

Denis Kessler

Chairman and Chief Executive Officer of SCOR SE

CIAM
Madame Catherine Berjal
72 Bd Haussmann
75008 Paris

Paris, 21 September 2018

Registered letter with acknowledgement of receipt

Dear Ms. Berjal,

Thank you for your letter of 17 September 2018.

You tell me that you take exception to the “*ease*” with which the Board of Directors of SCOR SE rejected the proposal made by the COVEA group, purportedly against good governance practices and against the interests of SCOR’s shareholders. Your accusations are baseless, false and misleading.

The facts: On 30 August, the SCOR SE Board of Directors exercised the utmost diligence and examined all the terms and conditions of COVEA’s proposal in detail. It assessed the benefits and consequences of this proposal for SCOR, its shareholders, its clients and its employees. The Board of Directors benefitted from the input of SCOR SE’s Strategy Committee and the input of a non-executive SCOR SE directors’ meeting specially convened to study this matter, from the advice of two leading banks (BNP Paribas and Citi), and from the advice of two prominent international law firms (Skadden and Gibson Dunn), one of which helped the non-executive directors to fulfil their fiduciary duties and obligations. Following this extensive work, the Board of Directors unanimously decided to reject Covéa’s proposal, notably on the grounds that it would jeopardize SCOR’s business model (particularly its independence, a guarantee of performance and financial flexibility), which creates strong value for all its shareholders, and that it reflects neither the intrinsic nor the strategic value of the company. The SCOR SE Board of Directors also reaffirmed the total confidence it has in SCOR’s management to continue to create value for all of the Group’s shareholders and stakeholders. I can therefore give you my full assurance that the Board of Directors of SCOR SE considered COVEA’s proposal extremely carefully. The interests of shareholders were at the heart of its decision.

I believe it is redundant for you to remind me of the importance of “*the provisions of Article 1833 of the Civil Code*” and the role of SCOR’s corporate bodies.

You write that the SCOR SE press release “claims” that a share price of 43 euros per share reflects neither the intrinsic nor the strategic value of SCOR. We do not claim this. We are certain of it and we have seen it proved. We have examined this point very carefully with the help of the two banks advising us. Clearly, CIAM does not have a valuation model for SCOR. If it did, you would have communicated the intrinsic and strategic value of the SCOR group, as obtained from that model, in your letter.

You add: “*However, the price offered is much higher than the company’s share price*” followed by “*I am therefore eager to hear the measures that you plan to take to ensure that Scor’s share price reflects its intrinsic value*”. Any financial analyst knows that the share price does not necessarily reflect the intrinsic or the strategic value of the company. No takeover transaction has ever been completed at the original share price of the company being targeted... All the actions taken by SCOR’s management, under the responsibility of the Board of Directors, aim to create value, with two targets: high profitability and optimal solvency. These targets have been achieved. SCOR is the highest rated financial-sector company in France, at AA-. We are confident that the market will reflect, over the long term, both the intrinsic and the strategic

value of the Group. We are pleased to note that, since 29 August, seven analysts have revised the standalone SCOR share target price upwards, with three of them putting it at 42 euros (see attached table).

You go on to write: *“your refusal to engage in any discussions with Covéa, means that you are not able to fully appreciate whether the offer could be in the corporate interest of Scor”*. We do not understand this paragraph. The proposal was set out in detail in the letter sent to us by Covéa. All the elements necessary to study the proposal were therefore known to us.

You continue by calling into question the integrity of the Board of Directors of SCOR SE, which you accuse of *“a desire to be independent from its shareholders”*, adding that this is *“not acceptable”*. What raises questions here is your statement. The investment management firm CIAM, which you head, became a shareholder of SCOR (very) recently – less than three weeks ago – clearly driven by (very) short-term speculative interests. Our long-term shareholders know perfectly well that the Board of Directors makes every effort to create value for their benefit. The interests of its shareholders are at the heart of SCOR’s strategy. The Group’s shareholders have always supported us, and have been highly rewarded for that support. The dividend has increased constantly since 2006, rising from 0.80 euros to 1.65 euros in 2017. Over this period, the Group has paid out 2.6 billion euros in dividends, despite the financial crisis and numerous natural catastrophes. The total return on SCOR shares over the past ten years, taking account of the reinvestment of dividends, stands at 266%. In line with its optimal capital management, SCOR has launched a share buy-back program – 50% of which has been executed – which is a clear example of how much we value our shareholders. The Group’s shareholders have become richer, and their high stability bears witness to the trust they place in SCOR’s management and Board of Directors to continue to create value.

Your statement *“we understand that all members of the Executive Committee would have committed to resign in the event that Covéa’s offer were accepted”* is based on unauthenticated information. Moreover, your comment that this *“constitutes an unacceptable pressure on Scor’s Board of Directors”* is itself unacceptable. We consider this accusation to be defamatory. It is prejudicial to the good repute and respectability of SCOR’s management.

Your threat to *“hold [me] and the Board of Directors legally liable for a decision which would constitute gross management negligence”* demonstrates a worldview far removed from my own. You make baseless accusations and issue threats. This attitude is directly opposed to the spirit of responsibility that has always motivated my actions.

Yours sincerely,

Denis Kessler

Chairman & Chief Executive Officer of SCOR SE

cc: Mr. Augustin de Romanet, Lead Independent Director and Chairman of the Compensation & Nomination Committee of SCOR SE