than misconduct or underperformance, and to apply a prorata calculation (see “Severance pay” below).

Allocation ceiling

In accordance with the authorizations by the Shareholders’ Meeting, the stock options and performance shares allocated to the Chairman and Chief Executive Officer cannot exceed 10% of the total allocations.

The maximum allocations for 2021 decided by the Board of Directors at its meeting on February 23, 2021 comply with this ceiling:

• the allocation of 125,000 performance shares represents 4.2% of the performance shares authorized by the Shareholders' Meeting;

• the allocation of 100,000 stock options represents 6.7% of the stock options authorized by the Shareholders' Meeting.

Holding obligation

The Board of Directors has decided that the Chairman and Chief Executive Officer must hold as registered shares at least 10% of the shares resulting from the exercise of his stock options and at least 10% of his performance shares throughout his term of office.

Moreover, the Chairman and Chief Executive Officer has made a formal commitment not to use hedging instruments on the stock options and/or performance shares, or shares from exercised options, that have been allocated to him, throughout his term of office.

Recruitment

The Board of Directors has decided that, in the event that a new Chief Executive Officer is appointed, these same principles will apply, it being specified that a specific allocation may be made to compensate the new Chief Executive Officer for any loss of variable long-term compensation due to his/her departure from his/her previous employer.

Multi-year compensation

The Board of Directors has decided not to use such a long-term compensation system that involves a cash payment, preferring to focus instead on share-based instruments that strengthen the alignment of interests with shareholders.

Nevertheless, such a system may be envisaged if regulatory developments or any other circumstance make it too restrictive or impossible for the Company to use share-based instruments.

4 Death, disability or retirement.

Severance pay

Since 2011, the Chairman and Chief Executive Officer benefits from a severance pay scheme that was last reviewed by the Board of Directors at its meeting on February 21, 2018 and approved by the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018 in its 5th resolution.

In the event of the termination of his term of office, the Chairman and Chief Executive Officer would be allocated benefits determined as follows:

(i) in the event of dismissal for misconduct, non-renewal of his term of office as Chief Executive Officer, resignation (other than due to forced departure as set out in paragraphs (ii) and (iii) below) or following a notably negative performance by the Company (non-achievement of the performance condition (C_n) as described below), no severance pay would be due;

(ii) in the event of forced departure or dismissal prior to the twelve (12) months preceding the end of his term of office as Chief Executive Officer, typically for divergent views on the Group's strategy, the Chief Executive Officer would receive severance pay equal to the sum of the fixed and variable components of his gross annual compensation paid in the twenty-four (24) months preceding the date of his departure from the Group. No severance pay would be due if the performance condition (C_n) defined below is not met. In the event of forced departure or dismissal during the twelve (12) months preceding the end of his term of office, no severance pay would be due;

(iii) in the event of forced departure or dismissal resulting from an unsolicited or non-recommended offer by the Board of Directors of the Company resulting in a change of control of the Group, the Chief Executive Officer would receive severance pay equal to the sum of the fixed and variable components of his annual gross compensation paid in the twenty-four (24) months preceding the date of his departure from the Group. No severance pay would be due if the performance condition (C_n) defined below is not met.

Moreover, in the cases referred to in paragraphs (ii) and (iii) above, and excluding the case referred to in paragraph (i), the rights to the performance shares and options allocated to the Chairman and Chief Executive Officer before his departure would be maintained prorata temporis to his presence within the Group during the vesting period while remaining subject, in their entirety, to the performance conditions of each of the plans.

This rule, which is more restrictive than that approved by the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018, was decided by the Board of Directors in order to take into account the shareholder votes on the compensation policy as well as the opinions expressed by certain shareholders.

The performance condition (C_n), approved by the Board of Directors on the recommendation of the Compensation and Nomination Committee, will be met if both criteria below are fulfilled:

• (A) SCOR's average ROE for the three financial years preceding the date of departure of the Chief Executive Officer exceeds 50% of the average of SCOR's strategic target ROE (as defined in the strategic plan) calculated over the same period (the "Target ROE");

• (B) SCOR's average solvency ratio for the three financial years preceding the date of departure of the Chief Executive Officer exceeds the average of SCOR's strategic target solvency ratio (as defined in the strategic plan) calculated over the same period (the "Target Solvency Ratio"), it being specified that, if the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

The purpose of these criteria is to ensure alignment with successive strategic plans, particularly the "Quantum Leap" strategic plan, by incorporating their objectives and thus being representative of the Chairman and Chief Executive Officer's impact on the Group's performance.

The Board of Directors, on the recommendation of the Compensation and Nomination Committee, will assess whether or not the performance condition (C_n) has been met.

Lastly, in the event of the termination of his duties, no non-competition clause applies to the Chairman and Chief Executive Officer.

Recruitment

The Board of Directors has decided that, in the event of the appointment of a new Chief Executive Officer, the conditions of his/her severance pay will not be more favorable than those currently in force.

Supplementary pension plan

Since he joined the Group in 2002, and like all the senior executives based in France and employed by the Group as at June 30, 2008, the Chairman and Chief Executive Officer is entitled to a guaranteed pension of 50% of his reference compensation, less any pension benefits acquired under other mandatory collective pension plans. Moreover, the amount paid under the SCOR plan may under no circumstances exceed 45% of the reference compensation, pursuant to the AFEP-MEDEF corporate governance code. It should be noted that, given his seniority within the Company, the Chairman and Chief Executive Officer has reached the ceiling of 45% set by the plan. Consequently, the legal provision which limits the annual increase in potential rights to 3% of the compensation of the beneficiary has no practical implications in his case.

The guaranteed pension amount is calculated according to a reference compensation based on the average contractual annual gross compensation paid by SCOR SE over the last five years and considered to constitute “wages and salaries” under French tax law. In order to benefit from the supplementary pension plan, the Chairman and Chief Executive Officer must still be a corporate officer or employee of the Company when he retires.

This plan was approved by the Board of Directors at its meeting of February 21, 2018 and by the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018 in its 4th resolution.

Other benefits

As the Company representative, the Chairman and Chief Executive Officer is granted a company car with a shared driver. The insurance, maintenance, fuel and all costs related to the driver are paid by the Company. The Chairman and Chief Executive Officer also benefits from a health insurance policy under the terms of a contract dated September 16, 1988.

Moreover, in accordance with the decision taken by the Board of Directors on March 21, 2006 (and reiterated on December 12, 2008, May 4, 2011 and July 30, 2014), the Chairman and Chief Executive Officer benefits from specific life insurance in an amount equivalent to three years of his fixed and variable compensation.

The above individual insurance policy has been taken out by the Company and supplements the “all causes” death or permanent disability insurance policy for senior executives, dated June 30, 1993, and renewed or renegotiated annually. The latest version is compliant with the mandatory collective supplementary welfare plan specific to SCOR, which is applicable to an objective category of employees whose annual gross base compensation is equal to or more than three times the social security ceiling. The individual and collective “all causes” death insurance policies are renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing ones.

Moreover, the Chairman and Chief Executive Officer benefits from death or permanent disability insurance in case of an accident, also taken out for the senior executives of the Company and applicable since January 1, 2006. This collective insurance is renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing one.

Deputy Chief Executive Officer

In the event of the appointment of one or more Deputy Chief Executive Officers, the compensation components, principles and criteria set out in the compensation policy and the benefits granted to the Chairman and Chief Executive Officer would also apply to the Deputy Chief Executive Officers. It would be the responsibility of the Board of Directors, on the recommendation of the Compensation and Nomination Committee, to adapt the objectives, performance levels, parameters and structure, it being specified that the target amounts expressed as percentages of the fixed compensation may not be higher than those of the Chairman and Chief Executive Officer.

Non-Executive Chairman

In the event of the appointment of a Non-Executive Chairman, the compensation principles set out in the compensation policy of the Chairman and Chief Executive Officer would be used as a reference. It would be the responsibility of the Board of Directors, on the recommendation of the Compensation and Nomination Committee, to adapt the structure to align it with market practices and the recommendations of the AFEP-MEDEF corporate governance code (Article 24.2). It is important to note that the Non-Executive Chairman may not be awarded variable compensation, performance shares or stock options.